



OFFICE of INSPECTOR GENERAL
NATIONAL RAILROAD PASSENGER CORPORATION

HUMAN RESOURCES:

Company is Meeting Hiring Goals but Has Opportunities to Improve Hiring Efficiency

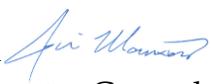
OIG-A-2024-002 | December 14, 2023

This page intentionally left blank.



Memorandum

To: Robert Grasty
Executive Vice President/Chief Human Resources Officer

From: Jim Morrison 
Assistant Inspector General, Audits

Date: December 14, 2023

Subject: *Human Resources: Company is Meeting Hiring Goals but Has Opportunities to Improve Hiring Efficiency (OIG-A-2024-002)*

In November 2021, the Infrastructure Investment and Jobs Act (IIJA)¹ provided \$66 billion for passenger and freight rail improvements, the largest investment in rail in generations. Amtrak's (the company) agreement workforce²—particularly its Electric Traction, Communication and Signals, and Track workers—will play a leading role in carrying out the company's infrastructure rehabilitation and revitalization plans made possible in large part by IIJA. The company reported that it filled more than 4,600 agreement positions in fiscal year (FY) 2023 and expects to fill about 3,300 more by the end of FY 2024. Company officials acknowledge, however, that filling these jobs has been and continues to be challenging in a tight labor market in which multiple industries are vying for workers with the same skills and experience as the company—in many cases to support projects funded by IIJA in other transportation sectors.

Our objective was to assess the extent to which the company is prepared to hire, onboard, and retain a sufficient agreement workforce to execute its growth plans. During our early work, managers in operating divisions voiced concerns that delays in the hiring process may be causing the company to lose viable candidates for its agreement ranks and could prevent it from efficiently bringing in new talent. We also noted potential issues with the company's ability to track candidates through the preboarding process. Therefore, we revised our audit scope and methodology to identify any challenges in the Human Resources department that were contributing to these delays and tracking issues.

¹ Infrastructure Investment and Jobs Act, Pub. L. No. 117-58, 135 Stat. 429 (2021).

² Agreement employees are those covered by collective bargaining agreements.

Amtrak Office of Inspector General
**Human Resources: Company is Meeting Hiring Goals but Has Opportunities
to Improve Hiring Efficiency**
OIG-A-2024-002, December 14, 2023

To meet our objective, we interviewed company officials and contractors in the Human Resources department to understand the department's processes and systems for managing and tracking the hiring process. We also interviewed managers in Service Delivery and Operations, which houses most of the company's agreement workforce, to understand their perspectives on hiring. We analyzed data from Human Resources on applicants and hiring activities, and we reviewed process documentation and communications that the company and its third-party contractor³ produce and maintain. We also interviewed managers and contractors charged with developing and maintaining the tools and systems the company uses to manage and inform its hiring activities. We conducted our work in Washington, D.C. For additional details on our scope and methodology, see Appendix A.

SUMMARY OF RESULTS

Company officials told us they reached their workforce goals in FY 2023, and they expect to continue meeting hiring needs in FY 2024. We identified opportunities, however, for the company to improve the efficiency of its hiring process. In particular, the company faces challenges with two distinct sets of data—hiring timeline data, which captures milestones in the hiring process, and clearance data, which tracks whether candidates have passed the company's background checks and other preemployment requirements. Addressing these challenges could improve the company's ability to continue to build the skilled workforce it needs to execute its multi-billion-dollar capital improvement plans over the next few years, as follows:

- **Better data could improve company's ability to identify and target hiring delays.** Since FY 2022, the company has tried to improve its hiring process, including reducing the time it takes to hire new employees. Company managers told us they believe that these efforts have helped, but during our audit, neither we nor the company could easily determine how long its hiring process takes or whether it is improving because its data are too unreliable to assess progress. Further, the company does not have meaningful goals and metrics for the individual phases in its hiring process and does not have the ability to regularly produce and report analyses that all stakeholders can use to monitor efficiency. Leading industry practices suggest that organizations establish such goals to monitor and improve performance. Without goals, reliable data, and centralized

³ The company contracts with a third-party firm to conduct and coordinate background checks, physicals, and drug tests that are part of the hiring process.

Amtrak Office of Inspector General
**Human Resources: Company is Meeting Hiring Goals but Has Opportunities
to Improve Hiring Efficiency**
OIG-A-2024-002, December 14, 2023

analyses and reporting, the company cannot monitor efficiency, identify what is driving delays, and effectively target improvements.

- **The company could improve the accuracy of candidate clearance data.** Our review found examples of inconsistent information across the tools the company uses to track candidates' clearances. We identified opportunities for the company to improve the accuracy of these data, including reducing the company's reliance on manual processes and verifying the accuracy of preboarding system data. Doing so would provide the company greater assurance that new employees have fully cleared preboarding and that it has not inadvertently excluded qualified employees from employment.

To better target the root causes of hiring delays, we recommend that the company validate the reliability of its hiring timeline data and implement tools to centrally analyze and routinely report performance metrics at each phase of its hiring process. To confirm that its preboarding process and related systems and tools are accurately clearing candidates for employment, we recommend that the company explore opportunities to minimize manual processes across preboarding clearance systems and implement a process to regularly confirm the accuracy of preboarding data.

In commenting on a draft of this report, the Executive Vice President/Chief Human Resources Officer agreed with our recommendations and described actions the company plans to take to implement them. These include implementing processes to validate its hiring data and verify the accuracy of preboarding clearance data. For management's complete response, see Appendix B.

BACKGROUND

The company's hiring process for agreement workers involves multiple stakeholders and incorporates a number of systems to track candidates as they move through the process.

Key stakeholders. Operating departments determine how many employees they need and work with Human Resources to fill positions. In Human Resources, key participants include the following:

- **The Talent Acquisition group** searches for candidates, reviews their resumes, coordinates interviews, and serves as the primary contact between the company and the candidate.

