



A PIVOTAL MOMENT

FOR THE SENIOR EXECUTIVE SERVICE

Measures, aspirational practices and stories of success

JUNE 2016



PARTNERSHIP FOR PUBLIC SERVICE

McKinsey & Company

The Partnership for Public Service is a nonpartisan, nonprofit organization that works to revitalize the federal government by inspiring a new generation to serve and by transforming the way government works. The Partnership teams up with federal agencies and other stakeholders to make our government more effective and efficient. We pursue this goal by:

- Providing assistance to federal agencies to improve their management and operations, and to strengthen their leadership capacity
- Conducting outreach to college campuses and job seekers to promote public service
- Identifying and celebrating government's successes so they can be replicated across government
- Advocating for needed legislative and regulatory reforms to strengthen the civil service
- Generating research on, and effective responses to, the workforce challenges facing our federal government
- Enhancing public understanding of the valuable work civil servants perform

McKinsey & Company is a global management consulting firm, deeply committed to helping institutions in the private, public and social sectors achieve lasting success. For over eight decades, our primary objective has been to serve as our clients' most trusted external advisor. With consultants in 109 locations in over 60 countries, across industries and functions, we bring unparalleled expertise to clients anywhere in the world. We work closely with teams at all levels of an organization to shape winning strategies, mobilize for change, build capabilities and drive successful execution.

EXECUTIVE SUMMARY

The dedicated, mission-driven members of the Senior Executive Service are critical to the stability of our economy, the security of our nation and the effective operation of our government. Senior executives are responsible for leading the federal workforce, and have a hand in developing and implementing nearly all the government's policies and programs. Good governance depends on these 7,000 leaders doing their jobs well.

With most members eligible to retire in the next 10 years, the SES¹ is at a pivotal juncture. It is urgent to boost the health of the SES so it can sustain and build upon its record of accomplishment—with health defined as the government's ability to attract, develop and retain a capable and engaged cadre of senior executives.

The goal of this report is to highlight the need for a strong SES, and to explore how to address current challenges and position the SES to meet future needs. This report is inspired by President Obama's December 2015 Executive Order – Strengthening the Senior Executive Service, which requires agencies to implement practices for boosting the health of the SES.

Accordingly, in this report, the Partnership for Public Service and McKinsey & Company describe practices to strengthen the SES; provide baseline metrics on the health of the SES for stakeholders to use to assess whether efforts to strengthen the SES are proving successful; and encourage innovation by highlighting examples in each area of the executive order where good work is already being done.²

We became aware of these examples through data analysis, research and interviews with senior leaders across government. Based on the executive order, we focused on four areas:

- Culture, recognition and prestige
- Recruiting and hiring
- Performance management
- Leadership development

The president's executive order prescribes steps for enhancing the SES, and it is important that momentum is not interrupted by the coming presidential transition. This calls for continued action across groups that are already working to bolster the health of the SES, from the Office of Management and Budget and the Office of Personnel Management, to individual agency leaders and current and prospective senior executives.

¹ In general, when referring to the "SES" or "senior executives," we are referring to career senior executives, who make up the vast majority of the SES.

² This report includes examples of excellence at many agencies, with more in-depth case studies available at ourpublicservice.org/SES-report. Also at ourpublicservice.org/SES-report is our dashboard with publicly available metrics we believe most aptly capture SES health. As new sources of data become available, we will update the dashboard with metrics that stakeholders submit.

FOCUS AREAS



CULTURE, RECOGNITION AND PRESTIGE

Only about half of current GS-14 and GS-15 employees across government expressed interest in advancing into the Senior Executive Service, Senior Level, or Scientific or Professional positions,³ according to a recent Vanderbilt University study.⁴

To strengthen culture, recognition and prestige and, by extension, the SES, agencies could aspire to:

- Create opportunities for members of the SES to connect and collaborate with one another through formal and informal networks
- Encourage senior executives to take the initiative to explore innovative projects and ideas
- Celebrate SES accomplishments publicly through interactive events and forums

³ Senior Level and Scientific or Professional positions are classified above the GS-15 level, but are nonexecutive and technical in nature.

⁴ Center for the Study of Democratic Institutions, *2014 Survey on the Future of Government Service*, July 16, 2015. Retrieved from <http://bit.ly/20Hu68P>



RECRUITING AND HIRING

With the prospect of a looming retirement boom, agencies need to aggressively recruit and hire a diverse, highly qualified group of individuals. While the executive cadre in our federal government is more diverse than that of the private sector, the SES is less diverse than the group of federal employees they lead.

To improve how government recruits and hires senior executives, agencies could aspire to:

- Use strategic workforce planning to anticipate future SES openings
- Identify and groom high-potential GS-13 to GS-15 employees
- Seek gender and ethnic diversity in candidates while also pursuing diversity of experience
- Use more sophisticated screening and interviewing techniques to identify and hire the highest-quality candidates, such as resume-based hiring and behavior-based interviewing



PERFORMANCE MANAGEMENT

Effective performance management systems are designed to produce better agency outcomes and help agencies fulfill their missions. Yet the SES performance management system is implemented inconsistently across government as evidenced by the uneven distribution of performance ratings. For example, at one Cabinet-level agency, 92.4 percent of career senior executives received a “5” in fiscal 2014—the highest performance rating available—compared to just 19.3 percent at another.⁵ Performance ratings skew high across government in general, with 89.7 percent of career senior executives receiving a Level 4 or Level 5 rating in fiscal 2014.⁶

To strengthen senior executive performance management, agencies could aspire to:

- Evaluate performance based on quantitative results linked to the agency’s mission and qualitative feedback
- Connect rewards and recognition to performance review results
- Conduct frequent performance conversations, supported by data and examples
- Integrate results from performance reviews into succession management and talent development processes

5 Office of Personnel Management, *Report on Senior Executive Pay and Performance Appraisal Systems Fiscal Year 2014*, October 2015. Retrieved from <http://bit.ly/1sB3I5w>

6 Ibid.



LEADERSHIP DEVELOPMENT

Data show that senior executives who have leadership development opportunities are more satisfied with and committed to their jobs. As *Best Places to Work in the Federal Government*[®] data demonstrate, leadership development is more important than pay among drivers of job satisfaction and commitment for senior executives with fewer than 10 years of government experience.⁷ Yet too often senior executives fail to undertake the types of talent development proven to be most effective: on-the-job experiential learning, or training directly applicable to their day-to-day work. A survey conducted in fiscal 2011 found that just 21 percent of career senior executives have participated in an action learning project, and only 18 percent have participated in a developmental assignment lasting longer than 30 days.⁸

To ensure that senior executives are well-positioned to do their jobs effectively, agencies could aspire to:

- Make learning more experiential and action-oriented through rotations, and coursework that lends itself to on-the-job application
- Provide “stretch” or challenge assignments that match individual potential to agency needs
- Use mentoring programs that demonstrate the importance of on-the-job learning and enable experts to share their knowledge

7 Partnership for Public Service, *2014 Best Places to Work in the Federal Government Analysis: Improving Leadership*, July 2015. Available at <http://bit.ly/1U3YTLx>

8 Merit Systems Protection Board, *Training and Development for the Senior Executive Service: A Necessary Investment*, December 2015, p. 25. Retrieved from <http://1.usa.gov/1sdjMdY>

INTRODUCTION

The United States relies on the skills and leadership of the Senior Executive Service. Career senior executives, comprising the vast majority of the SES, serve as a bridge between an administration's political appointees and the rank-and-file workforce. They also provide valuable continuity and mission focus during times of political transition. Senior executives have been involved in the design and implementation of most of the country's programs and policies, and about a third manage more than 200 employees or oversee a budget larger than 100 million dollars.⁹

While the SES is highly accomplished, a review of available data indicates that its health is not as strong as it could be. To bolster the health of the SES and ensure it is equipped to address government's most pressing challenges, agencies could do a better job of strengthening the culture and prestige of the SES so becoming a member appeals to the next generation. They could also recruit a more diverse cadre of top-notch individuals, accurately assess senior executive performance and offer high-quality development to those who serve. President Obama's December 2015 Executive Order – Strengthening the Senior Executive Service reflects these priorities and provides an exciting opportunity to bolster the SES so it can carry out the important and demanding task of leading the federal workforce in service of the American people.

This report is the third in a series by the Partnership for Public Service and McKinsey & Company. It builds on our 2012 research on SES mobility and 2013 research on developing SES talent pipelines. Inspired by the executive order, this report seeks to help stakeholders bolster the SES by:

- Defining good practices that can improve the SES and encouraging agencies to adopt them. These “aspirational practices” are found at the beginning of the report's four sections: culture, recognition and prestige; recruiting and hiring; performance management; and leadership development
- Providing baseline metrics on the health of the SES that can and should be routinely re-measured and added to over time as more data become available
- Highlighting examples of excellence across the federal government and encouraging agencies to build upon these innovative practices

In conducting our research, we:

- Analyzed data provided by the Office of Personnel Management and collected our own survey data
- Interviewed chief and deputy chief human capital officers; deputy and assistant secretaries; executive resources staff; and human resources personnel who work closely with senior executives
- Hosted a roundtable with 11 members of the White House Advisory Group to Strengthen the Senior Executive Service
- Conducted focus groups with current senior executives and high-potential GS-13 to GS-15 employees
- Interviewed stakeholders at the Senior Executives Association, OPM and the Office of Management and Budget
- Conducted an extensive review of the literature on the SES
- Reviewed private-sector data and best practices in executive talent management

In all, we interviewed 85 people. Interviewees not only shared examples of excellence in their own agencies, but in many cases alerted us to innovative practices at other agencies. In fact, many agencies we chose to highlight in our report were recommended by interviewees from other agencies.

The president's executive order brings to national attention the need—and the opportunity—to strengthen the health of the SES. In moving to bolster the SES, stakeholders must act boldly. Our hope is that this report serves as a catalyst and guide.

