

## Developing Candidates for the Federal Government's Senior Executive Service

### Synopsis

One of the foremost issues identified in this research concerns the organizational level at which a formal leadership development program is housed. Should such a program be internal to a single department or agency? Should it be offered centrally—for example, federal-government-wide—to participants from many departments? Or should it be located somewhere in between? And what are the consequences of each option for the leadership pipeline?

Closely related to this issue is another, equally important one: the homogeneity or heterogeneity of the group of people who go through a formal leadership development program together, as a cohort. This issue is often connected to the first one, since the organizational level at which such a program is initiated may determine the diversity within each class.

The following case study provides an object lesson. It briefly describes two different approaches to developing candidates for the federal government's Senior Executive Service (SES). The SES is the highest echelon of federal jobs that are not filled by presidential appointment with Senate confirmation.<sup>1</sup> One approach—represented in this case study by the Department of Labor's SES Candidate Development Program (CDP)—is to field a formal leadership-development program at the department level. The new alternative is the federal-wide program sponsored by the Office of Personnel Management (OPM) and designed to prepare candidates from a cross-section of departments.

The 2005 launch of OPM's new "Fed CDP" provides a remarkable opportunity to compare the costs and benefits of CDPs offered at the department and the jurisdiction level. What does the organization gain from each kind of program? What are the limitations? And how does the program's organizational location impact participants' development and subsequent career path? Until the OPM program produces some graduates, these questions cannot be answered. What *is* possible, however, is to examine how the organizational location and design of two CDPs influence the developmental experiences they deliver.

### Challenges

Federal agencies have an urgent need to build their leadership pipeline and to demonstrate the cost-effectiveness of their methods due to two factors:

- **Retirements.** The federal government must prepare for a significant number of retirements, particularly among managers. Among current SES members, more than half will be eligible to retire in two years.
- **President's Management Agenda.** Evaluating the costs and benefits of different approaches to developing people for the SES has become increasingly important at a time of heightened accountability in federal government. As part of the President's Management Agenda, agencies must report their progress every quarter in strategically managing human capital — including leadership development and succession planning.

### What Is the SES?

Operating as a distinct, merit-based personnel system with its own rules, the SES includes most managerial, supervisory and policy positions above the GS-15 level. Established in 1978, the SES serves to:

- Improve the executive management of government
- Select and develop a cadre of highly competent senior executives with leadership and managerial expertise
- Hold executives accountable for individual and organizational performance
- Set pay based on performance
- Provide for an executive system that is guided by the public interest and free from improper political interference

The law stipulates a minimum number of SES positions (3,571), although the actual number is significantly larger. Currently, there are 7,868 permanent SES positions, which are allocated to departments and agencies by OPM, in consultation with the Office of Management and Budget (OMB).

### Eligibility for the SES

The Executive Core Qualifications (ECQs) shown below are required for competitive entry into the SES. Each ECQ has a corresponding list of competencies.

<sup>1</sup> Some agencies and their components are excluded by law, such as independent government corporations and the intelligence agencies. Some positions are excluded by law, such as Foreign Service and Administrative Law Judges.

## Executive Core Qualifications

### Leadership Competencies

Executive Core Qualifications	Competencies
<p><b>ECQ 1 – Leading Change</b>            This core qualification encompasses the ability to develop and implement an organizational vision that integrates key national and program goals, priorities, values, and other factors. Inherent to this ECQ is the ability to balance change and continuity; to continually strive to improve customer service and program performance within the basic government framework; to create a work environment that encourages creative thinking; and to maintain focus, intensity, and persistence, even under adversity.</p>	Continual Learning Creativity/Innovation External Awareness Flexibility Resilience Service Motivation Strategic Thinking Vision
<p><b>ECQ 2 – Leading People</b>            This core qualification involves the ability to design and implement strategies that maximize employee potential and foster high ethical standards in meeting the organization’s vision, mission, and goals.</p>	Conflict Management Leveraging Diversity Integrity/Honesty Team Building
<p><b>ECQ 3 – Results-Driven</b>            This core qualification stresses accountability and continuous improvement. It includes the ability to make timely and effective decisions and produce results through strategic planning and the implementation and evaluation of programs and policies.</p>	Accountability Customer Service Decisiveness Entrepreneurship Problem Solving Technical Credibility
<p><b>ECQ 4 – Business Acumen</b>            This core qualification involves the ability to acquire and administer human, financial, material, and information resources in a manner that instills public trust and accomplishes the organization's mission, and the ability to use new technology to enhance decision making.</p>	Financial Management Human Resources Management Technology Management
<p><b>ECQ 5 – Building Coalitions/Communications</b>            This core qualification involves the ability to explain, advocate, and express facts and ideas in a convincing manner and to negotiate with individuals and groups internally and externally. It also involves the ability to develop an expansive professional network with other organizations and to identify the internal and external politics that impact the work of the organization.</p>	Influencing/Negotiating Interpersonal Skills Oral Communication Partnering Political Savvy Written Communication

