The Senior Executive Service: Background and Options for Reform

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April 28, 2011

CRS Report for Congress
Prepared for Members and Committees of Congress

Summary

The Senior Executive Service (SES) was established by the Civil Service Reform Act of 1978 (CSRA; P.L. 95-454, 92 Stat. 1111). Congress created the SES to provide a government-wide, mobile corps of managers within federal agencies. The SES, comprising mostly career appointees who are chosen through a merit staffing process, is the link between the politically appointed heads of agencies and the career civil servants within those agencies. The creators of the SES envisioned it as a cadre of high-level managers in the government who would provide leadership for agencies across administrations and ensure productivity and efficiency within the government. The CSRA incentivized good performance among senior executives by basing their compensation on their performance.

Over the three decades of the SES's operation, various ideas and suggestions have been offered as to how it may be improved. Although a few statutory changes have been implemented since its creation, many argue that the current state of the SES calls for more comprehensive reforms. The most recent change made to the SES was a revision of its pay system enacted in 2004. Advocates for additional changes to the SES argue that further changes would improve the efficiency and the management of government programs and the government workforce. Some of the changes they call for include improvement in recruiting efforts, more opportunities for onboard training and career development of senior executives, and further changes to the current pay structure.

At a March 29, 2011, hearing on the SES, the Senate Committee on Homeland Security and Governmental Affairs' Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia evaluated the current state of the SES. Witnesses at the hearing included representatives from the Office of Personnel Management (OPM), the Partnership for Public Service, and the Senior Executives' Association. All three witnesses identified areas they said were in need of improvement in the SES, including recruiting, career development, diversity, and the SES pay system.

This report provides a history and background of the SES, examines the central features of the SES, and discusses some areas in which advocates for SES reform have called for change.

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The SES was launched in July 1979 and includes most of the government's managerial and policy positions above the General Schedule (GS) grade 15.[2] As one government official explained, "the SES is the backbone of Federal executive leadership and its members play a crucial role in addressing unprecedented challenges facing our nation."[3] More than three decades after its existence, the SES still serves as the link between political appointees who run agencies and the career government workers in the agencies.

Before the SES was established, a centralized cadre of senior leaders in the government did not exist. The creation of the SES was intended to bring a "measure of coherence" to an otherwise fragmented federal bureaucracy. Senior executives would be equipped with managerial skills that could allow them to move between agencies to "quell administrative brushfires" and to help fulfill agencies' leadership and management needs.[4]

Senior executives serve an important function in high-level government positions, overseeing the implementation of many government programs and providing leadership within agencies. However, some organizations and individuals have called for changes to the current SES.[5] At a March 2011 hearing on the SES, for example, the Senate Committee on Homeland Security and Governmental Affairs' Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia evaluated the current state of the SES. All three witnesses at the hearing identified areas they said were in need of improvement in the SES, including recruiting, career development, diversity, and the SES pay system.[6]

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[1] Sec. 3, P.L. 95-454

[2] Most federal employees are paid on the General Schedule (GS) scale. The GS scale currently consists of 15 pay grades. Information about the federal salaries and wages, including the GS scale, is available on OPM's website at http://www.opm.gov/oca/pay/html/FactSheet-SalariesAndWages.asp.

[3] Statement of Jeffrey D. Zients, U.S. Congress, Senate Committee on Homeland Security and Governmental Affairs, Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, *Strengthening the Senior Executive Service: A Review of Challenges Facing the Government's Leadership Corps*, 112th Cong., 1st sess., March 29, 2011, p. 1.

[4] Mark W. Huddleston and William W. Boyer, *The Higher Civil Service in the United States: Quest for Reform* (Pittsburgh: University of Pittsburgh, 1996), pp. 116-117.

[5] Organizations that have advocated for changes to the SES and are discussed in this report include the Partnership for Public Service; the Senior Executives Association, which is the professional association for senior executives; and some scholars of public policy.