⁹ Ibid, p. 7.

Culture, Recognition and Prestige

ASPIRATIONAL PRACTICES

Create opportunities for members of the SES to connect and collaborate with one another through formal and informal networks

Encourage senior executives to take the initiative to explore innovative projects and ideas

Celebrate SES accomplishments publicly through interactive events and forums



Some agencies are taking creative steps to increase senior executive satisfaction and prestige, often leading to more engaged workforces and robust talent pipelines.

On average, senior executive satisfaction and commitment is about 20 points higher than that of non-Senior Executive Service employees in the annual *Best Places to Work in the Federal Government*[®] rankings. Yet many SES salaries are dwarfed by those of their private-sector peers, and at times even fail to match those of their GS-15 subordinates. Congressional and media scrutiny weigh on morale, and some senior executives report feeling unappreciated and detached in the workplace. Not surprisingly, survey data show suboptimal interest in joining the SES, threatening agencies' efforts to maintain robust pipelines of future leaders. To counter these challenges, agencies can employ low-cost, high-impact strategies to boost morale and increase the appeal of the SES.

CULTURE

Senior executives need strong support networks they can draw upon to solicit advice, share best practices and vent frustrations. In a 2011 Office of Personnel Management survey of senior executives, nearly three-quarters (72.4 percent) expressed interest in more opportunities to network with SES members outside of their agencies.¹⁰ Even within agencies, senior executives often have few opportunities to gather as a group, according to interviewees.

To address this, senior executives at the Department of Education took it upon themselves to arrange standing monthly meetings during which they share stories, discuss pressing issues and organize collective responses to leadership (see page 10).

Some agencies have tried using technology to foster networking. At NASA, after budget constraints forced the

agency to discontinue a conference that convened all of its senior executives, Senior Level and Scientific or Professional employees, the agency started a “virtual executive summit” held every 18 months. The summit provides leaders with an opportunity to engage with each other and with senior leadership, using chat and video functions to talk to each other live.

RECOGNITION

Data and anecdotal evidence demonstrate that even small gestures can have a positive effect on senior executive morale, and those gestures do not have to be monetary to be meaningful.

Forty-seven percent of respondents to OPM's 2015 SES exit survey reported that to a “moderate,” “great” or “very great” extent, a “lack of recognition for accomplishments” factored into their decision to leave.¹¹ Nearly a quarter (24 percent) of respondents selected “verbal encouragement to stay based on your value to the organization” as a factor that would have encouraged them to reconsider their decision.¹²

One interviewee said that President Obama's December 2014 meeting with the SES provided a “huge shot in the arm” that won over “even the most cynical” senior executives. It does not always have to be the president who meets with the SES, he added. Senior executives would appreciate gatherings with other government officials as well. Another interviewee said, “At the SES level we need fewer pats on the back than other folks, but we all need pats on the back.”

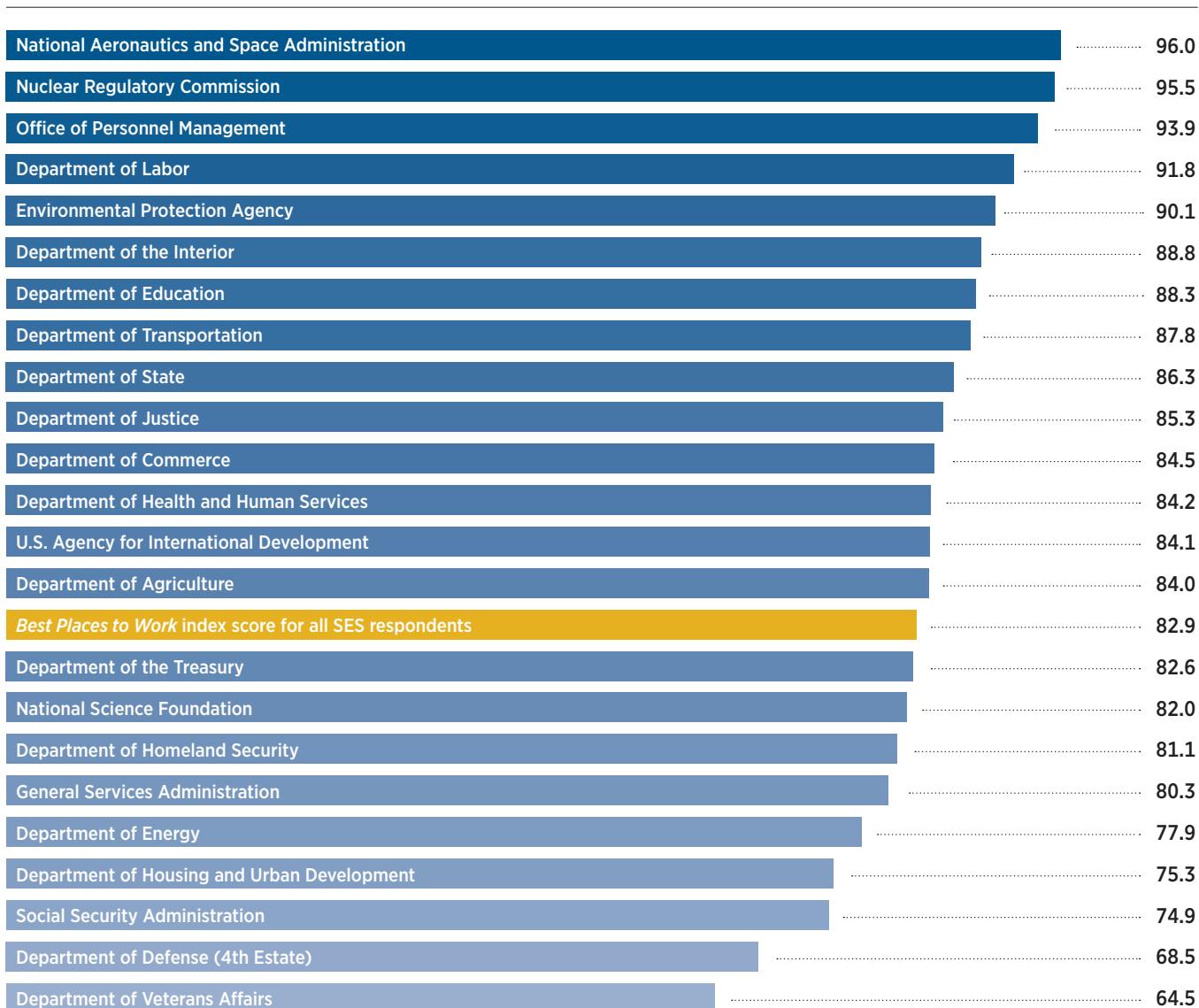
10 Office of Personnel Management, *Senior Executive Service Survey Results for Fiscal Year 2011*, May 2012, p. 27. Retrieved from <http://1.usa.gov/1qMlotO>

11 Office of Personnel Management, *Senior Executive Service Exit Survey Results April 2015*, April 2015, p. 9. Retrieved from <http://1.usa.gov/1TZ7yM9>

12 Ibid, p. 8.

SES satisfaction and commitment by CFO Act agency

BPTW index score (0-100)



*The Small Business Administration was not included due to small sample size

Source: 2015 *Best Places to Work in the Federal Government*[®]

PRESTIGE

Although many GS-13 to GS-15 employees view the SES as prestigious, many do not aspire to join its ranks. The Partnership for Public Service runs an *Excellence in Government Fellows* program for GS-13 to GS-15 employees who are selected to participate by their agencies based

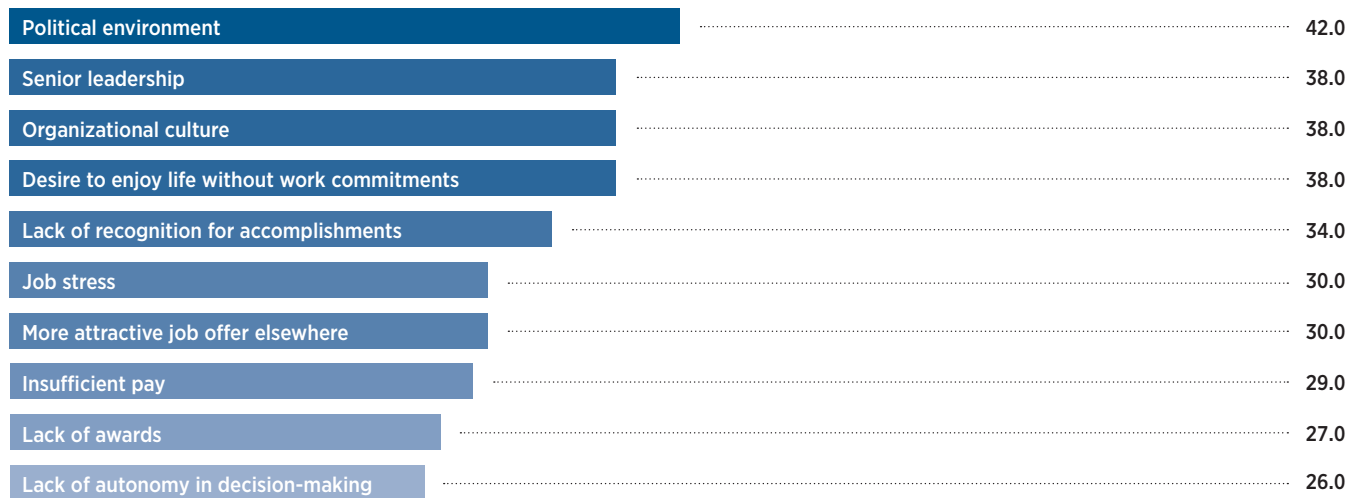
on their leadership potential. In a survey of 280 EIG program participants representing 34 agencies, 76.4 percent “agreed” or “strongly agreed” that SES positions in their agencies are viewed as prestigious. Yet only 58.9 percent indicated they aspire to join the SES. This finding roughly aligns with a recent survey

conducted by the Center for the Study of Democratic Institutions at Vanderbilt University, in which just 55 percent of GS-14 and GS-15 employees government-wide expressed interest in joining the SES or becoming an SL or ST.¹³