Source: <http://www.opm.gov/ses/competencies.asp>

### Preparation for the SES

There's more than one route to preparing for the SES. OPM offers courses and workshops through the Federal Executive Institute and Management Development Centers to help federal employees develop the ECQs and competencies.

But by far the most targeted approach to preparing talented employees to compete successfully for SES positions is the SES Candidate Development Program (CDP). "At its inception, the architects of the SES focused on the need to develop a pool of candidates," notes Doris Hausser, Senior Policy Advisor to the OPM Director. "Even in the late 1970s, leaders like Alan K. Campbell recognized the government's need to anticipate the retirement wave we face today." As a result, the same law that established the SES also stipulated that there be formal programs to systematically develop candidates for the SES.

Twenty-eight federal agencies and bureaus operate their own CDPs. While some may advertise the program externally—that is, government-wide as well as outside federal government—they have designed their program to meet an internal need: developing leaders who can successfully fill SES positions within that department or agency. However, completing such a program does not guarantee placement in an SES position. In fact, less than half of those who've graduated from an agency- or department-level CDP have secured an SES position — at least so far.

But now, for the first time, there's another route to SES candidacy: an OPM-sponsored CDP, designed to serve the needs of federal agencies government-wide. For this debut offering, ten agencies signed on to sponsor one or more candidates, equivalent to the number of SES positions they hope to fill with a graduate or graduates of the entering CDP class. The process works like this: OPM solicits applicants on behalf of sponsoring agencies. The agencies select their candidates, with OPM oversight. The agencies pay \$25,000-per head for the program. While enrolled in the CDP, each candidate works for the agency in his or her existing position or, in the case of an externally recruited candidate, a temporary developmental position. At the end of the program, the agency gets a certifiable SES-er who's just completed the Cadillac of federal executive-development programs, and has the chops—and cross-government contacts—to prove it.

OPM's recruitment efforts drew a staggering 7,800 applications for just 18 positions in the first class. Of those applicants, 64 percent came from outside federal government — another surprise. Final selection was completed in May 2005 and the program began in June.

### Program Requirements for All CDPs

OPM certifies all SES Candidate Development Programs, regardless of where they're housed. All programs must include the following elements:

- An Individual Development Plan, based on individual needs and competencies
- At least 80 hours of training that address the ECQs and include individuals from outside the candidate's agency
- At least 4 months of developmental assignments outside the candidate's position of record
- An SES mentor
- Periodic performance evaluation
- A documented starting and finishing date

Even with these requirements, there's room for substantial variability among programs. The next section describes two CDPs.

### The Department of Labor's SES Candidate Development Program

There are several reasons we selected DOL from among the 28 federal agencies and bureaus that have developed their own CDP: DOL excels at human capital management overall, as evidenced by its performance on the President's Management Agenda. DOL was the second out of 26 federal agencies to receive the top rating for its strategic management of human capital from OPM, as ratified by OMB. A second reason is that DOL has conducted three iterations of its CDP program, so it has a depth of experience about the effectiveness of its approach. The third reason is that DOL has clear metrics for evaluating the CDP's impacts using a variety of outcome measures. They demonstrate, for example, that a significant number of graduates from DOL's program have been selected for permanent SES positions within the department.

In 2004, as OPM was drumming up interest among federal agencies for its new Fed CDP, Labor was already several years into its own proprietary version. It had good reason to get a jumpstart. Sixty-eight percent of its SES incumbents will be eligible to retire within the next two years—and still others could opt for early retirement under a special, time-limited offer in 2005.

Launched in FY 1999, DOL's CDP program was designed to prepare candidates within federal government to assume SES positions. The first class had 23 participants, 96 percent of whom received SES certification upon completion. Fifteen were selected for SES positions and four are eligible for appointment. (The remaining four retired, left government, or did not complete the program.) The second class, which started in September 2002, had 27 candidates. A third class will most likely be offered in FY 2006. Two members of the first class came from outside DOL and four members of the second class came from outside federal government.

