SUPPORTING JUSTIFICATION – Part A
FRA Workforce Development Study on Performance
Management Systems and Organizational Culture and Diversity
OMB No. 2130-NEW
Form Number FRA F 6180.278; FRA F 6180.279

Summary of Submission

- This submission is a new collection of information related to how restructuring performance management systems can increase diversity in rail in the United States.

- The Federal Railroad Administration (hereafter "FRA" or "the Agency") published the required 60-day Notice in the Federal Register on April 2, 2024. See 89 FR 22767. FRA received no comments in response to this Notice.

- The total burden hours requested for this information collection submission is 25 hours.

- Total number of responses requested for this submission is 95.

- The answer to question number 12 itemizes information collection requirements.

1. **Circumstances that make collection of the information necessary.**

   The Federal Railroad Administration Office of Research, Development and Technology (FRA RD&T) is seeking the approval from the Office of Management and Budget (OMB) to conduct a survey designed to understand barriers to entry that rail stakeholders see and experience as impacting minority populations. This project is being conducted in response to a Broad Agency Announcement (BAA) topic released in 2020 entitled "Research in Response to Railroad Systems Issues Strategic Priorities." The FRA has released BAAs aimed at workforce training and development, developing educational and vocational pipelines, and addressing issues around equity and inclusivity within the rail industry. Existing research on demographics, organizational practices, and policies, as well as industry culture need to be updated to account for the profound changes in employment practices and workforce dynamics in the last few years with the ongoing COVID-19 pandemic, inflation, and supply chain issues. This data collection effort will improve the

understanding of the current state of the industry and establish a baseline against which to measure impact. According to a Federal Employee Viewpoint Survey (FEVS) administered in 2019, about a third (33.5%) of FRA employees polled did not think policies and programs alone were sufficient to promote diversity in the workplace.[1]

At their best, performance management systems can help counteract unconscious bias and facilitate the promotion of underrepresented groups and individuals who have demonstrated an ability to work with and uplift colleagues from minority demographics. These more equitable practices build more diverse teams which innovate more and make smarter decisions, leading to better business outcomes.[2,3] They also create cultures which attract top-tier talent; a September 2020 Glassdoor survey found that 76 percent of employees and job seekers said a diverse workforce was important when evaluating companies and job offers[4], meaning that organizations must make this a priority to access the full hiring pool.

The team conducting this research will survey and interview a cross-section of stakeholders familiar with the current culture in rail, including individuals in leadership, about barriers to entry they see and experience as impacting minority populations. Part of the data analysis will examine findings by employment position to determine if the views at the executive or managerial levels are similar or shared by individuals in more entry-level positions. The research team will also review source documents and artifacts which show how a performance management system was designed and how it is intended to work. Data will be collected and compiled from interviews and focus groups about how well the system functions in practice, whether the intended use differs from actual use, and whether observed differences benefit or hinder efficacy in recruiting and retaining diverse talent.

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[1] Federal Railroad Administration (FRA) Human Capital Management Plan, 2019. (2021). Retrieved from https://www.governmentattic.org/40docs/FRAhumanCapMgmtPlan_2019.pdf

[2] Hunt, V., Layton, D., & Prince, S. (2015, January 1). Why diversity matters | McKinsey. Retrieved December 17, 2021, from https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/why-diversity-matters

[3] Rock, D., & Grant, H. (2016, November 4). Why Diverse Teams Are Smarter. Retrieved December 17, 2021, from https://hbr.org/2016/11/why-diverse-teams-are-smarter

[4] Glassdoor. (2020, September 30). Diversity & Inclusion Workplace Survey. Retrieved December 17, 2021, from https://www.glassdoor.com/employers/blog/diversity-inclusion-workplace-survey/

The project approach focuses on performance management systems because there is evidence that organizational culture plays a significant role in shaping the industry demographics. The findings from this research will provide a better understanding of how employees at various levels are affected by performance management systems and how these systems contribute to organizational culture. The project team will provide the FRA with data and best practices that could be used to recommend workforce development initiatives, that may affect organizational culture, for rail organizations and other related industries. Therefore, the research will offer novel, actionable solutions for diversifying the rail workforce.

Currently, there is limited to no information on the effect of performance management systems on organizational culture and diversity in the rail industry. With this submission, FRA is requesting permission to conduct this information collection.

2. **How, by whom, and for what purpose the information is to be used.**

This is a <u>new</u> collection of information and is entirely voluntary. The purpose of this study is not to make regulations or policies. It is to explore and make preliminary recommendations on how industry stakeholders can most effectively hire, develop, promote, and retain diverse and quality talent.