Amtrak Office of Inspector General
**Human Resources: Company is Meeting Hiring Goals but Has Opportunities
to Improve Hiring Efficiency**
OIG-A-2024-002, December 14, 2023

- **The Preboarding group** coordinates background checks, drug tests, and other actions to promote safe and secure company operations.
- **The Employee Resource Center** finalizes candidates' employment by issuing Employee Identification Numbers and entering personal data into the company's official personnel system.

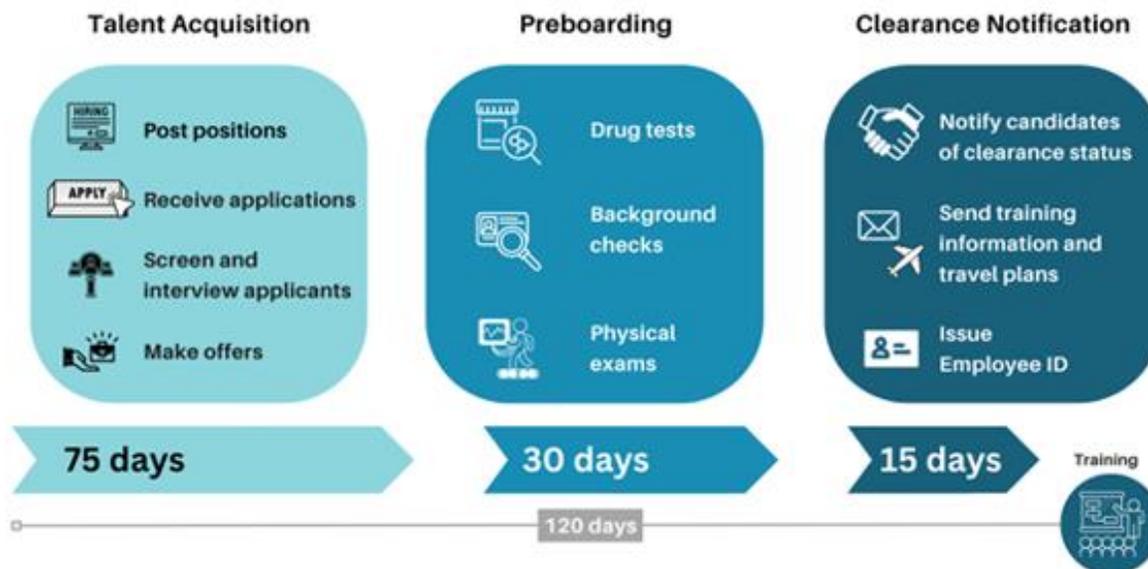
Hiring timeline. The company's hiring timeline has three broad phases:

1. **Talent acquisition:** Recruiters post positions and evaluate applicants.
2. **Preboarding:** The company assesses the suitability and safety of selected candidates.
3. **Clearance notification:** The company sends welcome letters, and candidates prepare to transition to a new position at Amtrak.

Figure 1 provides an overview of the 120-day hiring timeline and the number of days informally allotted for each component leading up to the designated training classes. Throughout this process, the Workforce Analytics group in Human Resources maintains a hiring dashboard that aggregates data from the relevant information systems and calculates broad metrics to gauge end-to-end performance.

Amtrak Office of Inspector General
**Human Resources: Company is Meeting Hiring Goals but Has Opportunities
to Improve Hiring Efficiency**
OIG-A-2024-002, December 14, 2023

Figure 1. Hiring Timeline



Source: OIG analysis of interviews with company officials

Training. Based on their hiring goals, operating departments develop schedules for the training classes they require with a set number of seats available in each class. The classes are specific to the various positions; for example, track workers' training focuses on trackside safety rules and operating procedures, and conductors' training emphasizes signals. Operating departments work with the Technical Training group⁴ to confirm that instructors are available to accommodate these schedules. Although training is among the last steps in the hiring process, the training schedule drives the hiring timeline from the outset: Talent Acquisition begins recruiting 120 days before a training class is scheduled to begin. For example, if the Mechanical department plans a training class for 50 Electricians and Mechanics on May 1, Talent Acquisition would post these 50 positions and begin accepting applications on January 1, which is 120 days in advance of the training.

Preboarding requirements. After the company makes offers, agreement employees are subject to multiple preboarding requirements that are governed by federal law and company policy. All agreement candidates must pass a criminal background check and a drug test. Additionally, some positions, such as electricians and locomotive engineers,

⁴ The Technical Training group is in the Safety, Health, and Environmental department.

Amtrak Office of Inspector General
**Human Resources: Company is Meeting Hiring Goals but Has Opportunities
to Improve Hiring Efficiency**
OIG-A-2024-002, December 14, 2023

require a physical exam to verify that candidates are fit for the physical demands of these positions. The company contracts with an external company that coordinates each of these actions. Once a candidate accepts an offer, the contractor initiates a background check and schedules the appropriate drug test and, if required, a physical exam.

Systems. Human Resources staff use multiple systems and tools to track and report candidates' progress through their preboarding requirements. As the candidate completes each requirement, the contractor updates the results on its internal database. The company then transfers information from the contractor's database into the following systems:

- **The Recruitment System** is the company's official system for recording candidates as they move through the hiring process. Some data flow directly from the contractor's database into the Recruitment System, but Amtrak coordinators also must manually update statuses for candidates whose clearances require additional review. The company employs additional tools outlined below because the Recruitment System is not able to produce useful reports.
- **The Clearance Database** is the Preboarding group's primary reference tool for tracking candidates' clearances. It feeds and updates automatically from the Recruitment System. The Clearance Database is able to produce reports that prompt Human Resources groups to begin a new hiring action, such as assigning identification numbers.
- **Daily Reports** are Excel spreadsheets that the Clearance Database automatically produces and sends to the Employee Resource Center at the end of each day. When a candidate completes all preboarding clearances, the Clearance Database automatically adds the candidate's name to this spreadsheet. Referencing this list, Coordinators in the Employee Resource Center manually assign an employee identification number, which solidifies the candidate's status as an Amtrak employee.
- **The Training Tracker** is a manual spreadsheet that a director in the Service Delivery and Operations department created to help operations managers track the status of candidates slated to fill vacant positions. The Preboarding group