In addition to developing the ECQs, Labor's program—whose elements are outlined in the chart that follows—seeks to broaden participants' exposure to other areas of government. It does this partly by requiring that they complete at least two developmental assignments outside their current responsibilities. At least one of these assignments must be outside the participant's current DOL agency. In some cases, the assignment might be working for a different federal agency. In addition, participants must get at least 80 hours of interagency training, for example, through one of the federal government training institutes or a university-based program. Both the classroom training and the developmental assignments are tailored to the individual's developmental needs, as identified in his or her Executive Development Plan.

DOL—which includes 25 Program Areas and 52 State Labor Offices (including Guam and Puerto Rico)—looks at its CDP as a corporate program, since it serves the entire department. That eliminates the need for agencies within the Department, such as OSHA, Bureau of Labor Statistics, and the Veterans' Employments and Training Service, to create their own CDP. It also ensures that senior executives focus on the program. As a result, they help select each class, mentor CDP candidates, and make sure the candidates get choice, executive-level rotational assignments. By involving current executives in these ways, the department hopes to increase the likelihood that its CDP graduates are chosen to fill internal SES vacancies.

DOL filled 26 SES vacancies in FY 2004, five (19 percent) of them with its CDP graduates.

DOL's Human Capital Metrics include two measures for evaluating the program:

- **Bench strength.** This is defined as the number who are currently enrolled in the program or have already graduated. The goal is for bench strength to equal at least 70 percent of the projected gap (or projected vacancies) in SES positions. At present, DOL's bench strength for SES positions is 70 percent.
- **Placement rates for SES program.** The goal is for 80 percent of program graduates to be placed or promoted within two years. Of the first class, 83 percent have met this goal. Of the second class, which finished in August 2003, 66 percent have.

By these measures, DOL's candidate development program is meeting its bench strength goal and has not yet met its placement goal.

### The Fed CDP

The stakes are high for OPM's new Fed CDP: The agency first announced plans to create a government-wide program in 2003, but implementation was delayed by an internal reorganization within OPM and a policy debate over the planned program's design and selection process.

Following a one-year hiatus, OPM posted the call for applications on its web site in November 2004. And immediately, government-watchers began tracking the response rate like racing fans follow the Triple Crown. There were weekly updates in the media: 3,200 applications by the first week of December and more than double that one week later. The total (7,800) was beyond anyone's wildest dreams. But how good were these applicants? Where did they come from? And how would they be received by the ten agencies that had signed on to sponsor one or more candidates in the Fed CDP? The results are still coming in, even as the first class begins its 14-month program. The final score will not be known for several years, at least, until one or more cohorts of program graduates have settled into SES positions and their preparedness and performance can be assessed.

Although it's too soon to evaluate the program's impacts, we looked closely at OPM's processes for attracting and selecting final candidates and at the design of the program itself. All three have been carefully thought out.

### Recruitment

Although the application period was limited to three weeks, OPM used its website to advertise the program and the imminent call for applications several weeks ahead of time. That gave serious applicants more time to gather up their materials. In addition, OPM partnered with a network of membership associations such as the National Association of Hispanic Federal Hispanic Executives, Blacks in Government, the League of United Latin American Citizens, Asian-Pacific Americans and veterans' organizations to reach specific demographic groups. The astonishing number of applicants and the proportion (64 percent) that came from outside federal government suggest that OPM's aggressive recruitment strategy worked. The mere fact that the program was first announced in 2003 and then took a year to develop may have helped build interest, suggests Ileen Rogers, manager of OPM's Leadership Development Group. Media coverage of the federal government's approaching retirement wave may have also raised interest in federal career opportunities.

More importantly, OPM's recruitment efforts paid off in the caliber of applicants. "The pool is better than in the homegrown approach" in which an agency does its own recruitment, says Rogers. "With the number of applications we received, agencies got to see real quality."

The downside was sifting through that many applications proved overwhelming for some agencies. That makes it critical, Rogers says, that OPM oversees the selection process to make sure it's careful, thorough, and consistent across agencies.

### Selection

The selection process entailed six steps:

- An initial screening by OPM to make sure the applicants met the basic requirements
- Sorting applicants by the SES positions they were interested in. The call for applications specified which federal agencies were seeking SES candidates and for which positions. Applicants indicated agency position(s) they wanted to be considered for.
- A panel from each agency evaluated its applicant pool against the ECQs and arrived at a consensus rating for each candidate.
- OPM provided each agency with a day-long training in structured interviewing techniques. Leaders from each agency conducted structured interviews with the top candidates. From these, approximately 150 semi-finalists were selected, or from five to twenty per agency, depending on how many SES positions it was trying to fill.