The main objectives in this study are to:

- Expand on research done to date and to gain a better understanding of the organizational culture and challenges in recruiting and retaining underrepresented individuals in the rail industry;
- Understand how employees at various levels are affected by performance management systems and organizational culture; and
- Examine and identify best practices for the use of performance management systems as a tool for equitable and diverse recruitment, development, retention, and promotion.

Primary users of this information will be those in the rail industry. The findings of this study will provide qualitative data on the current workforce culture in rail and how performance management systems may affect organizational culture. Industry stakeholders, FRA RD&T, and DOT can use this data to identify gaps, develop approaches, and create interventions/solutions to enhance workforce development initiatives for underrepresented groups.

3. **Extent of automated information collection.**

FRA estimates that approximately 100 percent of all responses are completed electronically. FRA strongly encourages the use of advanced information technology, wherever feasible, to reduce burden on respondents.

The primary planned distribution method of the web-based survey is via a URL distributed through email. We considered all ways to use information technology to reduce the burden of information collection. The online option in the invitation letter eases the burden on the respondent, by not requiring him/her to mail back an envelope. Additionally, an electronic form reduces potential errors in data processing. The web-based version of the survey will be hosted on an Internet survey platform, such as Google Forms, Survey Gizmo, Qualtrix, or Survey Monkey. The survey will be something that can also be completed on a mobile phone that has Wi-Fi or internet access.

Interviews and/or focus groups will only be conducted after the surveys have been administered to further understand themes that emerged from the surveys. The research team will collect qualitative anecdotal information regarding their experiences with performance management systems and organizational culture through in-depth virtual webinar focus groups or virtual interviews of rail stakeholders at various levels. The webinar technology will reduce cost and burden for respondents as they will not need to incur any travel costs, take time off work, etc. to participate.

4. **Efforts to identify duplication.**

To FRA's knowledge, this is the first data collection effort of its kind being funded by the agency. Related research was conducted by Rust and Mundy (2020), who found using an anonymous data collection that women felt that organizational culture contributed to lack of diversity in the rail industry. However, that research did not examine the impact of performance management systems on organizational culture. While this project may ask some similar demographic questions, the research focus on performance management systems and diversity is novel.

5. **Efforts to minimize the burden on small businesses.**

Respondents will be rail stakeholders at all levels of employment who voluntarily participate in the study. Some individuals who participate in the study may be employed by small businesses, but this data collection will not directly impact small businesses. Therefore, the burden to small businesses should be negligible. Additionally, through

administering the surveys electronically and having all interviews and focus groups webinar-based should reduce the impacts on small entities.

6.   **Impact of less frequent collection of information.**

If the proposed information collection activities are not conducted, FRA will lose a unique opportunity to study and explore the impact of performance management systems on organizational culture and workforce development. Work has not been done to understand the relationships between them. Without this proposed collection of information, FRA will be unable to collect best practices and identify effective use of performance management systems as a tool for equity and diversity in recruitment, development, retention, and promotion within the rail industry.

7.   **Special circumstances.**

We are using the minimum format for race and ethnicity to ensure that respondents remain anonymous. There is a risk in a respondent being identifiable if they provide which carrier or organization they work for (one of our other questions) and are also part of a minority race and clarify their ethnicity further.

8.   **Compliance with 5 CFR 1320.8.**

As required by the Paperwork Reduction Act of 1995 (PRA) and 5 CFR 1320, FRA published a notice in the *Federal Register* on April 2, 2024, [5] soliciting comments from the public, railroads, and other interested parties on these information collection requirements. FRA received no comment related to the proposed collection of information.

9.   **Payments or gifts to respondents.**

There are no monetary payments or gifts made to respondents associated with the information collection requests.

10   **Assurance of confidentiality.**

FRA fully complies with all laws pertaining to confidentiality, including the Privacy Act of 1974. Thus, FRA's

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[5] 89 FR 22767.

contractor, KEA Technologies, Inc. (KEA), will use information obtained or acquired from participants ~~FRA grantees~~ exclusively for statistical purposes. KEA will not disseminate or disclose information that might be identifying. Participants will be advised via an introductory email that the survey and interviews/focus groups are anonymous. Participants will be advised that completely confidentiality cannot be guaranteed. To ensure confidentiality for respondents, no individual survey or interview responses will be released, and data will only be reported as group means or aggregate summaries. KEA will only make tabular data publicly available. KEA will aggregate any tabular data in a manner that prevents identification of a specific respondent.

There will be no personally identifying information collected in the survey from the respondents. The respondent will not be able to submit any personal information, such as their name, address, phone number, email address, etc. Responses to the interview or focus group questions will be kept anonymous and KEA will not tie a respondent's name or other personal identifying information to their responses. Findings from interviews will be reported as summaries.