¹³ Center for the Study of Democratic Insti-

Most common reasons cited by senior executives for leaving the federal government

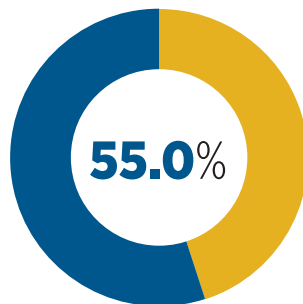
Percent indicating that a factor contributed to their decision to leave to a “great” or “very great” extent



Source: Office of Personnel Management, “Senior Executive Service Exit Survey Results April 2015”

Percent of GS-14 to GS-15 employees interested in becoming a member of the SES or an SL or ST

The Center for the Study of Democratic Institutions surveyed 773 GS-14 to GS-15 employees between August and December 2014



Source: Center for the Study of Democratic Institutions, Vanderbilt University

Government could take steps to increase the appeal of the SES, and stronger engagement between GS-level employees and senior executives would help. At the Nuclear Regulatory Commission, “there is tremendous interaction, collaboration and sharing of ideas,” enabling all employees to observe the good work

being done by senior executives, said Jennifer Golder, NRC’s chief learning officer and associate director of training and development. This is borne out in NRC’s 2015 *Best Places to Work*[®] data. In the area of effective leadership, a subcategory pertaining to senior leaders, NRC scored in the top 25 percent of mid-size agencies.¹⁴

And the bulk of the agency’s new senior executives come from within the agency.

Prestige can be eroded by observing senior executives who are unsatisfied or struggling in their roles. “Dissatisfaction of current SES [employees] probably has the greatest impact on recruitment,” one respondent to a Senior Executives Association survey said. “Empower the current SES workforce and get them excited—and that will, in turn, put the jobs in a positive light and positively impact recruitment.”¹⁵

Public perception of government, and its senior leaders in particular, matters as well. Government could market its achievements more effectively, helping the public understand its value and appreciate the contributions of its leaders. “The federal government emphasizes mission and service above self, but does a terrible job talking about the innovative, great things it is doing,” one interviewee said. “Big stories go untold.”

tutions, 2014 *Survey on the Future of Government Service*, July 16, 2015. Retrieved from <http://bit.ly/20Hu68P>

¹⁴ Partnership for Public Service, *Best Places to Work in the Federal Government*[®] <http://1.usa.gov/1qMlotO>

¹⁵ Charles S. Clark, “Recruiting Senior Execs is Getting Tougher in ‘Gotcha’ Climate, Survey Finds,” *Government Executive*, October 28, 2015. Retrieved from <http://bit.ly/1sdkvf7>



The Department of Education's **Monthly Executive Cadre Meetings**

In late 2014, two senior executives at the Department of Education approached the secretary with an idea. Noting that Education did not have a forum for senior executives to meet, network and address challenges together, the group proposed a standing monthly meeting and asked the secretary to help launch it. The group hoped the meetings would foster a stronger sense of community and enable senior executives to communicate to political leadership with one voice. The secretary agreed, and what became known as the “Executive Cadre” was born.

Education’s monthly gatherings, voluntary but routinely attended by three quarters of the department’s senior executives, fostered a stronger sense of community. “Because some of Education’s programs are stove-piped, executives did not have an opportunity to network as a group,” said Denise Carter, deputy assistant secretary for management and a founding member of the cadre. “They didn’t have a forum to talk about their goals, priorities and challenges.” That changed when the cadre was created. Now, “People connect before, during and after the meetings. Previously, some of these folks hadn’t met or didn’t know each other well,” according to Mark Washington, performance improvement officer at Education.

Monthly meetings also led to more constructive communication with political leadership, according to interviewees, and political leaders acknowledged the need to engage and include their career colleagues in the decision-making process. “When we first started this group, people were so angry because they felt disconnected as part of the leadership. Now we see career executives discussing how to partner with their political counterparts to prepare for the [presidential] transition,” said Chief Human Capital Officer Cassandra Cuffee-Graves. When management challenges arise, the cadre gathers, has a discussion and attempts to coalesce around an Executive Cadre position. A member of the cadre then briefs political leaders on the group’s position.

While less than two years old, the cadre has worked successfully with leadership to address a handful of concerns. For example, the department’s Executive Resources Board was once comprised entirely of political senior executives, but the cadre presented its case for more career representation and was granted two seats. In addition, the cadre secured coveted changes to the department’s performance review process.

The monthly Executive Cadre meetings are beneficial because participants trust one another to keep the group’s conversations confidential and feel comfortable speaking to each other candidly, interviewees said. But it took time to build that trust. “We were initially very risk-averse and not very trusting of the environment or each other,” Washington said. “People started out very cautiously, but over time realized it was a safe space as they saw their colleagues speak up without any fear of retribution. Our colleagues feel that they’re coming to participate in something unique and special.”



Federal Executive Board Recognition Ceremonies

Federal Executive Boards¹⁶ in Baltimore, Boston and Los Angeles took creative steps to recognize the accomplishments of senior executives. In late 2015, the Greater Los Angeles FEB hosted a luncheon for local senior executives and their families, presented the senior executives with a medal and read their accomplishments aloud. The event proved so successful that the Greater Boston FEB made plans to hold one of its own in June 2016. And for the first time in more than 30 years, the Baltimore FEB opened its annual Excellence in Federal Career awards ceremony to senior executives.

Events like these boost the morale of senior executives whose hard work and mission-critical contributions are often overlooked. “What the event in Los Angeles showed me is that it doesn’t matter whether you’re a GS-2 or a senior executive, you want to be appreciated for your contributions,” said Reginald Wells, chief human capital officer at the Social Security Administration. “Some of the people in Los Angeles were on the verge of tears. One woman said she had never been treated this well, and all we did was host a luncheon, read her biography and give her a medal. It really does speak to the intrinsic value of doing these kinds of events.”

¹⁶ Federal Executive Boards are located in cities with large concentrations of federal employees and aim to foster communication and collaboration between Washington, D.C. and field offices.

Recruiting and Hiring

ASPIRATIONAL PRACTICES

Use strategic workforce planning to anticipate future Senior Executive Service openings

Identify and groom high-potential GS-13 to GS-15 employees

Seek gender and ethnic diversity in candidates while also pursuing diversity of experience

Use more sophisticated screening and interviewing techniques to identify and hire the highest-quality candidates, such as resume-based hiring and behavior-based interviewing



Agencies can recruit a diverse, highly qualified pool of candidates and ease a burdensome application process while still ensuring they are thoroughly assessing candidates' leadership abilities.

Eighty-five percent of the Senior Executive Service will be eligible to retire in the next 10 years. Agencies will need successful methods to identify top talent, build their pipelines of internal talent, recruit a diverse pool of applicants and hire the best candidates for open positions. But many agencies struggle in these areas, according to interviewees. Agencies doing well at hiring for the SES focus on diversity when recruiting, use resume-based hiring and distinguish between leadership skills and technical expertise for open positions.

BUILDING A PIPELINE

President Obama's Executive Order – Strengthening the Senior Executive Service requires that agencies establish talent management and succession planning processes and use them when recruiting. Yet only four of 14 agencies responding to a Partnership for Public Service survey indicated that they have a succession management process in place. To prepare the next generation of SES members—those high-potential General Schedule employees in the pipeline—agencies need to provide them with development opportunities. “Everyone says, ‘What do we need to do for the SES?’ Well it’s not what we need to do for the SES; it’s what we need to do for the...workforce that will become the next generation of senior executives,” one interviewee said.

Candidate Development Programs for aspiring senior executives

Of the 3,248 career senior executives hired between fiscal 2012 and fiscal 2015, 8.1 percent were graduates of programs that agencies use to develop high-level employees, called Candidate Development Programs, or CDPs.¹⁷ CDPs help individuals develop core executive skills and speed the process of hiring qualified candidates when SES positions open.

CDPs are most effective in agencies that have established a strong succession management process, inter-

viewees said, corroborating previous research done by the Partnership and McKinsey & Company.¹⁸ When not paired with succession planning, agencies risk accepting and graduating individuals without the skills that correspond to the agency's future needs—that is, building a bench, but building the wrong bench, some interviewees said.

The most effective CDPs provide participants with robust and challenging leadership experiences. All CDP participants must complete a four-month rotational assignment under the Office of Personnel Management requirements, but assignments are not created equally and many do not offer essential leadership experiences. This harms a graduate's chance of getting an SES position. “Few CDPs offer the opportunity to be in charge of large numbers of people,” one interviewee said. “Candidates are put into unfamiliar organizations in which leaders will not put outsiders in charge of critical operations. The candidate, therefore, never gets the true test of leadership and supervision.” He added, “Candidates complete the CDP but are never placed in an SES position and wonder why.”

Agency size can contribute to a program's success at placing graduates into SES positions in that agency. An interviewee from a smaller agency said, “Everyone in our CDP is at least known to their office director. There is likely to be someone on the [Executive Resources Board] who knows the candidates and can explain why they're worth selecting.”