- Each semi-finalist participated in a virtual assessment center and a telephone interview, both conducted by Development Dimensions International.
- Before the final selection was made, OPM certified that the process had been followed consistently across the participating agencies.

Winnowing the pool from nearly 8,000 applicants down to 18 finalists took six months. And though most of the selection process took place at the agency level, OPM played an active role. Some agencies were so swamped by applicants that careful screening became a challenge; a few even considered withdrawing from the program because they were unprepared for so many applicants. In agencies that couldn't free up sufficient staff for the structured interviews, OPM pitched in. OPM also coached agencies in how to conduct a selection process that didn't automatically favor candidates from inside the department.

### Program Design

The elements of the Fed CDP are outlined in the chart that follows. Several notable features are worth highlighting: The initial week of the program is structured to "engage participants in an active and supportive learning community," in part, by forming Executive Learning Teams composed of five to seven candidates and an executive coach. Over the life of the program, they will develop their skills in coaching each other and will undertake an action learning project. This Team Leadership Project will be a demanding, real-world (as opposed to simulated) assignment. (For more information about action learning, see page 64.) An Executive Coach will work with each team to facilitate group development and functioning while, at the same time, offering feedback to the group and to individuals. Coaches will be chosen from outside the agency. "It's important that they be independent," says Rogers, so they can establish a trusting relationship with the candidate but also give impartial performance feedback.

### Agency-level vs. the Fed CDP

The chart that begins on the next page is meant to facilitate comparison between the Department of Labor's (DOL) CDP and the Fed CDP.

The final section of the case study that follows the chart explores how these structural and programmatic differences might impact executive development.

## Developing Candidates for the Federal Government's Senior Executive Service

	DOL's CDP	Fed CDP
<b>Program Goals</b>	To provide career enhancement and develop the executive skills of employees with high potential for SES ranks	"Train outstanding future federal government leaders who will guide us through the challenges and opportunities of the 21st Century"
<b>Eligibility</b>	GS/GM-15 level or GS-14 level for one year	1+ years leadership experience at GS-14 (or comparable) level
<b>Recruitment</b>	Recruitment strategy based on projected needs (skills, functional area, attrition rate, etc.). The first class was recruited within Federal government; for the second class, DOL also recruited externally.	Recruits from within and outside federal government
<b>Selection</b>	<p>Criteria:</p> <ul style="list-style-type: none"> <li>■ Potential for achieving 5 ECQs</li> <li>■ Current performance appraisal</li> <li>■ Two assessments by supervisors</li> <li>■ Candidate statements related to the applicant's competencies in the 5 ECQs</li> </ul> <p>Process:</p> <ul style="list-style-type: none"> <li>■ HR staff review for minimum qualifications</li> <li>■ ERB or DOL Management Review Board interviews candidates and recommends to Secretary of Labor</li> </ul>	<ul style="list-style-type: none"> <li>■ OPM does initial screening to make sure applications meet minimum requirements</li> <li>■ Applications sorted by agency</li> <li>■ A panel within each agency reviews applications and, based on the ECQs, selects candidates to interview</li> <li>■ Each agency interviews candidates using structured interview process</li> <li>■ Finalists participate in a virtual assessment process coupled with a telephone interview by DDI</li> <li>■ OPM certifies the list of finalists</li> </ul>
<b>Cohort Size</b>	20-25	18
<b>Length of Program</b>	12-18 months	14-month program
<b>Time Commitment</b>	Program participants who are current DOL employees spend approximately 50% of their time on SES CDP activities. Participants from other federal agencies will be detailed from their agency and spend approximately 50% of their time on the CDP. Participants from outside federal government will be offered a temporary DOL position (GS-15) for the program's duration.	The CDP is completed in addition to full-time job. Candidates from outside the agency are given an "appointment for developmental purposes," scheduled around the CDP and chosen to provide significant developmental experience. Program participants from within the agency need to negotiate their work duties. In either case, the agency has a vested interest in the CDP-er completing the program requirements and the IDP. Only by doing so can she or he be certified to fill the agency's permanent SES position.
<b>Assessment</b>	360-degree assessment of current competencies related to ECQs, which is used to create Executive Development Plan	Skills assessments completed prior to and during first week; feedback on leadership skills