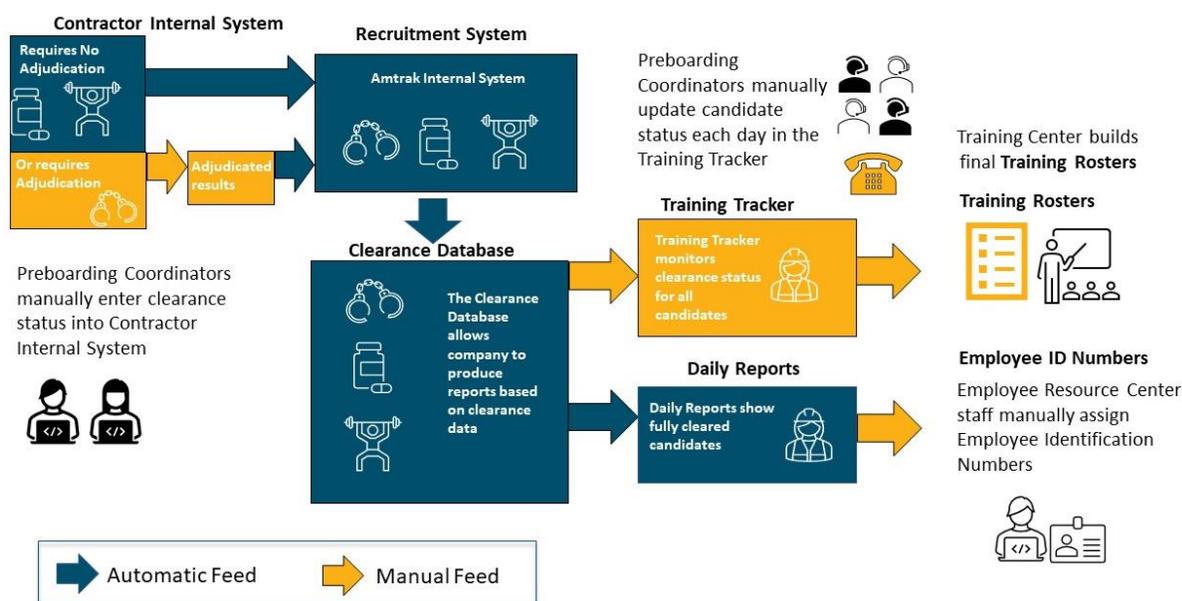
Amtrak Office of Inspector General
Human Resources: Company is Meeting Hiring Goals but Has Opportunities to Improve Hiring Efficiency
 OIG-A-2024-002, December 14, 2023

updates this tool manually based on information in the Clearance Database. It is the primary source of information for finalizing training rosters.

- **Training Rosters** provide trainers the complete and final list of candidates who have accepted positions, cleared all preboarding requirements, and are confirmed for employment beginning the first day of the scheduled training. Training staff use these rosters to book transportation and lodging for attendees.

Figure 2 shows how information moves from one system to the next and provides examples of the data found in each.

Figure 2. Map of Preboarding Data Through Company Systems



Source: OIG analysis of Preboarding process documents and interviews with company officials

BETTER DATA COULD IMPROVE COMPANY'S ABILITY TO IDENTIFY AND TARGET HIRING DELAYS

Company officials told us they reached their workforce goals in FY 2023, and they expect to continue meeting hiring needs in FY 2024. Still, company officials told us that they have opportunities to improve timeliness. The company recently made changes to its hiring process, in part to reduce the times of certain phases of the hiring process. The company cannot regularly assess the success of these efforts, however, because the data it collects throughout its hiring process are not sufficiently reliable. In addition, the

Amtrak Office of Inspector General
**Human Resources: Company is Meeting Hiring Goals but Has Opportunities
to Improve Hiring Efficiency**
OIG-A-2024-002, December 14, 2023

company does not have goals or metrics for each phase of the hiring process and does not have the ability to routinely analyze and report timeliness so all the groups involved in hiring can monitor efficiency. Without such tools, the company cannot know what is driving any current or future delays and effectively target improvements.

The Company Cannot Readily Determine Whether Efforts to Reduce Hiring Timelines Are Working

In April 2022, the company recognized that challenges in the hiring process were hampering its ability to fill its training classes and hire skilled agreement workers. The company hired a consultant to help improve the hiring process, with one of several goals being to help identify and target areas driving the lengthy process and mitigate some of its effects. In response to the consultant's recommendations and its own theories about what hiring actions were causing delays, the company took the following actions:

- eliminated difficult-to-schedule hair follicle drug tests in favor of more readily available urine-based tests
- consolidated multiple contracts for performing preboarding clearances, such as background checks, drug tests, and physicals into a single contract
- moved preboarding support personnel to the same Human Resources division as recruiters to facilitate coordination and communication
- expanded the hiring timeline from 90 days to 120 days to build in extra time for candidates to complete the clearance process, provide notice to their current employers, and make arrangements to attend their designated training classes

Although expanding the timeline might appear counterintuitive to the company's goal of shortening the process, it mitigated one of the most severe consequences of the hiring delays, which was the company's inability to consistently clear candidates in time to attend their designated training classes. When the company extended the timeline, managers told us the change was a temporary solution until it could improve its processes; more recently, however, Human Resources officials told us the current plan is to leave the 120-day timeline in place indefinitely.

