



## Office of Inspector General

Board of Governors of the Federal Reserve System  
Consumer Financial Protection Bureau

Executive Summary, 2024-MO-B-017, September 25, 2024

# The Board Can Strengthen Its Hiring Practices to Help Mitigate Bias and Reinforce Its Commitment to Ensuring a Diverse Workforce

## Findings

The Board of Governors of the Federal Reserve System has followed certain leading practices to cultivate a diverse workforce. Specifically, the People, Strategy and Operations group (PSO) helps divisions identify a diverse pool of qualified applicants by conducting outreach to diverse hiring platforms and tracks hiring data at each stage of the hiring cycle. However, during the 2018 through 2022 period, the Board's applicant pool became less diverse during the last two stages of the hiring cycle.

PSO faces challenges in implementing certain Boardwide hiring practices, such as anonymizing résumé data and mandating Boardwide training for hiring managers, and it does not have comprehensive, written guidance that divisions can follow that covers all aspects of the hiring process. Further, for certain hiring actions, strategy sessions were not consistently held with hiring managers to discuss leading practices for hiring a diverse workforce. Finally, PSO has not implemented clear and complete procedure steps for collecting applicant demographic data, which is used to track applicant demographics, address diversity gaps, and develop reports for Congress.

## Recommendations

Our report contains seven recommendations designed to strengthen the Board's hiring process and practices related to workforce diversity. In response to our draft report, the Division of Management concurs or generally concurs with our recommendations and outlines actions that have been or will be taken to address our recommendations. We will follow up to ensure that the recommendations are fully addressed.

## Purpose

We conducted this evaluation to identify the extent to which the Board's hiring policies, procedures, and practices affect workforce diversity. We examined hiring actions from January 1, 2020, through December 31, 2022, as well as Board applicant and workforce demographic data from January 1, 2018, through December 31, 2022.

## Background

The Board's mission is to promote a strong economy for the American people by fostering the stability, integrity, and efficiency of the nation's monetary, financial, and payment systems. Attracting, developing, and retaining a diverse workforce with varied experiences and perspectives will help the Board to successfully meet its mission.

The Board's *Diversity, Equity, and Inclusion Strategic Plan 2022–25* reflects the Board's strategic focus on diversity, equity, and inclusion. The plan includes strategic objectives related to attracting and hiring a highly skilled and diverse workforce.