	DOL's CDP	Fed CDP
<b>Executive Development Plan</b>	Executive Development Plan to master ECQs, prepared with mentor, supervisor, and DOL's Office of Continuous Learning and Career Management	Executive Development Plan created with mentor
<b>Formal Training Requirements</b>	<ul style="list-style-type: none"> <li>■ Orientation</li> <li>■ Core Training: Varies according to candidates' assessed needs</li> <li>■ Interagency training Not less than 80 hours interagency, executive-level training that addresses ECQs</li> </ul>	<p>Three non-consecutive weeks of residential training</p> <ul style="list-style-type: none"> <li>■ Executive Leadership Assessment Experience (1 week)</li> <li>■ Strategic Leadership Seminar (1 week)</li> <li>■ Focused Skills Seminar (1 week)</li> </ul> <p>Several 1-day workshops and sessions</p> <p>Skill-building in areas of values-based leadership, emotional intelligence, and team development</p> <p>Small budget (based on individual needs) for each participant to acquire specific skills related to EDP</p>
<b>Rotational Assignment</b>	At least two developmental assignments of not less than 90 days, one of which must be outside the candidate's own DOL agency.	At least 4 months of developmental assignment(s) involving challenging operational responsibilities outside current position, as suggested by EDP. Goal: "to expand understanding about the functions of government, its operations, and the role of senior executives in public policy formation and administration and to build executive skills."
<b>Team Project</b>	None	Executive Learning Teams undertake group project at the agency/department level. Goals: <ul style="list-style-type: none"> <li>■ Explore an important leadership issue</li> <li>■ Practice giving and receiving feedback and coaching on individual and team skills</li> <li>■ Deliver useful product</li> </ul>
<b>Mentor</b>	Current member of DOL SES	Participants select a mentor from established pool of SES-ers
<b>Performance Evaluation</b>	<p>At the beginning of each developmental assignment, participant and supervisor agree on objectives and standards to be used in evaluating performance; halfway through the assignment, there's a performance discussion. At the end of the assignment, the supervisor completes a written evaluation, as does the participant.</p> <p>The Department's Human Resource Center reviews progress midway through the CDP.</p>	Agencies will conduct performance evaluation at or before program midpoint. The process will include the participant's supervisor, the CDP mentor, the faculty, and the supervisor for any developmental assignment the employee has undertaken for the CDP.
<b>Other Program Components</b>	<ul style="list-style-type: none"> <li>■ Invited to attend annual, all-day event with DOL SES-ers and DOL Secretary</li> </ul>	<ul style="list-style-type: none"> <li>■ Executive coach assigned to each team; facilitates/teaches/coaches team and individuals; meets with individuals at least quarterly</li> <li>■ Administration Speakers and Policy Leaders</li> <li>■ Leadership Forums: Issues Forums; Leadership Visits</li> <li>■ Reading groups</li> <li>■ Web-based learning</li> </ul>

	DOL's CDP	Fed CDP
<b>Certification</b>	ERB reviews each candidate's record at end of program and completion of EDP; Sec of Labor approves; record sent to OPM's Qualifications Review Board for certification. Certification will permit noncompetitive placement in any SES position for which graduate is technically qualified, but it will not guarantee SES placement.	OPM's Qualifications Review Board will certify candidates once they have completed the CDP and their IDP for the program.
<b># enrolled</b>	Cohort 1: 23 Cohort 2: 27	18 in first CDP class
<b>% graduates in SES positions</b>	28 of the CDP's 49 graduates have been placed in SES positions within DOL	TBA
<b>% retained</b>	57%	TBA
<b>Cost</b>	Varies depending on size of program. For Class 1: Each of the participating DOL agencies funded its participant. For class 2: The program was centrally funded for the core training, interagency training, and travel for rotational assignments; total cost about \$338,000. (For more details, see body of case study.)	\$25,000 paid by sponsoring agency, plus additional costs borne by OPM (For more details, see body of case study.)

## Comparing CDPs

The two CDPs outlined in the preceding chart present some interesting differences. Before exploring those differences and their potential consequences, it's important to add two notes of caution.

The Fed CDP is just starting up. It was clear in our interviews with OPM staff that some aspects of the program are still being fine-tuned. Just as the idealized pictures in a college view book should be tested against the reality of a campus visit, it should be acknowledged that, at the time of our data collection, the Fed CDP was still at the view-book stage. Therefore, our observations are tentative.

A second cautionary note is that this study looked at just one department-focused CDP. Without investigating the other 27 department-sponsored CDPs, the observations about DOL's program cannot be generalized to other CDPs, although the broad principles discussed below are likely to be applicable.