Human Resources managers told us they believe that the hiring process timelines have improved, citing recent data showing that most candidates are completing clearance checks within 15 days. Nevertheless, clearance checks are just one phase of the process,

Amtrak Office of Inspector General
**Human Resources: Company is Meeting Hiring Goals but Has Opportunities
to Improve Hiring Efficiency**
OIG-A-2024-002, December 14, 2023

and managers acknowledged that they cannot easily determine how long the end-to-end hiring process takes. We also could not quantify how long the company's hiring process takes because its data are too unreliable to assess progress and are not captured in a way that enables analyses, as we discuss below.⁵

The Company Could Benefit from Automated Data, Tools, and Processes to Monitor the Hiring Timeline

The company cannot readily assess hiring timeliness for the following reasons:

The company has not validated the accuracy, consistency, and completeness of the data it collects to assess hiring timelines. The data the company collects throughout the hiring process—including the dates when candidates enter each phase of the recruitment process and the codes for why they drop out—are not reliable enough to support meaningful analyses. The company's consultant raised this issue in 2022, and we also identified examples of anomalies that call into question the reliability of the data. For example, we identified instances when the company's data indicated that applicants had begun the preboarding process but had not accepted an offer. We also identified applicants who were recorded as having accepted offers although other data showed that hiring managers had already eliminated them from consideration.

Notably, Human Resources executives agreed with our concerns and told us they have little trust in the data collected throughout the hiring process. They suggested that data entry issues—such as hiring coordinators not updating hiring actions in a timely way—could skew resulting calculations. Human Resources officials responsible for aggregating the data echoed these concerns, telling us that data validation is a challenge because the company does not collect them consistently. For example, the company does not have standardized codes for how managers should input data or uniform definitions for all data elements. If the company is not consistently collecting its timeline data and validating their accuracy and completeness, the reliability of calculations related to hiring efficiency will remain in question.

The company has opportunities to track additional goals and metrics related to hiring efficiency. More accurate hiring timeline data will not allow the company to gauge its progress in improving hiring efficiency if it does not also establish meaningful

⁵ In commenting on a draft of this report, Human Resources managers provided an analysis suggesting that the time to fill positions decreased during FY 2023. This analysis relied on data that we found to be previously unreliable for this purpose; therefore, we were not able to verify its accuracy.

Amtrak Office of Inspector General
**Human Resources: Company is Meeting Hiring Goals but Has Opportunities
to Improve Hiring Efficiency**
OIG-A-2024-002, December 14, 2023

performance goals and metrics. To track the effectiveness of its hiring process, the company relies primarily on counts of positions filled. It does not, however, regularly measure the length of the overall hiring process—a common public- and private-sector practice to help organizations identify inefficient or costly hiring activities and determine why candidates are dropping out of the process. These standards also call for organizations to review timeliness at each phase of the hiring process—another practice the company does not follow.⁶ For example, the Society for Human Resource Management (SHRM), the leading human resource management association, publishes annual benchmarks of hiring timelines by phase for different industries. Similarly, the Office of Personnel Management (OPM) established phase-specific goals for federal agencies, demonstrating their importance, as Figure 3 illustrates.

Figure 3. Phases and Goals in OPM’s Federal Hiring Process



Source: Excerpt from OPM’s *End to End Hiring Initiative*, March 2017

Note: We identified the portion of the OPM hiring timeline most relevant to the company’s hiring activities. This diagram illustrates the types of metrics and goals that federal agencies and other industries have adopted and may not be the most meaningful metrics to capture for the company’s hiring process. Furthermore, the counts in this graphic represent OPM goals and do not necessarily reflect the amount of time each stage should take the company to complete.

Without dividing the end-to-end hiring process into discrete segments and measuring the time it takes to complete each, the company cannot identify and target the root causes of delays and evaluate the impact of its improvement efforts.

⁶ OPM, *End to End Hiring Initiative*, March 2017; and SHRM, *Talent Access Report*, 2022. We also reviewed SHRM’s *Talent Access Reports* for the following industries and organization types: transportation, construction, government, and companies with more than 5,000 employees.

Amtrak Office of Inspector General
**Human Resources: Company is Meeting Hiring Goals but Has Opportunities
to Improve Hiring Efficiency**
OIG-A-2024-002, December 14, 2023

The company is not able to effectively analyze data and report on hiring efficiency.

The company collects data on the hiring process, but it does not have a tool that is capable of analyzing these data and reporting on the timeliness of each phase of the hiring process. The Human Resources department has a dashboard linked to hiring data that could be analyzed to measure the time that candidates spend in each hiring phase. For example, the data include dates when Human Resources refers qualified candidates to hiring managers and when managers make selections—a phase the company’s consultant and Human Resources managers described as time-consuming. The dashboard does not, however, have the capability to analyze these data or routinely report them for monitoring purposes.

In the absence of a more useful dashboard, multiple Human Resources managers told us they rely on ad hoc tools to track some phases of the hiring timeline. For example, the preboarding group posts data to a shared spreadsheet to track the status of individual candidates’ clearances. The company official who developed this spreadsheet said he designed it for the Service Delivery and Operations department to informally track candidate status, but Human Resources leadership told us the Talent Acquisition group relies on it and other resources to track hiring statistics for the agreement workforce.

Using multiple decentralized tools to track the hiring process, however, prevents all the groups involved in that process from gaining a full perspective on how their portion impacts the overall timeline. Conversely, using a single centralized source of detailed, accurate data and ensuring that it can produce and report phase-specific performance metrics would provide a uniform picture of the hiring process, help the company target and mitigate the causes of delays, and align the company’s process with management control standards.⁷

Undiagnosed Hiring Delays Could Impact the Company’s Ability to Efficiently Fill Critical Vacancies

Without the ability to regularly diagnose hiring delays or their causes, the company risks expending more resources than necessary on the hiring process and potentially losing qualified candidates. We analyzed the company’s data for all 1,466 external

⁷ Committee of Sponsoring Organizations of the Treadway Commission, *Internal Control-Integrated Framework*, May 2013; and Government Accountability Office, *Standards for Internal Control in the Federal Government*, (GAO-14-704G), September 2014.