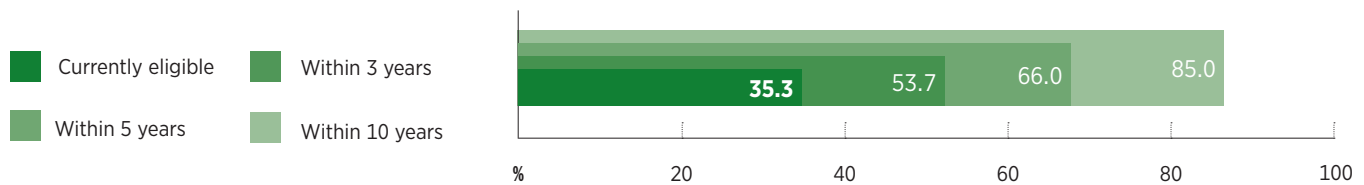
Providing robust leadership experience to other high-potential General Schedule employees

Candidate Development Programs can provide a valuable development opportunity for GS-15 employees and help fill the SES pipeline. But it is also important to identify high-potential employees earlier in their careers and

17 Data provided by the Office of Personnel Management.

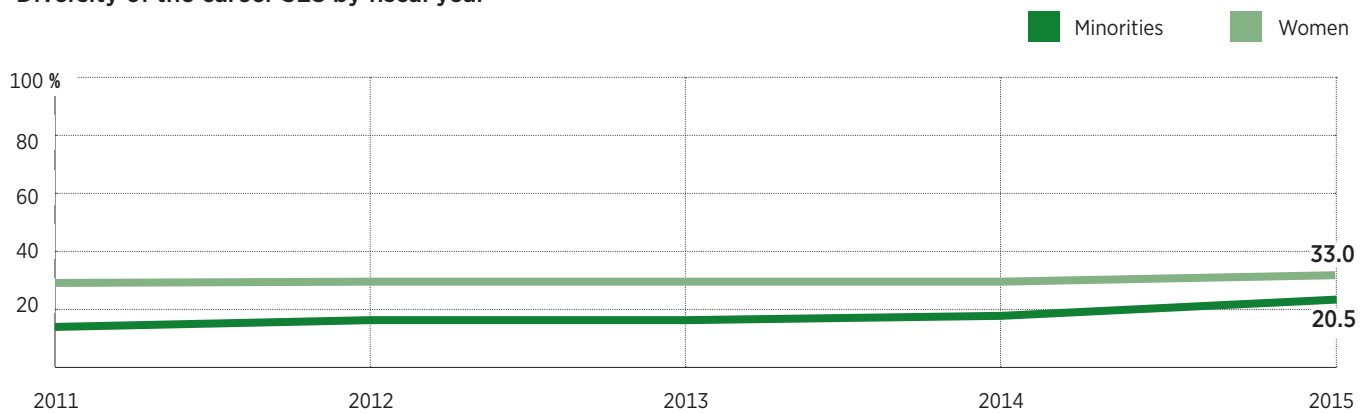
18 Partnership for Public Service and McKinsey & Company, *Building the Leadership Bench*, July 2013. Available at <http://bit.ly/1TLUrSJ>

Percent of career SES eligible to retire



Source: Office of Personnel Management

Diversity of the career SES by fiscal year



Agency range: Minority career SES, fiscal 2015

	Percent
TOP	
U.S. Agency for International Development	50.0
Department of Housing and Urban Development, Social Security Administration (tie)	37.1
Department of Agriculture	35.4
BOTTOM	
Department of the Air Force	13.1
Department of the Navy	11.8
Department of State (fiscal 2014)*	10.1

Agency range: Female career SES, fiscal 2015

	Percent
TOP	
National Science Foundation	54.8
Department of Health and Human Services	53.7
Office of Personnel Management	48.2
BOTTOM	
Department of Justice	23.9
Department of the Air Force	22.9
Department of the Army	20.1

*Department of State fiscal 2015 data not available

Source: Partnership analysis of FedScope data

offer leadership development that prepares them to be competitive SES candidates.

Some agencies have created formal leadership development programs for General Schedule employees at a range of levels. For example, the Social Security Administration runs two 18-month programs for high-potential GS-9 to GS-14 em-

ployees (see page 18).

The Department of the Air Force gives its promising future civilian leaders hands-on leadership experience by allowing them to compete for positions it deems advantageous for developing their leadership skills. In 2014, the Air Force classified about 800 GS-13 to GS-15 positions across all its func-

tions as “key career positions,” in which leadership development is prioritized. Once employees accept a key career position, they sign a mobility agreement and must agree to be rotated out in three to five years. At that point, it is possible for the employee to be promoted to another key career position at the next grade level.

Sometimes strategies as simple as encouraging high-potential employees to aspire to the SES can work, one interviewee said. Another tactic is having employees shadow senior executives. At the Department of the Army, GS-13 employees can shadow a senior executive for 20 days. At NASA, participants can even shadow the administrator, Charles Bolden.

In fact, employees were shadowing Bolden on the Monday in 2013 when the budget battle was about to shut down the government at midnight. Bolden let them stay in the room while he took calls from the Office of Management and Budget and Capitol Hill. “These types of experiences have the potential to change people’s careers,” said Keith Lowe, NASA’s lead for hiring, recruiting and compensation.

RECRUITING A DIVERSE POOL OF CANDIDATES

The federal government leads the private sector in executive diversity. In fiscal 2015, women made up 33 percent of the career SES, and minorities accounted for 20.5 percent.¹⁹ By contrast, a recent McKinsey & Company analysis found that just 16 percent of private-sector executives were women and 12 percent were minorities. Even so, several interviewees expressed a desire to do better. Senior executives do not reflect the diversity of the U.S. population or that of the rest of the federal workforce. Women comprised 42.5 percent of federal employees in fiscal 2015, nearly 10 percentage points more than in the SES, and minorities comprised 36 percent, nearly 16 percentage points more than in the SES.²⁰

“My vision for the SES is that it becomes more reflective of the nation we serve,” said Karen Higginbotham, director of the Executive Resources Division at the Environ-

mental Protection Agency. She and representatives from the departments of Agriculture and Education discussed their strategies for recruiting a more diverse applicant pool for SES positions.

Before posting job announcements, the Department of Education and EPA require their hiring offices to create recruitment plans detailing how they plan to ensure a diverse pool of applicants. The Department of Agriculture went even further by signing memorandums of understanding with more than 15 affinity groups, most of them composed of minorities and women in the federal government. When the department recruits for a Candidate Development Program or a senior executive position, it sends the groups a link to the application and encourages their members to apply.

USDA officials offer to attend the affinity groups’ meetings to share information about the SES. It also hosts workshops that provide an overview of the application process, deliver advice from current senior executives, and offer instruction on how to successfully write Executive Core Qualifications narratives—the essays candidates write when applying for senior executive positions.

Between fiscal 2010 and fiscal 2015, the percent of USDA’s female career senior executives increased 7.3 percentage points to 36.6 percent, which is 3.6 percentage points above the government-wide average. During the same time, the number of USDA’s minority career senior executives increased 12.1 percentage points to 35.4 percent, or 14.9 percentage points above the government-wide average.²¹

Diversity of thought and experience is also important, and candidates from outside government can bring a different perspective. However, between fiscal 2012 and fiscal 2015, only 5.9 percent of senior executives were hired from outside

the federal government, while 68.8 percent were hired from within the same agency subcomponent.²² By hiring both internal and external candidates, agencies can staff themselves not only with a rich mix of racial, ethnic, age, gender and military versus civilian diversity, but also diversity of thought and experience.

HIRING THE BEST CANDIDATES

Agencies need hiring processes that enable them to attract and hire the best candidates for senior executive positions. But applicants often face a major deterrent: They are required to write lengthy narratives explaining how they have demonstrated the Executive Core Qualifications—the competencies against which senior executives are judged—commonly referred to as ECQs. In a 2011 OPM survey of the SES, 41.5 percent of respondents “agreed” or “strongly agreed” with the statement: “The SES application process discourages high quality candidates from applying.” Of these respondents, 91.2 percent “agreed” or “strongly agreed” with the statement: “The SES application process is discouraging due to... writing ECQs.”²³ This time-consuming hurdle discourages many potential candidates from applying, particularly if they come from the private sector, several interviewees said.

Resume-based hiring is a standard practice in the private sector, and those organizations are able to evaluate executive talent without requiring applicants to write essays. President Obama’s executive order requires that agencies “simplify the initial application requirements for SES positions” and make the hiring process “more efficient, effective, and less burdensome for

19 Partnership for Public Service analysis of FedScope data.

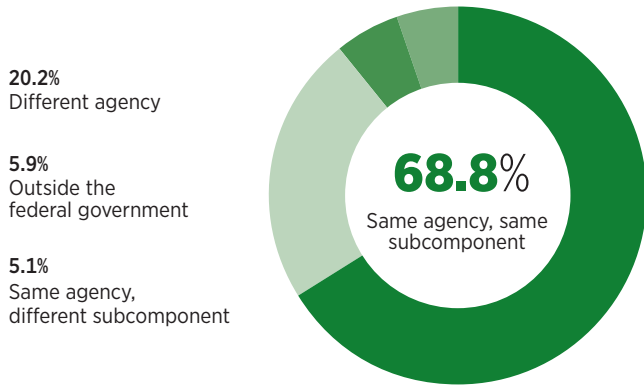
20 Ibid.

21 Ibid.

22 Data provided by the Office of Personnel Management.

23 Office of Personnel Management, *Senior Executive Service Survey Results for Fiscal Year 2011*, May 2012, p. 74-75. Retrieved from <http://1.usa.gov/1qMlotO>

Source of career senior executives hired between fiscal 2012 and fiscal 2015



Source: Office of Personnel Management

Agency range: Career SES hires between fiscal 2012 and fiscal 2015 from outside the federal government

Percent	
TOP	
Department of the Air Force	20.0
Small Business Administration	18.5
General Services Administration	14.3
BOTTOM	
National Aeronautics and Space Administration	1.4
Department of Justice	1.0
Nuclear Regulatory Commission, Office of Personnel Management, Social Security Administration, U.S. Agency for International Development	0.0

all participants.”²⁴ Resume-based hiring in government is one way to reduce the barrier to entry, particularly for nongovernment candidates.

Many agencies have reservations about using resumes to hire senior executives. Interviewees expressed concerns that they would receive an overwhelming increase in the number of resumes from unqualified applicants; staff could not sufficiently evaluate leadership from a resume; the burden of writing ECQ narratives or filling out a template would shift to agencies; and candidates would not be approved by OPM’s Qualifications Review Board, which certifies senior executives.