With those caveats, we offer some preliminary observations about the two CDPs and how important differences between them—such as the organizational level at which they're offered, the heterogeneity of participants, and the strength of the cohort—affect the developmental experiences they deliver. The analysis raises questions about future efforts to develop senior executives in federal government. While many of these questions are unanswerable until more outcome data become available, they suggest fruitful topics for future research.

### 1. Program Purpose: What are candidates being prepared for?

Department-level CDPs such as the one DOL has implemented clearly focus on preparing candidates for senior leadership positions within that department. Similarly, departments that sponsor a candidate in the Fed CDP do so with the expectation of promoting that person to fill an internal SES vacancy.

But longer term, will these SES-ers stay put? Or will they exercise the option that's built-into the SES personnel system: that once an employee has been certified for the SES by OPM's Qualifications Review Board, she or he is eligible to apply for an SES position in any department. (See sidebar on page 88: "Mobility within the SES — Vision vs. Track Record.")

Time will tell: Will Fed CDP graduates, in fact, demonstrate greater career mobility than SES-ers who have not participated in that program? Will such career moves work out, both for them and for the agencies?

What *is* clear is that the Fed CDP comes closer than any other initiative to preparing senior leaders who might be capable of such mobility. The fact that 90 percent of the first class was hired from outside the agency that is sponsoring them, and 38 percent came from outside federal government, suggests that OPM's concerted effort to cast a broad net succeeded, at least in the short term.

## 2. Program Design: Promoting Cross-Department Exposure

One of the common themes our research identified among jurisdictions at all levels of government is that future leaders need to learn more about other departments and to develop a broader understanding of government as a system. The two CDPs described above are both designed to address that need; however, the OPM program has several advantages.

The DOL program seeks to broaden participants' experiences through developmental assignments, the diversity of the CDP cohort, and the 80 hours of inter-agency, executive-level training that each candidate must complete. In addition, the program includes a four-to-five day Seminar for Executives on Legislative Operations, which includes spending time on Capitol Hill.

The Fed CDP has the potential to provide candidates with even broader, cross-government exposure than the DOL program. First, by bringing together candidates from many federal departments, the Fed CDP integrates diverse organizational perspectives within the cohort. Second, the program fosters significant interaction among participants, particularly through the learning teams and action learning project, and this intensive collaboration should further enhance participants' cross-government exposure. Third, OPM's responsibility for government-wide human capital management gives it a web of organizational and inter-personal connections—in other words, a social network—that would be difficult for other departments that do not serve such a pan-government function to match. These connections should help OPM engage people from a broad cross-section of federal government as candidates as well as speakers, mentors, and other resources to the program. Once the Fed CDP produces graduates, that cross-agency network should grow even stronger.

On face value, the Fed CDP has the potential to foster stronger bonds within each cohort than the DOL program attempts to do. The initial week is structured to “engage participants in an active and supportive learning community,” in part, by forming Executive Learning Teams and giving each team a coach. Team members learn coaching and feedback skills and support each other's development. The teams also complete a Team Leadership Project. Because action learning projects typically require intensive team work, members get to know each while striving to complete a challenging assignment. Together, these program elements are designed to build cohesiveness within the cohort.

While DOL's program brings its CDP cohort together for an orientation and two, week-long, core training programs, the overall program design emphasizes what it calls “individually planned developmental experiences” rather than team- or cohort-based experiences. Both the rotational job assignments and the 80 hours of interagency training, for example, are individualized to each person's needs, according to his or her Executive Development Plan.

Is the strength of the cohort important? It is when the program aims to build knowledge and relationships across the federal government. Research suggests that relationship-building should be a priority area in executive development.<sup>4</sup> Other jurisdictions interviewed for this study emphasized the value of a strong cohort in formal leadership-development programs. South Carolina redesigned its Certified Public Manager program to emphasize the group experience, in part because building cross-department understanding was so important. The Michigan Department of Human Services invests considerable resources (monthly team meetings, a coach and an action learning project) to make teams a centerpiece of its Leadership Academy. Graduates rate the action learning project as the program's most valuable component.

The purpose of this discussion is not to argue that all leadership development programs must emphasize the group or cohort experience. Rather, it's to highlight the impact of program design on the kinds of development they produce. In this case, DOL's emphasis on individualized experiences is likely to generate different kinds of learning than the Fed CDP's stronger emphasis on team and cohort. Moreover, the relationships participants develop through the program may also be different, based on the amount and intensity of collaborative work that must be completed.