11. **Justification for any questions of a sensitive nature.**

Participation in this proposed study is voluntary. Thus, only those consenting to participate in the study will do so. The survey and interviews will ask questions related to attitudes around diversity, equity, inclusion, and workplace culture, which could be perceived as sensitive. However, those questions need to be asked to meet the goals of this project and all of them focus on matters related to the workplace. We will not be asking questions about religious beliefs or other matters that the public would consider private or sensitive in nature.

12. **Estimate of burden hours for information collected.**

CFR Section	Respondent Universe[6]	Total Annual Responses (A)	Average Time per Response (B)	Total Annual Burden Hours (C =A*B)	Total Cost Equivalent in U.S. Dollar (D = C* Wage Rates)[7]

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[6] Rail Stakeholders including those in labor positions, carrier management, research/academia, professional association staff, HR personnel, regulators, executive level staff, etc.

[7] The hourly wage rate to calculate the dollar cost equivalent for all occupations under rail transportation amounts to $34.55 per hour plus the benefit calculation of 31 percent. FRA obtained this information from the Department of Labor, Bureau of Labor Statistics (BLS), Occupational Employment

Email notification for on-line survey. This notification includes confidentiality statement to potential participants (before the survey)	150 rail stakeholders	50	10 minutes	8.33 hours	$377.02
FRA F 6180-279— WFD on-line survey. on Organizational Culture & Performance Management in Rail. *(New form)*	150 rail stakeholders	30	20 minutes	10.00 hours	$452.60
Email notification for Performance Management Systems interview/focus group. This notification includes confidentiality statement to potential focus group and interview respondents (before the interview)	Up to 30 Rail stakeholders	10	10 minutes	1.67 hours	$75.58
FRA F 6180.278 — WFD Interview Questions. Semi-structured[8] interview questions/focus groups on experiences with workforce culture & performance Management systems *(New form)*	Up to 30 Rail stakeholders	5	1 hour	5.00 hours	$226.30
Totals[9]	150 railroads	95 Responses	N/A	25 hours	$1,132

Statistics, classified within NAICS 482100, Rail Transportation. See http://www.bls.gov/oes/current/naics4_482100.htm#00-0000.

[8]A semi-structured interview is a qualitative research method that utilizes some structured questions that will prompt discussion with opportunity for unstructured exploration (additional questions or clarification of responses) of themes as they engage during the discussion.

[9]Totals may not add due to rounding.

13. **Estimate of total annual costs to respondents**.

There will be no additional cost burden to respondents, beyond any customary and usual expenses associated with normal business or private practices. There will be no need for respondents to keep any records associated with this data collection effort.

14. **Estimate of Cost to Federal Government**.

To calculate the government administrative cost, the 2023 Office of Personnel Management wage rates were used. The average wage for research personnel, GS12 step 5, was used as a midpoint. Wages were considered at the burdened wage rate by multiplying the actual wage rate by an overhead cost of 75 percent. The total estimated Government administrative cost would be $73,350 over the 3-year information collection activities, which amounts to annual cost of about $24,450.

There is an additional cost to government as shown in the following table. This is a one-time data collection and, while it should be done regularly to update the knowledge of organizational culture within the rail industry, there is no commitment to reoccurrence. Based on current contractor labor rates and estimated supplies and services costs, the total cost to the Federal Government for this data collection and reporting effort is estimated at $78,474, which amounts to an annual cost of approximately $26,158 per year.

Cost elements	Totals	Comments
Labor	$46,999	Direct labor, overhead, fringe benefits
Travel	$5,000	
Subcontractor	$12,197	Consultant costs
G&A	$9,472	Administrative Fees
Profit/Fee	$4,807	
Total		$78,474

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Annual average	$26,158

The combined total annual government cost is: $50,608.

15.   **Explanation of program changes and adjustments**.

This is a new information collection for a one-time study survey and interview questions on attitudes around diversity, equity, inclusion, and workplace/organizational culture in the rail industry. The study is expected to identify how performance management systems present barriers and deterrents for minorities, including women, in the rail industry.

No adjustments are involved.

16.   **Publication of results of data collection**.

The results of this study will be published in a written format by FRA. A summary of the results may also be presented at technical meetings, such as the annual meeting of the Transportation Research Board, or at conferences/talks with professional associations such as Women's Transportation Seminar and American Public Transportation Association.

17.   **Approval for not displaying the expiration date for OMB approval**.

FRA is not seeking approval to not display the expiration date.

18.   **Exception to certification statement**.

No exceptions are taken at this time.