Yet, when the General Services Administration, Customs and Border Protection, and the Department of Energy implemented resume-based hiring, they were able to work through these concerns and get their candidates approved by OPM.

After implementing resume-based hiring exclusively in September 2014, GSA found it was getting about three times the number of ap-

plicants. The agency has since begun using a dashboard to track recruiting and hiring data, and generates weekly reports on SES actions and monthly reports on human resources trends. This allows GSA to pinpoint delays quickly and identify the aspects of the hiring process that take the longest. The agency reduced by 24 days the time it takes to hire new senior executives and, in fiscal 2015, hired more career senior executives from outside government (18.8 percent) than every agency except the Small Business Administration.²⁵

To further evaluate candidates, GSA gives “homework assignments” to those applicants who advance to the second round of interviews. Assignments have included budget analyses or the redesign of a customer survey. Requiring this type of assessment later in the process means that candidates are not discouraged at the outset from applying, deterred by having to write ECQ narratives before even being considered.

Customs and Border Protection has used resume-based hiring exclusively since 2010, making its process

the most mature of all agencies interviewed. Michele Burton, director of executive services at CBP, said educating applicants about the process and reaching out to them for feedback has been “invaluable.” Candidates “appreciate the transparency of the process and the fact that it’s structured,” she said.

Burton also advised agencies considering a switch to resume-based hiring to go “cold turkey,” moving exclusively to resume-based hiring all at once. If agencies are allowed to choose whether to use resumes or narratives, they will likely gravitate to the most familiar process, she said. They have to be fully committed to working through the challenges. “It will hurt at first, but hang in there, stick with it, and that will pass,” Burton said.

After piloting resume-based hiring in 2015, the Department of Energy reduced its time to hire by 95 days and hopes to reduce it by an additional 50 days by the end of 2016. Chief Human Capital Officer Robert Gibbs said Energy now receives a better group of applicants and interviews only the top candidates. Previously, the agency interviewed more people, many of whom turned

²⁴ The White House, *Executive Order – Strengthening the Senior Executive Service*, December 15, 2015. Washington, D.C.

²⁵ Data provided by the Office of Personnel Management.

8.1%

Percent of career senior executives hired between fiscal 2012 and fiscal 2015 who graduated from a Candidate Development Program

out to be unqualified, he said. The panel that reviews applications also conducts the interviews, typically making them more familiar with the candidates. In contrast, under the traditional hiring process, one panel reviews applications while another conducts interviews.

Energy's staff realized some applicants may not have understood that the job announcement required a resume rather than traditional narratives, according to Ashley Remik, acting director of the agency's Executive Staffing Division. It is important to make sure vacancy announcements are clear and applicants understand they need to address the ECQs in their resumes, Remik said.

BEHAVIOR-BASED INTERVIEWING

Requesting applicants to submit only a resume does not prevent agencies from getting in-depth information about a candidate's leadership skills and experiences. Hiring panels can thoroughly evaluate applicants using behavior-based interview questions that ask how the candidate acted in situations in their previous positions. The approach is based on the assumption that a person's behavior in previous work situations is a good predictor of how they will perform in the future.

Research shows that this process is more valid and better able to predict performance than questions that elicit hypothetical responses.²⁶

26 Elaine D. Pulakos and Neal Schmitt, "Experience-Based and Situational Interview Questions: Studies of Validity," *Personnel Psychology* 48 (1995): 289-308.

The Department of Health and Human Services recently piloted behavior-based interviewing for senior executives (see page 19).

By asking applicants to submit only a resume but also participate in a behavior-based interview, agencies can ease the application burden on candidates while still identifying the individuals best suited for agency positions and hiring them quickly.

FINDING A BALANCE BETWEEN LEADERSHIP SKILLS AND TECHNICAL QUALIFICATIONS

For decades agencies have struggled to find the right balance between hiring senior executives with general leadership skills as opposed to technical expertise related to an agency's mission. Senior executives originally were envisioned as generalist leaders rather than technical specialists,²⁷ and the president's Executive Order – Strengthening the Senior Executive Service states that the federal government has an "interest in cultivating generalist executives with broad and diverse experiences who can lead a variety of organizations."²⁸ However, several interviewees said senior executives also need technical expertise. Some agencies are working to strike a balance by changing the classification of positions from SES to nonexecutive, and limiting technical qualifications in SES job announcements.

When a high-level position demands technical expertise, agencies could convert some of the SES positions they have been allocated by OPM to technical positions known as Senior Level, or SL—which are broad and complex—or Scientific or Professional, known as ST—which require

27 Partnership for Public Service and McKinsey & Company, *Mission-Driven Mobility*, February 2012. Available at <http://bit.ly/25ooCGQ>

28 The White House, *Executive Order—Strengthening the Senior Executive Service*, December 15, 2015. Washington, D.C.

scientific or technical expertise. Both are classified above the GS-15 level but do not require employees to serve in an executive role. The distinction between equally important SES, SL and ST positions allows employees in those roles to focus on their strengths and encourages agencies to clearly identify the specific skills necessary to do each type of job well.

NASA used this strategy in 2014 when the agency switched 30 SES positions to either SL or ST positions, with OPM's approval. NASA encourages hiring managers weighing the merits of job candidates to make a distinction between leadership and technical expertise, according to Veronica Marshall, NASA's director of executive resources. Hiring managers must decide whether a candidate's skills are best suited for a technical or leadership position. If an applicant is considered to be the best scientist, for example, that person may be better matched to an ST position than an SES position.

The Department of the Army has a similar focus on hiring leaders who are not technical experts, according to Suzanne Torres, chief of the Operations Division in the Civilian Senior Leader Management Office. Agencies need to trust senior executives' ability to manage subject matter experts, who provide consistency and disseminate vital knowledge across the organization, she said. To implement this philosophy, the Army allows only one technical qualification in a vacancy announcement for the department's entry-level senior executive positions. For mid-level and senior-level SES positions, technical qualifications are not used at all. Senior executives who meet the job qualifications are assumed to have sufficient technical knowledge to lead the agency successfully, Torres said. Beyond that, senior leaders can rely on their GS-15 employees for subject matter expertise.



Social Security Administration's **Leadership Development Programs**

Two Social Security Administration programs cultivate the agency's top talent and groom its next generation of leaders. The Leadership Development Program, open to GS-9 to GS-12s, and the Advanced Leadership Program, for GS-13 to GS-14s, are highly competitive programs. They last 18 months and require participants to complete developmental activities that include three rotational stretch assignments lasting six months each, mentoring, 360-degree assessments, and in-depth coursework. Both programs are seen as prestigious, with the ALP typically receiving 800 to 1,000 applications for approximately 35 spots, and the LDP receiving 1,000 to 2,000 applications for 25 to 30 spots.

The programs are integral components of SSA's succession management. With a large number of senior leaders eligible to retire, the agency needs a pipeline of future leaders with a variety of leadership experiences and broad knowledge of the agency, according to Matt Gottlieb, career development team lead at SSA. "Our [Advanced Leadership Program] and [Leadership Development Program] provide the Social Security Administration with a diverse group of future leaders," he explained. "Through training and developmental assignments, program participants receive an array of leadership experience and enterprise-wide knowledge. These programs continue SSA's strong tradition of employee development, succession planning and developing a pipeline of future leaders."



Department of Health and Human Services **Behavior-based Interviewing Pilot**

In a 2015 pilot, the Department of Health and Human Services used behavior-based interviewing to evaluate candidates for the SES. According to Jason Saltz, a human resources business partner at HHS, using this style of interviewing increases the likelihood that organizations will identify and hire applicants who are best suited for the job, resulting in better job performance and lower turnover. Behavior-based interviewing is grounded in the assumption that individuals' behavior in previous positions is the best predictor of how they will perform in the future.

Saltz, who is trained in behavior-based interviewing, helps hiring managers and human resources staff develop strong questions and conduct effective interviews. This interview style requires agencies to identify the knowledge, skills and abilities as well as the Executive Core Qualifications that are most important for someone to be successful in the open position.

Questions are designed to prompt SES candidates to describe an example of when they encountered a situation that involved the desired skills. For example, to assess the Executive Core Qualification of "Building Coalitions," HHS interviewers asked this question:

"In this role, you would be asked to proactively build coalitions and align other senior leaders across all levels of the government and other agencies. Often, when confronted with an organizational issue, a group of strategic leaders will have differing opinions about which action to take. Describe a situation in which you were able to bring together a group of people with conflicting interests and viewpoints to quickly resolve a complex problem."

Answers should demonstrate the quality and effectiveness of the applicant's leadership abilities. If candidates respond with a hypothetical or incomplete answer, interviewers are encouraged to ask follow-up questions to elicit a concrete response.

Interviewers then rate each answer using a standardized scale developed by human resources staff and subject matter experts that includes a range of sample responses. The scale helps reduce the effect of unintentional bias during interviews, according to Saltz.

HHS evaluated candidates effectively against the Executive Core Qualifications using behavior-based interviewing, Saltz reported, and interviewers' feedback about the process was good. In discussing challenges, Saltz said it was difficult at times to get candidates to describe examples of past behavior. The panel often had to work hard to get sufficient information about a real-life situation from candidates who initially gave general, hypothetical answers.

For future interviews, HHS will shorten some questions to make them clearer and more focused, Saltz said. The department also plans to allow more time for each question and have longer discussions if needed to obtain more comprehensive responses.

Performance Management

ASPIRATIONAL PRACTICES

Evaluate performance based on quantitative results linked to the agency's mission and qualitative feedback

Connect rewards and recognition to performance review results

Conduct frequent performance conversations, supported by data and examples

Integrate results from performance reviews into succession management and talent development processes



The SES performance management system could be implemented more consistently across government, and some agencies are improving performance by working to align individual and agency goals.

