

GAO Highlights

Highlights of [GAO-16-62](#), a report to congressional requesters

Why GAO Did This Study

The Dodd-Frank Wall Street Reform and Consumer Protection Act created CFPB to regulate the provision of consumer financial products and services. In 2014, congressional hearings included testimony from CFPB employees about allegations of discrimination and retaliation, which raised concerns about CFPB's management practices and culture.

GAO was asked to review personnel management and organizational culture issues at CFPB. This report examines (1) CFPB employees' views on these issues and (2) CFPB's efforts to strengthen personnel management and culture, among other objectives.

GAO reviewed relevant CFPB reports, policies, procedures, and other documents; surveyed CFPB employees and executives (with 62 and 63 percent response rates, respectively) to gather their views on CFPB's personnel practices and organizational culture; spoke with CFPB employees who contacted GAO through its phone and email hotlines; interviewed CFPB officials; and reviewed reports and recommendations from the Office of the Inspector General for the Board of Governors of the Federal Reserve System and CFPB.

What GAO Recommends

GAO makes two recommendations to improve CFPB's personnel management efforts, including developing a strategy for reporting on progress and creating feedback tools on its grievance processes in coordination with its employee union. CFPB concurred with both recommendations.

View [GAO-16-62](#). For more information, contact Daniel Garcia-Diaz at (202) 512-8678 or garciadiazd@gao.gov

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CONSUMER FINANCIAL PROTECTION BUREAU

Additional Actions Needed to Support a Fair and Inclusive Workplace

What GAO Found

Nonexecutive employees at the Consumer Financial Protection Bureau (CFPB) who responded to GAO's survey identified strengths and areas for improvement in CFPB's personnel practices and culture. Most respondents agreed that enthusiasm for CFPB's mission is high and that immediate supervisors respect and value differences among individuals. However, GAO's survey found heightened concerns related to fair treatment, trust that employees can raise concerns without fear of reprisal, confidence in complaint processes, and other matters. For survey items on these issues, more than 25 percent of respondents bureau-wide had unfavorable views, and dissatisfaction was above 35 percent in some CFPB offices and demographic groups. For example, about one-third of respondents disagreed with the statement that success at CFPB is based more on merit than on personal connections or favoritism. Disagreement was 40 percent or more for a few offices that focus on examining institutions and among black respondents.

As part of ongoing improvement efforts and in response to challenges it identified in late 2013 and early 2014, CFPB has worked to strengthen personnel management practices and enhance its diversity and inclusion efforts. In part to address weaknesses in personnel practices that may have contributed to perceptions of unfair treatment, CFPB has expanded management training, developed new guidance on personnel practices, and developed a new performance management system. CFPB has made progress in adopting leading diversity management practices identified in prior GAO work, such as finalizing a diversity strategic plan, creating employee diversity groups, and expanding diversity training. In addition, CFPB launched a new initiative to strengthen its organizational culture that includes obtaining employee input on ideas for improving CFPB's culture and addressing employee concerns. Finally, CFPB has strengthened its employee complaint processes by providing new training and guidance and creating feedback mechanisms to help evaluate progress in some areas.

CFPB has taken steps to measure and communicate progress on these efforts, such as through its process for analyzing feedback from employee surveys. However, without additional steps in these areas, CFPB may miss opportunities to help ensure sustained commitment and accountability for its initiatives.

- CFPB's diversity, inclusion, fairness, and culture efforts represent a significant change management initiative, but CFPB does not comprehensively report on its implementation goals and progress across these efforts.
- CFPB has created some feedback mechanisms to evaluate the effectiveness of its equal employment opportunity complaint process, but has not done the same for its employee grievance processes.