Amtrak Office of Inspector General
**Human Resources: Company is Meeting Hiring Goals but Has Opportunities
to Improve Hiring Efficiency**
OIG-A-2024-002, December 14, 2023

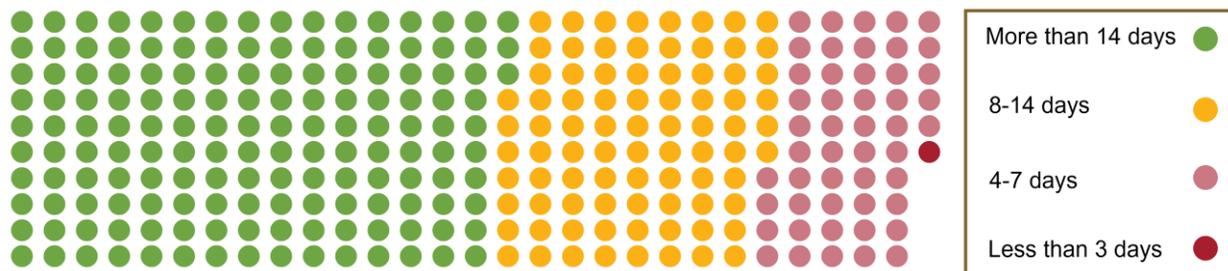
candidates who accepted job offers in the first 5 months of FY 2023, and the data showed that the company lost about 35 percent of candidates during the hiring process. Industry research cites lengthy hiring timelines as a primary driver of candidates abandoning the hiring process.⁸ Human Resources and Operations managers agreed that the lengthy hiring process could be driving candidate loss, but also cited rigorous clearance requirements as potential reasons why some applicants did not accept offers or dropped out of the process. The company's candidate tracking data, however, are not sufficiently reliable to determine why candidates are dropping out. With the company losing one in three candidates after making offers, Human Resources and hiring managers face the burden of finding and interviewing additional qualified candidates. To the extent that candidates drop out due to hiring delays, data that could more readily uncover the causes of delays would help the company make timely adjustments to its process and reduce the need to find and recruit additional candidates.

Beyond the risk of losing candidates, delays in the hiring process could impede the company's ability to give prospective employees adequate notice of their expected start date, which can impact candidate experience and negatively affect the company's reputation as an employer. For example, nearly all external agreement hires must attend new hire training before they can begin work. We reviewed communications with candidates for three Service Delivery and Operations classes in August, September, and October 2022 and found that 45 percent of the candidates in those classes cleared preboarding too late to give their current employers two weeks' notice—a leading practice and a company goal, according to company officials. Our analysis of three Service Delivery and Operations classes in March, April, and May 2023 revealed similar results: 47 percent of candidates had still not cleared within two weeks of their scheduled start dates. Figure 5 shows the amount of notice the company gave candidates to report for the most recent training sessions.

⁸ SHRM, *Candidate Resentment Is on the Rise*, April 2023; LinkedIn, *A Survey: Reasons Candidates Drop Out of Your Hiring Process*, July 2022; ERE Media, *New Research Reveals Why Candidates Are Abandoning Your Recruiting Process*, February 2022.

Amtrak Office of Inspector General
**Human Resources: Company is Meeting Hiring Goals but Has Opportunities
to Improve Hiring Efficiency**
OIG-A-2024-002, December 14, 2023

Figure 5. Notice Before Training, March, April, and May 2023



Source: OIG analysis of Service Delivery and Operations Training Tracker

The company recently advised us that it is making improvements in this area, citing data showing that two-thirds of candidates in the final quarter of FY 2023 cleared at least two weeks before their start dates. Continuing to improve upon this timely clearance rate will help ensure that candidates have positive experiences with the hiring process and support the company's reputation as an employer.

THE COMPANY COULD IMPROVE THE ACCURACY OF PREBOARDING CLEARANCE DATA

We identified opportunities for the company to improve the accuracy of the data it uses to track candidates' preboarding clearances and set up employees in the company's systems. Opportunities include reducing the company's reliance on manual processes and verifying the accuracy of preboarding system data. Improving these data would provide the company greater assurance that new employees have fully cleared preboarding and that qualified employees have not been inadvertently excluded from employment.

As candidates progress through the preboarding process, the company uses five separate systems and reports to track their progress and to verify that they have cleared all required checks and are properly set up in the company's systems.⁹ Human Resources managers told us the information should align across all five systems and reports, but our review of these data identified inconsistencies. Examples we found include the following:

- **Candidate information showed outstanding clearances.** For example, we found that 46 of 3,017 agreement employees hired in FY 2022 (about 1.5 percent) started

⁹ The Recruitment System, Clearance Database, Daily Reports, Training Tracker, and Training Rosters

Amtrak Office of Inspector General
**Human Resources: Company is Meeting Hiring Goals but Has Opportunities
to Improve Hiring Efficiency**
OIG-A-2024-002, December 14, 2023

working even though company data showed they had not met all of their preboarding requirements. Of these employees, 14 appeared on a report that is automatically fed and, according to company workflow rules, should not have been listed on it until they completed all their clearances. We also found that 4 of the 75 agreement participants in an October 2022 training class did not appear in the Clearance Database at all. We are not aware that the company hired any candidates inappropriately, but company officials acknowledged that they did not know that the preboarding data contained these inconsistencies. When we presented the anomalies, Human Resources officials attributed them to data errors but could not fully explain why they occurred.

- **Additional key information about employees was incorrect.** For example, we found 15 instances of employees coded under more than one employee identification number and 18 instances of employees who shared an employee identification number with another employee. We also found seven candidates coded as agreement employees although they were interns who were subject to different clearance requirements.