## 3. Outcomes

DOL's CDP has produced admirable results in terms of the promotions and SES appointments its graduates have received. Twenty-eight (57 percent) of the program's 49 graduates now have SES appointments. Fed-wide, less than half of the candidates who have completed department-level CDP programs have achieved an SES appointment.

Barring the discovery of some unexpected career “derailer,” candidates who complete the Fed CDP are eligible to move directly into a permanent SES position upon OPM certification. “For every candidate selected” for the fed-wide CDP, says Rogers, “there's an SES position” available at his or her sponsoring department or agency. The one-for-one ratio greatly increases the likelihood that graduates will be promoted. While this is not the only metric for measuring a CDP's impact, it's a success rate that agency-level CDPs are unlikely to match as long as they accept more candidates into their CDPs than they have SES vacancies.

<sup>4</sup> Ray Blunt (2001) *Organizations Growing Leaders: Best Practices and Principles in the Public Service*. The PriceWaterhouseCoopers Endowment for the Business of Government, December 2001. Reissued in 2003 as *Growing Leaders for Public Service* (The IBM Center for the Business of Government). Available at [www.businessofgovernment.org](http://www.businessofgovernment.org)

#### 4. Cost of training

Federal agencies pay \$25,000 per candidate enrolled in the Fed CDP, or \$450,000 in total. While the actual program costs are estimated at \$1.4 million, OPM says that's not out of line with what many agency-based CDPs cost. With a larger class size in the future, the per-person costs will go down. Some start-up costs such as developing the assessments and the curriculum will no longer be necessary. In effect, OPM is initially subsidizing what it hopes may become the gold standard in preparing senior leaders in federal government. In doing so, explains Robert Danbeck, OPM's new Chief Human Capital Officer, it is actually giving away products and services that it would normally expect the agencies it serves to pay for. Such a subsidy cannot continue indefinitely, however, under the rules that control how OPM may offer reimbursable services to agencies.

Can other departments aspire to the same standard? DOL, the only agency-level program we studied, says its program costs vary depending on program size. For its first CDP class, participating DOL agencies funded their participant; those costs are not available. The second class was centrally funded. The core training, interagency training, and travel costs for rotational assignments totaled approximately \$338,000.

OPM believes that the Fed CDP could ultimately be more cost-effective than agency-based programs, offering economies of scale while, at the same time, leveraging its greater resources and access to key players to deliver a superior program. That assumes that all CDP programs have the same program objectives. It is unclear whether that is the case. The Fed CDP would seem to have a greater interest in promoting SES-ers' ability to move from one agency to another, for example, than do the agencies themselves. (See sidebar on next page: "Mobility within the SES: Vision vs. Track Record")

#### 5. Ability to meet the demand for SES-certified candidates

The demand for SES candidates is expected to increase and remain strong. In addition to determining which methods of preparing senior leaders are most cost-effective, federal agencies must also grapple with the issue of scalability: Even if the OPM program were to prove superior to department-based programs in every way—attracting applicants who are higher-caliber and more diverse, developing a higher level of ECQs, providing them with broader exposure across federal government, and equipping them to move successfully from agency to agency—is it a practical model for developing the thousands of SES-ers who will be needed over the next five-to-ten years? Alternatively, should OPM's CDP become a sort of West Point or Harvard for the super elite? Or should it serve as a demonstration project to generate program models and tools as a seedbed for agencies' CDPs?

#### 6. Sustainability

Closely related to the question of scalability is the question of sustainability. The true cost of the OPM program can't be determined until the first cohort completes the program, but OPM acknowledges that it is subsidizing the sponsoring agencies' contribution. Are these primarily start-up costs, or will the program always need supplemental funding? Is the high-caliber CDP that OPM has designed affordable long-term? Will it be necessary to scale back certain elements to lower costs? Or does it make more sense to move in the opposite direction: Would it be more cost-effective to leverage the economies of scale that an OPM-based program can offer as a replacement for department-based programs?

These are questions that individual departments and OPM, as the federal agency responsible for overseeing government-wide, strategic human capital management, will have to answer as the need for succession planning becomes more urgent. These questions are also highly researchable. Once the Fed CDP has graduated its first cohort, it would be useful to conduct a more extensive analysis of costs and outcomes for a variety of SES CDPs, supplemented by interview data from program participants and the sponsoring departments.

The issues raised in this discussion—such as the impact of where a leadership development program is housed, how it is designed, and who participates in the program—are ones that local and state governments must also address.