President Obama's 2014 budget stated that under the SES performance system, agencies would have a more consistent way to evaluate senior executives' performance and communicate expectations. The system was designed to enhance clarity and transferability, and provide a more equitable way for agencies to develop performance standards, deliver feedback and rate performance.²⁹

While the distributions of performance ratings among agencies do not need to be identical, the large variation has implications for the effectiveness of the SES as a government-wide resource. Additionally, lack of data makes it difficult to pinpoint where and how agencies should invest in improving performance management, and comprehensive performance data could help agencies with succession planning and talent development.

WIDE VARIATION AMONG AGENCIES IN PERFORMANCE RATING DISTRIBUTIONS

The wide variation in the distribution of performance ratings indicates agencies are not implementing the performance system consistently. In fiscal 2014, the percent of career senior executives receiving the highest rating ranged from 19.3 percent at one Cabinet-level agency

to 92.4 percent at another.³⁰ Furthermore, performance ratings across government tend to skew high, with 89.7 percent of career senior executives receiving a Level 4 or Level 5 (out of 5) in fiscal 2014³¹ even though the Office of Personnel Management defines a Level 3 as "fully successful."³² This is inconsistent with OPM's guidance on performance ratings, which states that agencies should "make meaningful distinctions based on relative performance."³³

Inconsistent performance management can impact the effectiveness of the SES as a government-wide resource, and one interviewee described it as "destabilizing the system." For example, President Obama's Executive Order – Strengthening the Senior Executive Service encourages rotations and sets a government-wide target of 15 percent of senior executives rotating for a minimum of 120 days. Given that bonuses are tied to performance ratings, it is possible that a senior executive employed by

29 The president's description of the SES performance appraisal model in his 2014 budget states, "Under this system, agencies can rely upon a more consistent and uniform framework to communicate expectations and evaluate the performance of SES members. Anchored to a set of clearly defined competencies and balancing achievements of results with demonstration of leadership behaviors, this approach enhances clarity, transferability, and equity in performance standards development, feedback delivery, and ratings derivation." Office of Management and Budget, *Fiscal Year 2014 Analytical Perspectives Budget of the U.S. Government*, p. 111. Retrieved from <http://1.usa.gov/1RumLDi>

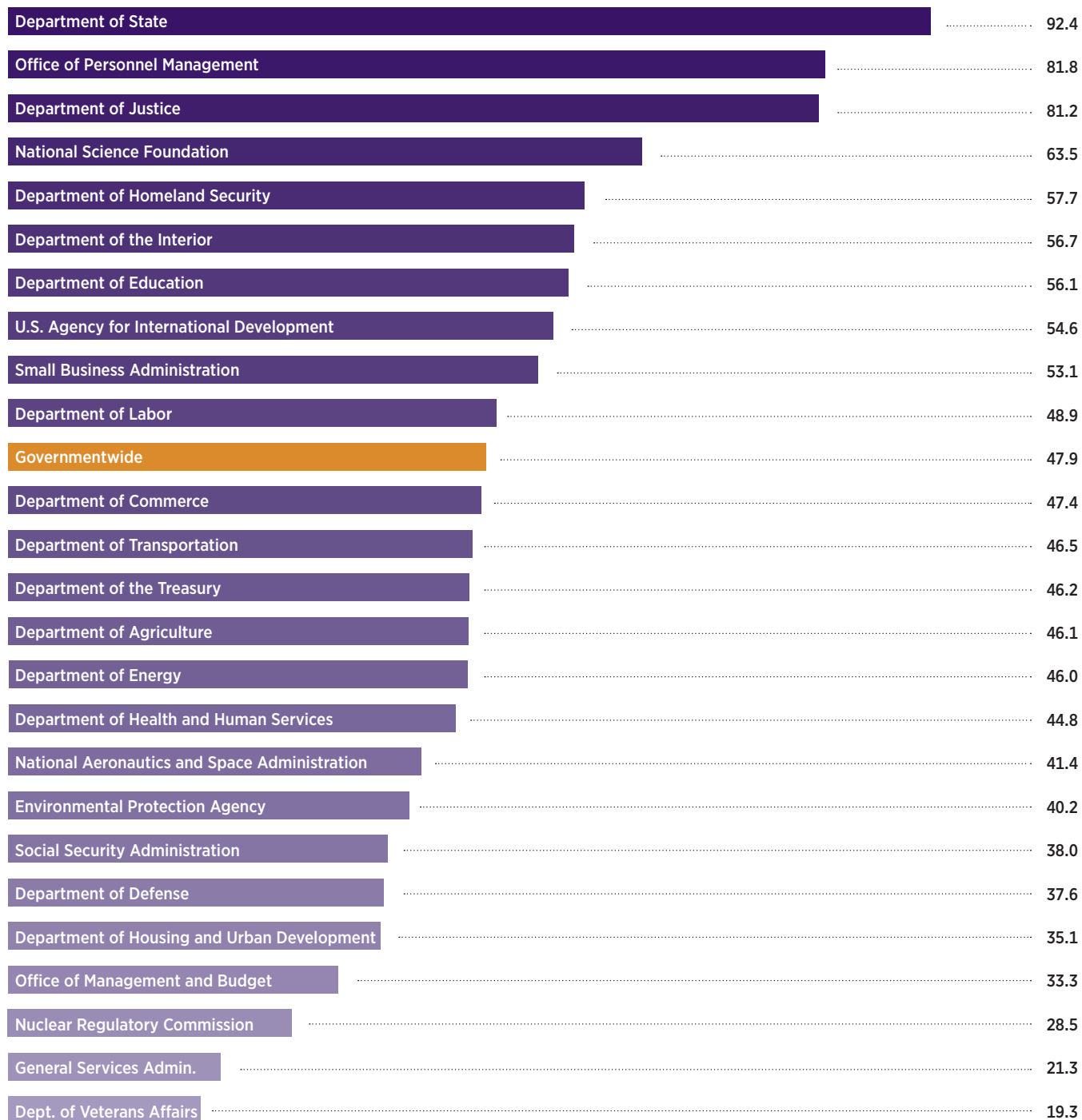
30 Office of Personnel Management, *Report on Senior Executive Pay and Performance Appraisal Systems Fiscal Year 2014*, October 2015. Retrieved from <http://bit.ly/1sB3I5w>

31 Ibid.

32 The Office of Personnel Management defines a Level 3 rating as, "The executive demonstrates the high level of performance expected and the executive's actions and leadership contribute positively toward the achievement of strategic goals and meaningful results." Comparatively, a Level 5 rating of "outstanding" is defined as, "The executive demonstrates exceptional performance, fostering a climate that sustains excellence and optimizes results in the executive's organization, agency, department or government-wide." Performance rating definitions available at <http://1.usa.gov/1UgaQNZ>

33 Office of Personnel Management, "Senior Executive Service Performance Management System." Retrieved from <http://1.usa.gov/1UgaQNZ>

Percent of career senior executives who received the highest performance rating in fiscal 2014



Source: Office of Personnel Management, "Report on Senior Executive Pay and Performance Appraisal Systems Fiscal Year 2014"

an agency with a disproportionate number of “5” ratings would be reluctant to rotate into an agency with a higher percentage of “3” ratings.

Additionally, when agencies give too many senior executives Level 5, or “outstanding,” ratings it can negatively affect the morale of individuals who are genuinely top performers. When there is a perception that some senior executives receive undeserved outstanding ratings, high performers are “absolutely disheartened,” one interviewee said. Disproportionately high ratings can also make it more difficult to identify top performers, which affects agency performance management and succession planning.

Several leaders acknowledged it is a challenge for some supervisors to hold difficult performance conversations with employees, which may result in higher ratings. However, interviewees also said agency leaders and supervisors can mitigate this challenge. They can manage expectations and prevent surprises by offering continuous feedback rather than once- or twice-a-year reviews; being transparent about the performance management process—for example, by sharing the rating distribution curve each year; and communicating that Level 3 and Level 4 performance ratings are good.

One interviewee called the SES the “big leagues,” and said senior executives “should be able to handle” performance ratings below outstanding. Another interviewee echoed that sentiment: “Every year you’re not going to be knocking it out of the park because sometimes it takes three years to get the ball out of the park.”

THE IMPORTANCE OF DATA AND ALIGNING PERFORMANCE

Lack of data makes it difficult for agencies to assess what is causing performance management challenges and identify how to make improvements. The latest research by McKinsey & Company on perfor-

mance management systems shows that successful organizations track data in multiple ways; use quantitative and qualitative information to evaluate performance; encourage frequent performance conversations; distinguish exceptional performance; and connect rewards to performance results. Sources of data include measures of progress against goals or key performance indicators and results from 360-degree assessments. Agencies can use the data and insights gained from a robust performance management system to inform succession management and talent development processes.

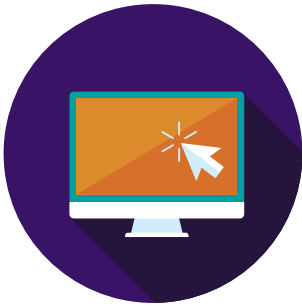
Some agencies have begun to address the lack of data and improve performance management by focusing on performance alignment—the connection between an individual’s performance goals and agency goals. Some are also using electronic performance management systems, such as inCompass, enabling employees to see connections between their individual performance goals, their senior executives’ performance goals and agency strategic goals (see page 24). This type of system also provides leaders with data that can be used to inform agency strategic planning processes.

One department formed a working group to assess and improve how senior executives align their performance goals to the department’s strategic objectives. The effort is motivated by a simple idea: Employees who understand how their work contributes to advancing the agency’s mission will be more engaged, and engaged employees drive organizational achievement. It is crucial for senior executives to understand the principles of performance alignment because they are the link between their agency’s strategic objectives and employees’ performance plans. Every employee’s performance plan is aligned to a senior executive’s performance plan, which is aligned to the agency’s strategic ob-

jectives. If a senior executive’s performance alignment is inaccurate, it will affect the whole organization.