In addition to inconsistencies across data sets, the company's communication with candidates about their preboarding status is not always accurate. For example, a manager in Operations told us that every month at least one candidate shows up for new hire training after receiving notice of clearance only to find they had not yet cleared the preboarding process.

These types of data inconsistencies and errors likely exist because of the following challenges:

- **The company relies heavily on manual processes and ad hoc tools to track clearances.** The company has automated some of its preboarding clearance processes but still relies heavily on manual entries and ad hoc workarounds instead of fully automated interfaces. For example, when candidates in the preboarding process require additional reviews—such as a failed drug test resulting from the legitimate use of prescribed medication—coordinators must review notes in the contractor's system and individually update clearance status. These manual processes increase the risk of errors and omissions, and we found evidence of this in our attempts to resolve anomalies we noted in the company's data. For example, Human Resources managers told us that in some of the 46 cases we identified with conflicting clearance data, preboarding coordinators had

Amtrak Office of Inspector General
**Human Resources: Company is Meeting Hiring Goals but Has Opportunities
to Improve Hiring Efficiency**
OIG-A-2024-002, December 14, 2023

likely neglected to update a candidate's status in one of the record-keeping systems. Therefore, the data erroneously showed that the candidate had not completed preboarding.

The company relies on manual workarounds in its preboarding clearance process because it has not fully explored other technology solutions. For example, the project manager on the company's preboarding contract told us the company has requested, and the contractor has agreed, that it could automate the flow of more information into the company's system. Digital Technology officials told us they could support this effort if the contractor pursues it, but as of July 2023, the company had not prioritized this request.

- **The company does not comprehensively verify data results.** During our audit, the company began addressing problems that led to some of the errors we identified. For example, when we informed the company about data inconsistencies across its systems, Human Resources initiated limited-scope audits to identify and correct anomalies similar to those we identified. These audits, however, do not seek to verify—for example, through sampling or other limited scope reviews—whether new employees who display full clearances in the company's systems have successfully met all requirements. As a result, data errors could occur without the company's awareness.

The company relies on its clearance data to hire new employees who will operate trains, interact with passengers, and take responsibility for the safety of the company's passengers and employees. Improving the accuracy of data used to track employee clearances would align the company with management control standards and provide greater assurance that new employees do not have disqualifying backgrounds, do not use prohibited substances, and are medically fit to perform their duties.¹⁰ Improved data accuracy could also guard against the risk that qualified candidates might be inadvertently eliminated from consideration or delayed in their hiring, thus prolonging critical vacancies.

¹⁰Committee of Sponsoring Organizations of the Treadway Commission, *Internal Control-Integrated Framework*, May 2013; and Government Accountability Office, *Standards for Internal Control in the Federal Government*, (GAO-14-704G), September 2014.

Amtrak Office of Inspector General
**Human Resources: Company is Meeting Hiring Goals but Has Opportunities
to Improve Hiring Efficiency**
OIG-A-2024-002, December 14, 2023

CONCLUSIONS

As the company continues to add thousands of agreement employees to its workforce, the Human Resources department will continue to face challenges competing for skilled workers against industries that are also undertaking IIJA-funded work. Using more precise, reliable data and incorporating more comprehensive hiring metrics could help the department diagnose any potential delays in order to remain competitive in a tight labor market. Further, as the company continues to grow, verifying its preboarding clearance data would help provide necessary assurances to the company that that new employees have fully cleared all preboarding checks.

RECOMMENDATIONS

To improve the efficiency of the company's hiring process, we recommend that the Executive Vice President/Chief Human Resources Officer, take the following actions:

1. Establish a process to regularly validate the accuracy, completeness, and consistency of the data it uses to assess the timeliness of the hiring process.
2. Implement tools to centrally analyze and routinely report detailed and accurate timeline data, including phase-specific hiring goals and metrics to monitor hiring efficiency over time.

To provide reasonable assurance that its preboarding clearance data are accurate, we recommend that the Executive Vice President/Chief Human Resources Officer take the following actions:

3. Explore and implement technology solutions that minimize reliance on manual analyses and processes in the company's preboarding clearance systems. At a minimum, this should include coordinating with the contractor that oversees clearances to augment the data transmitted to the company automatically and engage Digital Technology to support the flow of these additional data.
4. Implement a process of regular checks or audits to comprehensively verify whether candidates' clearances are accurately reflected in the preboarding clearance systems and identify the causes of any anomalies.

Amtrak Office of Inspector General
**Human Resources: Company is Meeting Hiring Goals but Has Opportunities
to Improve Hiring Efficiency**
OIG-A-2024-002, December 14, 2023

MANAGEMENT COMMENTS AND OIG ANALYSIS

In commenting on a draft of this report, the Executive Vice President/Chief Human Resources Officer agreed with our recommendations and described plans to address them. We summarize the company's comments and actions below:

Recommendation 1: Management agreed with our recommendation to establish a process to regularly validate the accuracy, completeness, and consistency of the data it uses to assess the timeliness of the hiring process. The company plans to establish this process by September 2024.

Recommendation 2: Management agreed with our recommendation to implement tools to centrally analyze and report phase-specific hiring timeline goals and metrics. Human Resources agreed to work with the Digital Technology department to research, evaluate, and implement the selected tools by January 2025.

Recommendation 3: Management agreed with our recommendation to explore and implement technology solutions that minimize reliance on manual preboarding clearance processes and establish a central repository for clearance results. Human Resources agreed to partner with Digital Technology to research and implement more automated processes and establish a centralized clearance data repository by January 2025.

Recommendation 4: Management agreed with our recommendation to implement a process of regular checks or audits to verify the accuracy of candidate clearance information in the preboarding clearance systems. Human Resources plans to establish these routine checks by March 2024.