Although the preceding discussion focuses on federal CDPs, the fundamental issues about where and how leaders are developed are equally applicable to other levels of government. Many of the cities, counties, and towns we interviewed must also weigh the costs and benefits of departmental vs. cross-departmental—or even cross-jurisdictional—approaches to building the leadership pipeline.

## Mobility Within the SES— Vision vs. Track Record

Established in 1978, the Senior Executive Service (SES) was created as a “senior executive corps with solid executive experience, public service values, and a broad perspective on government.” Among the challenges it was designed to address was that “Many of the top career positions were held by individuals who entered the government at junior levels and spent their entire careers in the federal service, many in the same agency or agency component.” It was felt that, “Executives needed to broaden their perspectives and view their responsibilities in the context of the larger corporate and public policy interests of the government.”<sup>1</sup>

Thus, the SES Candidate Development Program (CDP) was born. Its purpose: to “advance the goal of a ‘corporate SES,’ a diverse corps of career executives who share a government-wide perspective. These executives share values and a common identity that reach beyond their individual professions or agencies. They are well positioned to lead change both within their agencies and throughout Government.”<sup>2</sup>

This vision of a corporate SES—a sort of Ivy League of top executives trained to think bigger than the federal-agency level and groomed to share a common culture, enabling them to move from one agency to another—may be more of an ideal than a reality. There is evidence that this aspect of the SES vision has never been realized. And there is debate about whether it ever can be.

### Is SES Mobility a Workable Idea?

Until she moved to the Department of Labor as Director of Human Resources, Daliza Salas was Director of the Office of Personnel Management’s SES Staffing Center. In 2002, while she was still at OPM, Salas analyzed the actual career paths of SES-ers who had been certified within the previous three years. Here’s what she found: Just 6 percent had been hired from outside federal government and only 7 percent had worked for more than one federal department. That left a whopping 87 percent who had moved into an SES position within their own agency.

Has mobility increased since then? OPM recently analyzed SES appointments made between January 1, 2004 and January 1, 2005 and found that 19.6 percent of these senior leaders came from outside the agency — an almost 7 percent increase over the three-year period analyzed earlier.

It’s important to note, however, that both the 2000 analysis and the more recent one focus on newly certified members of the SES. Looking at all SES members between

January 2000 and April 2005, just 3.87 percent had interagency experience.

That’s a rather dismal performance compared to the SES’s original vision. What’s the problem?

Theoretically, says Salas, a senior leader who is SES-certified “should be able to lead anywhere. The Executive Core Qualifications (ECQs) were designed to be generic to leadership positions.” But even if an outside candidate has the ECQs, the hiring agency may still want someone who has the technical background that only an insider would have. Despite the ECQs, some agencies may emphasize technical knowledge over leadership competencies, even when they hire for senior positions. And human nature may lead decision-makers to give preference to candidates they’ve known and worked with.

### Can SES Mobility Be Realized?

“We’re looking at how we can encourage more mobility,” says OPM’s Ileen Rogers, but the challenge is two-sided: “People are comfortable staying where they are. And agencies are comfortable with the people they know.”

Based on his 2000 study of six SES executives who had moved among federal agencies, researcher Michael Serlin offered ten recommendations for increasing such career mobility. Among them: Agencies should “broaden the criteria for selection to attract applicants from outside the agency, and include an individual from outside the agency on the selection panel.”<sup>3</sup>

It’s a recommendation that OPM has acted on in its oversight of the Fed CDP selection process. OPM coached sponsoring agencies in ways to create a level playing field for all applicants, whether or not they worked for the agency. That meant making sure the SES position announcement didn’t require arcane experience that only an agency insider would have. And it meant coaching the interview panel to stick with the structured interview guide, rather than schmoozing with inside candidates about people or experiences they had in common. These tactics seemed to have worked: An astonishing 90 percent of the first Fed CDP class came from outside the agency that sponsored them, and 38 percent came from outside federal government.

“The Fed CDP is an opportunity to break the old frame of how we see things,” says Rogers. “We can develop a workforce of executives who could go anywhere, who could do the job and do it well.” But mobility isn’t an end in itself. Giving leaders the chance to step outside their agency and build relationships across departments will result in greater collaboration and partnering among agencies, says Rogers.

<sup>1</sup> SES Guide, US Office of Personnel Management, page 1.

<sup>2</sup> US Office of Personnel Management, [www.opm.gov/ses/candevprg.asp](http://www.opm.gov/ses/candevprg.asp)

<sup>3</sup> Michael Serlin, 2000, *Reflections on Mobility: Case Studies of Six Federal Executives*. The PricewaterhouseCoopers Endowment for The Business of Government.