The working group and Performance Review Board assess senior executives’ performance plans at the beginning of a performance cycle to ensure their individual goals reflect the organization’s operational priorities. “For us, alignment of executive contracts to our priority goals has created organizational clarity,” an agency senior leader said. “Everyone knows the priorities, everyone knows their role, and we bring the resources and knowledge to bear to achieve results. It’s about a shared direction with individual accountability.”

Interviewees from this agency said they hope to use data from the electronic performance management system and insights from the working group to integrate discussions about human capital planning, strategic planning and organizational performance. When human resources staff take an active role in developing and implementing the agency strategic plan with organizational performance staff, it provides valuable insight that they can then use to guide senior executives and other employees in creating results-oriented individual performance plans. Interviewees also said they want to improve collaboration among colleagues in different agency subcomponents working toward the same strategic objectives.



Electronic Performance Management Systems

Some Cabinet-level agencies use an electronic talent management system called inCompass, offered by a federal shared service provider. It enables users to view performance data in real time, document progress on performance goals and increase accountability. InCompass assists with performance alignment by allowing users to connect their individual performance goals to other employees' goals and agency objectives in the system.

InCompass has modules for performance planning, learning and development, compensation, succession planning, competency assessments and more. Although each module can be used separately, the system is most valuable when employing multiple modules for fully integrated talent management, according to one interviewee. Users can do everything in one place rather than logging into multiple programs. InCompass also helps employees see connections among interrelated aspects of their work, such as their performance plan and development opportunities, as well as how their work relates to the agency's mission.

One agency requires senior executives to create performance plans through inCompass. Senior executives write their individual goals, then use a pre-populated drop-down menu to select the agency goals or objectives that align with their individual goals. General Schedule employees can connect their performance goals to a senior executive's goals, enabling employees to see their role in advancing mission-critical objectives and allowing leadership to track which staff are contributing to each strategic goal.

Supervisors can review and comment on a senior executive's performance plan in the system, and users can track progress toward their goals throughout the year. At the end of a performance cycle, agency leadership can see all the consolidated information in a performance summary.

One agency enhanced the performance management process for senior executives by using a system feature that allows members of the Performance Review Board to view and comment on

EXAMPLE OF EXCELLENCE

performance plans at the beginning of the year. At the end of the year, PRB members make final comments, and the PRB chairperson can consolidate the comments to inform a final recommendation and close out the performance cycle.

Prior to using inCompass, the performance review process was paper-driven and labor intensive, an interviewee said. An executive services committee had to compile huge binders for PRB members. Now, members comment in a chat-room format, and the system compiles all the information.

InCompass also stores data entered by the user that can be repopulated in other parts of the system. For example, when a senior executive creates a performance goal in the performance planning module, that information can be used in the learning module to create an executive development plan. When someone creates a performance or executive development plan, inCompass can suggest talent development opportunities. The user then can pick a course, add it to the plan, register and immediately launch the training if it is available online.

Using a system such as inCompass provides several benefits, said an inCompass expert. For one, the ability to view data in real time means senior executives can document progress as it occurs, rather than only at the end of the performance cycle. This ongoing visibility into employees' progress facilitates continuous conversations about performance, and creates opportunities for mid-course corrections and other helpful interventions during the performance cycle.

InCompass can also generate reports and provide data for agency leadership to use when reviewing progress on strategic goals. "That's the holy grail of performance really—being able to see improvements in organization performance through individual performance," an interviewee said.

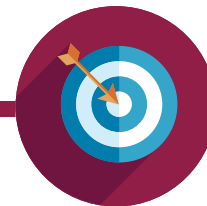
Leadership Development

ASPIRATIONAL PRACTICES

Make learning more experiential and action-oriented through rotations, and coursework that lends itself to on-the-job application

Provide “stretch” or challenge assignments that match individual potential to agency needs

Use mentoring programs that demonstrate the importance of on-the-job learning and enable experts to share their knowledge



Some agencies have adopted innovative strategies to promote and revitalize talent development.

Investing in leadership development is critical for organizational success. Yet barriers including busy schedules, lack of support from supervisors and inadequate talent development offerings prevent senior executives from getting the development that they need and deserve.³⁴ Indeed, in a 2011 survey of senior executives, 30 percent of respondents reported that their development needs were not being met.³⁵

While on-the-job experiential learning is most effective, it is used most sparingly. For example, just 21 percent of career senior executives participated in an action learning project, and 18 percent participated in a developmental assignment lasting more than 30 days, sometimes called a “stretch assignment.”³⁶ But these activities were found to be “very” or “mostly effective” by 63 percent and 83 percent of participants, respectively.³⁷ By contrast, 71 percent of career senior executives reported participating in an online course, but only 37 percent assessed it as “very” or “mostly effective.”³⁸ One interviewee said, “People learn when they are pushed outside their comfort zones...I know that the best learning happens from those difficult experiences that you probably wouldn’t ask for.”

INNOVATIVE TALENT DEVELOPMENT PRACTICES ACROSS GOVERNMENT

Onboarding

President Obama’s 2015 Executive Order – Strengthening the Senior Executive Service requires agencies to establish a formal onboarding program that helps new senior executives navigate their first year on the job. Bet-

ter onboarding is necessary, as borne out in a fiscal 2011 survey that found just 56.6 percent of senior executives with fewer than three years in the SES were “satisfied” or “very satisfied” with their onboarding experience.³⁹ Department of Labor, working with the Partnership for Public Service, launched an executive onboarding program two-and-a-half years ago that aimed to help newly hired employees transition into the SES. As part of Labor’s onboarding program, participants are placed in cohorts and asked to complete an action learning project addressing a challenge the department is confronting. Each team works under the guidance of an executive coach. The program has also helped new senior executives forge relationships across the department. “At the beginning of the program, participants sat together by agency,” said Director of Executive Training and Development Lucy Cunningham. “But by the end of the program, they were sitting together by cohort.”

Rotational assignments

President Obama’s executive order also requires agencies with more than 20 SES positions to develop a plan to increase the number of their senior executives who rotate to other positions. The executive order’s goal: by fiscal 2017, 15 percent of senior executives government-wide will be on a rotation for a minimum of 120 days. Rotations, currently underused, are one way to promote experience-based development. Office of Personnel Management data from fiscal 2015 show that more than half of the federal government’s career senior executives (53.3 percent) have not changed positions while in the SES. Of those who did, 35.3 percent moved to another position within their subcomponent, 8.1 percent changed subcomponents within their agency and 3.3 percent moved to another agency.

34 Office of Personnel Management, *Senior Executive Survey Results for Fiscal Year 2011*, May 2012, p. 40-44. Retrieved from <http://1.usa.gov/1qMlotO>

35 Merit Systems Protection Board, *Training and Development for the Senior Executive Service: A Necessary Investment*, December 2015, p. i. Retrieved from <http://1.usa.gov/1sdjMdY>

36 Ibid, p. 25.

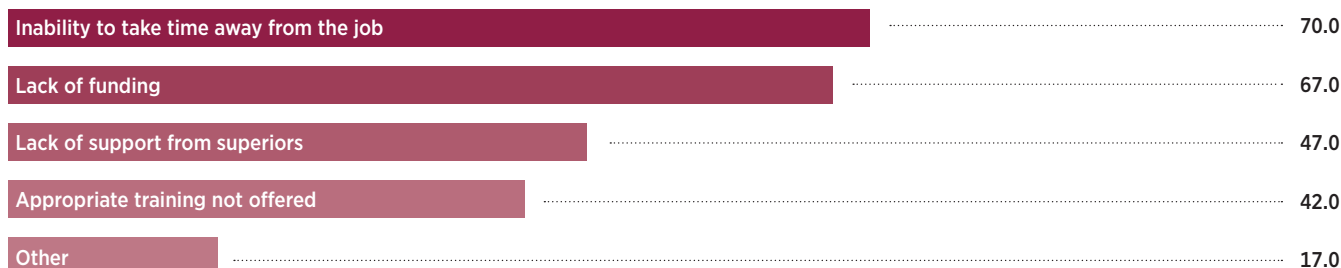
37 Ibid.

38 Ibid.

39 Office of Personnel Management, *Senior Executive Survey Results for Fiscal Year 2011*, May 2012, p. 36. Retrieved from <http://1.usa.gov/1qMlotO>

Reasons cited by the 30 percent of career senior executives who reported that their development needs are not met

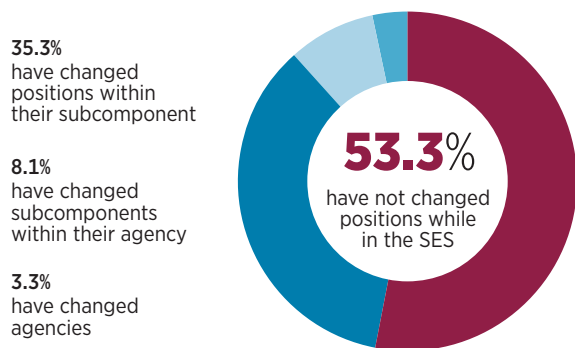
Percent who “agreed” or “strongly agreed” that their needs were unmet due to...



Source: Merit Systems Protection Board, “Training and Development for the Senior Executive Service: A Necessary Investment”

Mobility of current career senior executives as of fiscal 2015

Agency range: Percent of career senior executives who have changed positions while in the SES



Percent

TOP	
Nuclear Regulatory Commission	74.6
National Aeronautics and Space Administration	68.5
Social Security Administration	65.2
BOTTOM	
Department of Health and Human Services	34.1
Department of Labor	28.1
U.S. Agency for International Development	23.3

Source: Office of Personnel Management

The Department of the Army requires its senior executives to rotate into new positions every five to seven years. It is a transparent process that allows senior executives some input into their new assignments.