[6] U.S. Congress, Senate Committee on Homeland Security and Governmental Affairs, Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, *Strengthening the Senior Executive Service: A Review of Challenges Facing the Government's Leadership Corps*, 112th Cong., 1st sess., March 29, 2011.

This report provides a history and background of the SES, examines the central features of the SES, and discusses some areas that SES reform advocates have identified as needing improvement.

History of the Senior Executive Service

The development of the "higher civil service" in the United States throughout the mid-20th century led to a class of civil servants in high-level agency positions sometimes referred to as the supergrades.[7] Supergrades were civil servants who held GS-16, GS-17, and GS-18 positions. Congress created the GS scale, including the supergrade positions, in 1949. At that time, the number of supergrade positions was limited to 400.[8] Individuals in supergrade positions earned salaries almost equivalent to those of political executives and Members of Congress. They generally held specialized positions within agencies that were technically specific and did not require broad leadership skills or mobility. It was these individuals who were converted into the Senior Executive Service under the Civil Service Reform Act, along with individuals in managerial positions in Executive Levels IV and V.[9] Converting those high-level positions into a more centralized cadre of managers was intended to make the management of government more flexible and efficient.

Although the SES was created during President Jimmy Carter's Administration, President Carter was not the first President to propose changes to the executive levels of the civil service. Three decades earlier, for example, President Dwight D. Eisenhower proposed a Senior Civil Service (which he later called the Career Executive Service). This proposal followed a series of recommendations made by the Second Hoover Commission, chaired by former President Herbert Hoover, which was created in part to identify needs of the U.S. federal personnel system.[10] President John Kennedy and President Lyndon Johnson also showed interest in reforming the higher civil service, tasking their administrations with reviewing the federal executive personnel system. Both Presidents Kennedy and Johnson introduced a new method for filling supergrade positions, but as some scholars have pointed out, reactions to and success of the programs were mixed.[11]

Soon after entering the White House, President Richard Nixon asked the Civil Service Commission to study and make recommendations on the state of the federal executive personnel system. The study concluded that there were a number of issues with the executive personnel system that needed to be addressed. Some recommendations made by the commission included improving executive management capabilities; fostering and recruiting from a talent pool of motivated individuals; centralizing executive resources across agency lines; and providing training for executives.[12] These recommendations were incorporated into a proposal by President Nixon to establish the Federal Executive Service in 1971. Scholars have identified the political

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[7] For more information about the development of the higher civil service in the United States throughout the 20th century, see Huddleston and Boyer, *The Higher Civil Service.*

[8] The GS scale was created by the Classification Act of 1949, P.L. 81-429.

[9] Joining the SES was not mandatory, but when the SES officially went into effect on July 13, 1979, over 98.5 % of eligible employees chose to convert.

[10] Huddleston and Boyer, *Higher Civil Service*, pp. 35-50.

[11] Ibid., p. 71.

[12] Ibid., pp. 82-83.

landscape surrounding the Nixon Presidency and a controversial provision which would have required executives to enter three-year "employment agreements" as the main reasons why Congress did not pass Nixon's FES bill.[13]

Federal Personnel Management Project

One of the centerpieces of President Carter's campaign for the presidency in 1976 was his "Washington outsider" status, which he used as an asset to address what he considered to be problems in the federal government. During his campaign, he criticized the federal bureaucracy as being "wasteful" and "disorganized."[14] After his election to the presidency, he created the Federal Personnel Management Project to address what he considered to be problems with the federal executive establishment. Led by the chair of the Civil Service Commission (now the Office of Personnel Management) and the associate director of the Office of Management and Budget, the Federal Personnel Management Project was divided into nine task forces, one of which dealt directly with issues relating to the senior executives in government. Sally Greenberg, a senior official at the Civil Service Commission, chaired this task force.