Amtrak Office of Inspector General
**Human Resources: Company is Meeting Hiring Goals but Has Opportunities
to Improve Hiring Efficiency**
OIG-A-2024-002, December 14, 2023

APPENDIX A

Objective, Scope, and Methodology

This report provides the results of our review of the company's process for hiring agreement employees. Our objective was to assess the extent to which the company is prepared to hire, onboard, and retain a sufficient agreement workforce to execute its growth plans. During our early work, managers in operating divisions voiced concerns that delays in the hiring process may be causing the company to lose viable candidates for its agreement ranks and could prevent it from achieving its hiring goals. We also noted potential issues with the company's ability to track candidates through the preboarding process. We revised our audit scope and methodology to identify issues, if any, in the Human Resources department that were contributing to these delays and tracking issues. We performed our work in Washington, D.C., from September 2022 through November 2023.

To address our audit objective, we reviewed documents and interviewed officials from the Human Resources, Service Delivery and Operations, System Safety and Technical Training, and Digital Technology departments to understand the extent, causes, and effects of hiring delays and the company's efforts to address them. We also analyzed data from (1) the Human Resources department's Recruitment System to assess the extent of the company's challenges tracking candidates through preboarding, and (2) the company's Enterprise Resource Planning software system, SAP, to verify the employment status of candidates. In addition, we attended Human Resources department meetings to observe and understand how its employees validate the status of the new hire candidates during the preboarding process.

We conducted this performance audit in accordance with generally accepted governmental auditing standards. 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 objective.

Amtrak Office of Inspector General
**Human Resources: Company is Meeting Hiring Goals but Has Opportunities
to Improve Hiring Efficiency**
OIG-A-2024-002, December 14, 2023

Internal Control

We reviewed internal controls related to the hiring process. Specifically, we assessed internal control components and underlying principles and determined that the following three components of internal control were significant to our objective:

- **Information and Communication.** Management should use quality information to achieve the entity's objectives.
- **Monitoring.** Management should establish and operate monitoring activities to monitor the internal control system and evaluate the results.
- **Control Activities.** Management should design control activities to achieve objectives and respond to risks.

We developed our audit work to ensure that we assessed each of these control components. Specifically, we interviewed officials in the Human Resources, Service Delivery and Operation, System Safety and Technical Training, and Digital Technology departments to understand the hiring processes and related internal control. We then identified key controls and tested their design, implementation, and operating effectiveness. We concluded that the hiring process had significant deficiencies for all three components, which we note in the report.

We also evaluated company controls over key information systems and tested their operating effectiveness. Although we identified deficiencies in the information systems controls, we concluded that the deficiencies were not significant in the context of our audit objective. Our review was limited to the internal control components relevant to our audit objective, and we did not review the company's overall system of controls and procedures; therefore, we may not have identified all internal control deficiencies that existed at the time of this review.

Computer-processed Data

To identify inefficiencies in the company's hiring process, we obtained computer-processed data from the Human Resources department, including data from the Recruitment System through the various sources it feeds. To determine how many candidates abandon the hiring process after accepting an offer, we reviewed data that feed the company's hiring dashboard. To assess the reliability of the company's preboarding process, we reviewed data sent to the Clearance Database and Daily Reports.

Amtrak Office of Inspector General
**Human Resources: Company is Meeting Hiring Goals but Has Opportunities
to Improve Hiring Efficiency**
OIG-A-2024-002, December 14, 2023

To assess the reliability of these data, we took the following actions:

- interviewed the officials who oversee the data to understand how they collect, process, and manage the data to determine their reliability
- performed our own data-reliability reviews, including basic checks for duplicates, outliers, and other inconsistencies
- engaged the Office of Data Analytics to compare our findings to data in the company's SAP system
- compared results for employees across multiple data systems to the extent possible

We identified data-reliability challenges that will impact the company's ability to use the data as intended, which we note in the report, but determined that the data were sufficiently reliable to support our findings, conclusions, and recommendations in the context of the audit objective.

Prior Reports

In conducting our analysis, we reviewed and used information from the following Amtrak OIG reports:

- *Human Resources: The Company is Addressing Engineering Management Workforce Challenges, but Additional Work Remains* (OIG-A-2022-012), July 12, 2022
- *Human Resources Department Will Face Challenges Supporting Workforce Growth Plans* (OIG-A-2022-003), December 7, 2021
- *Background Checks Process Has Improved, but Some Inefficiencies and Gaps Persist* (OIG-A-2019-001), November 1, 2018

Amtrak Office of Inspector General
**Human Resources: Company is Meeting Hiring Goals but Has Opportunities
to Improve Hiring Efficiency**
OIG-A-2024-002, December 14, 2023

APPENDIX B

Management Comments

NATIONAL RAILROAD PASSENGER CORPORATION

Memo



Date:	December 5, 2023	From:	Robert Grasty, EVP CHRO
To:	Jim Morrison, Assistant Inspector General, Audits	Department:	Human Resources 
cc:	Stephen Gardner, CEO Roger Harris, President Eleanor Acheson, EVP General Counsel Julia Costello, Dir Talent Acquisition Robert Foster, AVP Talent Acquisition James Halloran, Sr. Dir Talent Acquisition Laura Mason, EVP Capital Delivery Dennis Newman, EVP Strategy & Planning Ghazal Parsa, AVP HR Transformation & Shared Services Steven Predmore, EVP CSO Shakil Wadiwala, AVP DT Corp. Tech Gerhard Williams, EVP Service & Delivery Ops Tracie Winbigler, EVP CFO Christian Zacariassen, EVP CIO		

Subject: Management Response to **Human Resources: *Company is Meeting Hiring Goals but Has Opportunities to Improve Hiring Efficiency*** (Draft Audit Report for Project No. 014-2023).

This memorandum provides Amtrak's response to the draft interim audit report titled, "*Company is Meeting Hiring Goals but Has Opportunities to Improve Hiring Efficiency*".

Management thanks the Office of Inspector General (OIG) for their time and efforts in conducting this assessment of Amtrak's Human Resources' Talent Acquisition space.