When rotations began to occur more frequently within the Army almost a decade ago, just one person directed assignments. This led to employee perceptions of favoritism, with some senior executives assuming that the department’s most popular people were receiving the best assignments. The Army made the process more transparent, inviting discussion and advice by creating

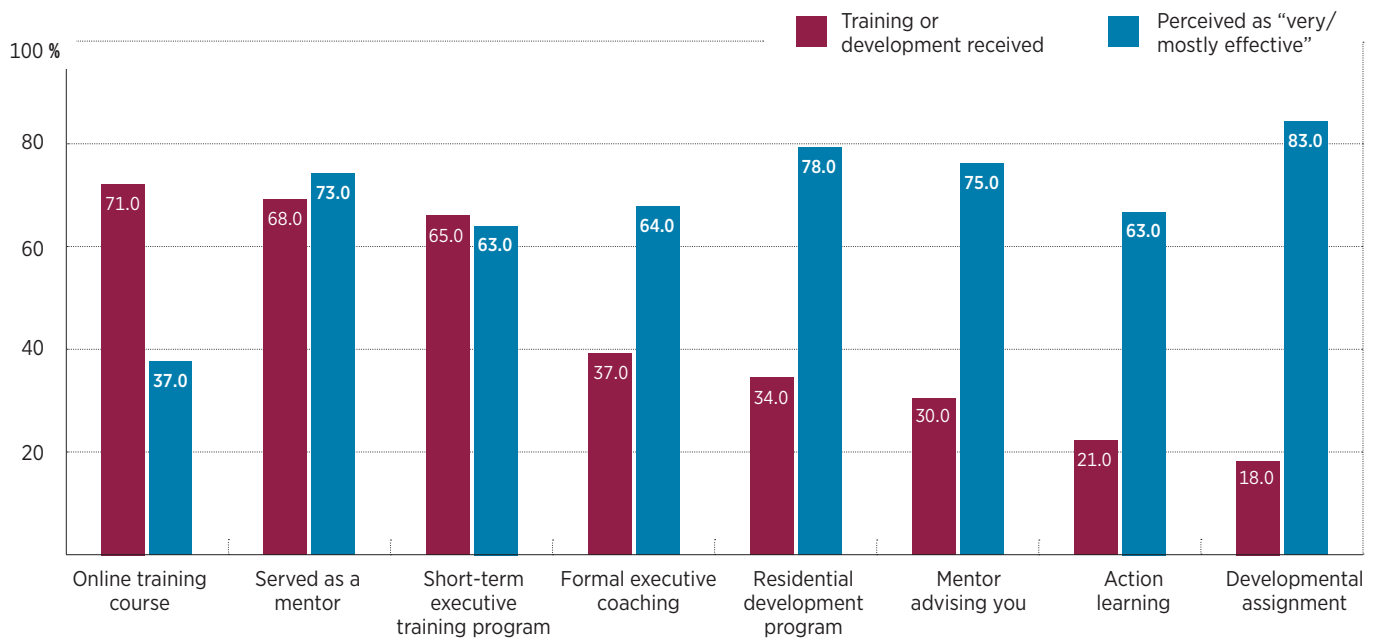
a “talent management board,” comprised of representatives from Army’s major organizations and communities. The board meets annually to determine which senior executives are ready to rotate and then recommends new assignments. Senior executives can nominate themselves for specific positions but are not guaranteed the assignment of their choice.

When a senior executive is recommended for a new assignment, the Army’s human resources department calls the organization that is losing the senior executive as well as the one that is getting the senior executive. HR’s purpose is to discuss

the value the senior executive is expected to bring to the new position and the skills he or she can develop in the new role. HR provides this input to the secretary of the Army, who makes the final decision.

By engaging the receiving agencies this way, the Army helps alleviate a common concern about rotation assignments—that receiving agencies will inherit unproductive individuals. In some instances, senior executives’ performance improved considerably because the new position was a better fit, according to Suzanne Torres, chief of the Operations Division in the Civilian Senior Leader Management

Participation in and effectiveness of talent development opportunities (career SES)



Source: Merit Systems Protection Board, "Training and Development for the Senior Executive Service: A Necessary Investment"

Office. Sharing these types of stories with recipient agencies has helped foster buy-in.

Finally, the Army is continuing work to dispel the notion that rotation assignments invariably require a geographic move. Many senior executives move among the Army's organizations and functional communities in the same geographic location. The Army also hopes to partner with other federal agencies located in the vicinity of Army offices so senior executives could do a rotation at one of those agencies without having to move out of the area.

MENTORSHIP

Talent development is not a one-size-fits-all proposition. To be most effective, it must be tailored to an individual's needs. "We need to reconceive development, because senior executives' needs are different," one interviewee said. "It would be difficult to tell someone who has been a senior executive for years to read a book or take

a class. Rather, that senior executive's development should be giving back, by serving as a mentor, for example."

Mentoring is a highly effective but underused leadership development activity. In a fiscal 2011 survey, just 30 percent of career SES reported having a mentor, yet 75 percent perceived their experience to be "very" or "mostly effective."⁴⁰ Of the senior executives serving as mentors, 73 percent rated the experience as "very" or "mostly effective."⁴¹ Done properly, this activity stands to develop mentors as well as mentees.

The Department of the Air Force recently started a program to facilitate mentoring, called MyVector. Launched in July 2015, the program has approximately 120,000 registered users, and 14,000 are registered

⁴⁰ Merit Systems Protection Board, *Training and Development for the Senior Executive Service: A Necessary Investment*, December 2015, p. 25. Retrieved from <http://1.usa.gov/1sdjMdY>

⁴¹ Ibid.

as mentors. Roughly 60 percent of the Air Force's civilian SES and senior military leaders are registered in the system to be mentors.

The mentoring program functions as an online matchmaker. Prospective mentors and mentees create accounts and fill out demographic profiles that include supervisor name, hobbies, interests and a host of other information. Users can specify attributes they desire in a mentor, which might include a certain education level, duty location or history of private-sector employment. The system creates a list of mentors who meet the criteria, enabling those seeking a mentor to make an educated choice.

The system also includes an online function where mentors and their mentees can connect virtually, and allows those being mentored to share their work history and development plans with their mentors electronically, in a completely secure environment, enabling mentors to provide well-informed advice.



Securities and Exchange Commission **College of Leadership Development**

Executives at the Securities and Exchange Commission report high levels of satisfaction with their talent development. In 2015, the SEC's *Best Places to Work* score for SES training and development was 89.1 on a scale of 0 to 100.

In 2010 the SEC created the College of Leadership Development with the understanding that busy senior leaders are more likely to participate in talent development if opportunities are grounded in their day-to-day challenges and designed to accommodate their individual needs.

The College, located at SEC headquarters, offers courses, seminars, workshops and executive coaching led by people from inside and outside of government who have applied leadership development expertise and industry savvy that senior officers respect.⁴² The College provides content for all senior officers, regardless of tenure or the length of time they can commit to training.

“Our senior officers see the qualifications of the people selected to teach the classes and they appreciate the high-quality product they’re getting,” explained Christelle LaPolice, Dean of the College of Leadership Development.

In addition to a high-quality product, LaPolice underscored the value of thoughtful marketing, noting the appeal of a college, an annual course catalog mirroring those found at universities, and sharply-designed, glossy promotional material.

Support from the highest level of leadership has also been essential to the College's success. By regularly attending Senior Officer Seminars and the opening and closing sessions of the Senior Officer Workshops, the SEC chair sends the message that no one is too busy or accomplished for talent development.

⁴² Senior Officers at the Securities and Exchange Commission are the equivalent of SES members elsewhere in government.

CONCLUSION

In December 2014, President Obama met with the Senior Executive Service to thank them for their service. In remarks consistent with themes we heard throughout dozens of interviews, the president said, “Many of you do what you do at extraordinary sacrifice. You could work at a lot of places. You made a decision at some point in your life to serve your country. Your country is stronger because you made that decision. You keep America running—our airports, our embassies, our financial system. You take care of our troops and their families. You do it without fanfare. In fact, doing your job right often means nobody hears about you.”⁴³

In addition to praising their good work, the president urged the assembled senior executives to ask themselves, “How can I do it better every single day?”

In large measure, our report is about the need for all stakeholders to ask themselves how they can do better and then develop and implement creative solutions to put the SES on sound footing.

The Office of Personnel Management and the Office of Management and Budget could identify and share best practices, ensure that agencies collect comprehensive data on the SES and then use the data that agencies collect to routinely measure and report on the health of the SES. OPM and OMB could also boost morale and foster collaboration by periodically convening the SES.

Agency leaders could routinely recognize the contributions and accomplishments of their senior executives—

both publicly and privately. They could also encourage senior executives to engage and innovate with their colleagues, and bring obstacles standing in the way of a healthy SES to the attention of senior leaders.

Current senior executives could act to ensure they are in a position to succeed. This includes speaking up when they do not get the support they need from supervisors, taking advantage of talent development opportunities despite punishing workloads, and providing development opportunities to lower-level employees such as mentoring or coaching.

Finally, the next generation of senior executives could aggressively seek out development opportunities—because the most compelling candidates are well-rounded with a wide range of experiences. Future senior executives can also feel optimistic about the good work that is being done to make membership in the SES a more exciting proposition and share ideas for how to improve the cadre’s health.

The Partnership for Public Service and McKinsey & Company initiated this project with the goal of bolstering the health of the SES. We aimed to do so by calling attention to good practices, providing baseline metrics on the health of the SES that could be re-measured across time, and highlighting agency examples of excellence in each area of the president’s executive order. The health of the SES is vital to a high-functioning federal government, and it is imperative that stakeholders address the need for reform.

43 “Remarks by the President to Senior Leaders of the Federal Workforce,” December 9, 2014. Retrieved from <http://1.usa.gov/27UhJvP>

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