In the two most recent fiscal years, the Human Resources department's goal was to bring new hires to the organization so Amtrak could return to pre-pandemic service levels and to support the Infrastructure Investment and Jobs Act. To accomplish that, the team has implemented numerous initiatives and programs, as well as updated programs. These efforts, paired with significant support and effort from the entire Amtrak team have enabled Amtrak to fill 10,000 positions bringing in over 8,500 new employees to work at Amtrak in FY22 and FY23. Allowing Amtrak to achieve company hiring targets.

Amtrak Office of Inspector General
**Human Resources: Company is Meeting Hiring Goals but Has Opportunities
to Improve Hiring Efficiency**
OIG-A-2024-002, December 14, 2023

NATIONAL RAILROAD PASSENGER CORPORATION

Management agrees to implement the recommendations noted below and appreciates the opportunity to provide a response.

To improve the efficiency of the company's hiring process, the OIG recommends that the Executive Vice President/Chief Human Resources Officer, take the following actions:

Recommendation #1:

Establish a process to regularly validate the accuracy, completeness, and consistency of the data it uses to assess the timeliness of the hiring process.

Management Response/Action Plan:

HR Talent Acquisition will implement a process to regularly validate the data used to assess timeliness of the hiring process.

Responsible Amtrak Official(s):

Julia Costello, Dir Talent Acquisition
Robert Foster, AVP Talent Acquisition
Ghazal Parsa, AVP HR Transformation & Shared Services

Target Completion Date: September 30, 2024

Recommendation #2:

Implement tools to centrally analyze and routinely report detailed and accurate timeline data, including phase-specific hiring goals and metrics to monitor hiring efficiency over time.

Management Response/Action Plan:

HR Talent Acquisition will partner with Digital Technology (DT) to research a viable option for centralized detailed and accurate hiring timeline data with reporting to support phase-specific hiring goals and metrics. Once the options have been evaluated, the potential solutions will be presented to HR leadership for consideration. Once a solution is selected, we will set a timeline and implementation plan.

Responsible Amtrak Official(s):

Julia Costello, Dir Talent Acquisition
Robert Foster, AVP Talent Acquisition
Ghazal Parsa, AVP HR Transformation & Shared Services
Shakil Wadiwala, AVP DT Corp. Tech

Target Completion Date: January 31, 2025

Amtrak Office of Inspector General
**Human Resources: Company is Meeting Hiring Goals but Has Opportunities
to Improve Hiring Efficiency**
OIG-A-2024-002, December 14, 2023

NATIONAL RAILROAD PASSENGER CORPORATION

To provide reasonable assurance that its pre-boarding clearance data are accurate, the OIG recommends that the Executive Vice President/Chief Human Resources Officer take the following actions:

Recommendation #3:

Explore and implement technology solutions that minimize reliance on manual analyses and processes in the company's preboarding clearance systems. At a minimum, this should include coordinating with the contractor that oversees clearances to augment the data transmitted to the company automatically and engage Digital Technology to support the flow of these additional data.

Management Response/Action Plan:

HR Talent Acquisition will partner with Digital Technology (DT) to research a viable technology solution to minimize reliance on manual processes through the preboarding process and establish an updated central repository for the required preboarding clearance check results. Once the options have been evaluated, the potential solutions will be presented to HR leadership for consideration. Once a solution is selected, we will set a timeline and implementation plan.

Responsible Amtrak Official(s):

Julia Costello, Dir Talent Acquisition
Robert Foster, AVP Talent Acquisition
Ghazal Parsa, AVP HR Transformation & Shared Services
Shakil Wadiwala, AVP DT Corp. Tech

Target Completion Date: January 31, 2025

Recommendation #4:

Implement a process of regular checks or audits to comprehensively verify whether candidates' clearances are accurately reflected in the preboarding clearance systems and identify causes of any anomalies.

Management Response/Action Plan:

HR Talent Acquisition will establish a process to regularly validate candidate clearance checks in the preboarding clearance systems.

Responsible Amtrak Official(s):

Julia Costello, Dir Talent Acquisition
Robert Foster, AVP Talent Acquisition

Target Completion Date: March 31, 2024

Amtrak Office of Inspector General
**Human Resources: Company is Meeting Hiring Goals but Has Opportunities
to Improve Hiring Efficiency**
OIG-A-2024-002, December 14, 2023

APPENDIX C

Abbreviations

FY	fiscal year
IIJA	Infrastructure Investments and Jobs Act
OPM	U.S. Office of Personnel Management
SHRM	Society for Human Resource Management
the company	Amtrak

Amtrak Office of Inspector General
**Human Resources: Company is Meeting Hiring Goals but Has Opportunities
to Improve Hiring Efficiency**
OIG-A-2024-002, December 14, 2023

APPENDIX D

OIG Team Members

J.J. Marzullo, Deputy Assistant Inspector General, Audits

Leila Kahn, Senior Director

Elizabeth Sherwood, Audit Manager

Felix Kungu, Senior Auditor

Jake Darpel, Auditor

Alison O'Neill, Communication Analyst

OIG MISSION AND CONTACT INFORMATION

Mission

The Amtrak OIG's mission is to provide independent, objective oversight of Amtrak's programs and operations through audits and investigations focused on recommending improvements to Amtrak's economy, efficiency, and effectiveness; preventing and detecting fraud, waste, and abuse; and providing Congress, Amtrak management, and Amtrak's Board of Directors with timely information about problems and deficiencies relating to Amtrak's programs and operations.

Obtaining Copies of Reports and Testimony

Available at our website www.amtrakoig.gov

Reporting Fraud, Waste, and Abuse

Report suspicious or illegal activities to the OIG Hotline

www.amtrakoig.gov/hotline

or

800-468-5469

Contact Information

Jim Morrison

Assistant Inspector General, Audits

Mail: Amtrak OIG

10 G Street NE, 3W-300

Washington, D.C. 20002

Phone: 202-906-4600