In its written report, the task force identified the most critical problems as follows:

> 1. Neither the Congress nor the President has effective control over the total numbers of the executive cadre.
>
> 2. The numbers of executives authorized have little relationship to current needs and the system cannot adapt rapidly to program changes.
>
> 3. The multiplicity of hiring authorities with different requirements and provisions results in individuals with substantially similar responsibilities being employed and compensated under very different standards. It is susceptible to manipulation and fosters the use of questionable, albeit legal, maneuvers.
>
> 4. Individuals with little or no adequate managerial expertise can be placed in positions responsible for managing billion-dollar federal programs and for supervising thousands of employees.
>
> 5. Career employees have little opportunity to undertake positions of the highest responsibility without relinquishing their career tenure.
>
> 6. Whenever there is a change in political leadership, there is a period in many agencies during which the work of the Government is done at a minimum maintenance level. New initiatives are rare and even on-going programs operate in low gear.
>
> 7. There are critically important executive positions classified as "career" which new administrations would like to fill with executives of their own choosing, but reassignments of incumbents are very difficult to make, principally because of the existing protection of 'rank' and system inflexibilities.
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> 8. It is commonly observed by both career and noncareer executives that some career managers are functioning in less than an optimum manner, in some instances because they

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[13] Ibid., pp. 86-92.

[14] Ibid., p. 93.

are in positions which make greater demands on them than they are capable of meeting, in other cases because they have no incentive to do their best. It is difficult to remove such managers.

9. Compensation of executives has been a serious problem in recent years with most senior executives frozen in pay for long periods, while their subordinates' pay, compensation for comparable positions in the private sector, and the cost of living have all risen dramatically.

10. The present process for establishing and filling an executive position is time-consuming and inefficient.

11. Minorities and women have been virtually excluded from top management ranks."[15]

The task force's report described each problem in detail. The report concluded that "these problems in the staffing and management of senior managerial positions cannot be adequately resolved by revisions to the existing system…. Accordingly, we will recommend establishment of a new executive personnel system."[16] The task force outlined several alternatives to the current system in its report stemming from the conclusions above, many of which ultimately became part of the new SES.

Goals of the SES

One of the major goals of the SES was to strengthen the link between the civil service and the politically appointed heads of agencies. As Alan "Scotty" Campbell, then chairman of the Civil Service Commission who had an integral role in establishing the SES, stated, "we could see the dysfunctional effects of career/noncareer interface."[17] The SES was intended to create a stronger and smoother link between political appointees and career civil servants, both during presidential transition periods and for the duration of administrations. As one former career executive reported, the pre-SES federal workforce often had poor relations between civil servants and political appointees because they had two different objectives: career employees were focused on technical programmatic details while political appointees were more focused on using executive and political skills to run the agency.[18] This focus on different objectives sometimes led to a rift between the two groups. The SES was to be the solution, providing a shared resource to civil servants and political appointees alike and facilitating better relations between the two.

In addition to smoothing over the interface between civil servants and political leadership, the creation of the SES was intended to ease the transition period for new Presidents and their political appointees. Prior to the establishment of the SES, a centralized corps of senior leaders providing consistent leadership across administrations and across agencies did not exist. During a presidential transition, which could last for several months, the new administration might not provide direction for civil servants.[19] The SES was intended, in part, to provide stronger senior

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[15] Personnel Management Project, *Volume 2: Appendices to the Final Staff Report*, Washington, DC, December 1977. Appendix II, p. 1-2.

[16] Ibid., p. 2.

[17] Alan K. "Scotty" Campbell, "The Original Vision of the SES ... Revisited," *25 Years from* The Bureaucrat *to* The Public Manager, vol. 25, no. 1 (Spring 1996), p. 27.

[18] James E. Colvard, "Clear Air Turbulence in the Careerist/Political Appointee Zone," *The Public Manager*, vol. 24, no. 1 (Spring 1995), pp. 34-36.

[19] Bernard Rosen, "Uncertainty in the Senior Executive Service," *Public Administration Review*, vol. 41, no. 2 (Mar-
(continued...)

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leadership during presidential transitions so as to avoid this lull between administrations. The hope was that the SES would provide incoming presidents with a flexible, responsive set of managers tasked with ensuring agencies were running smoothly under the newly appointed leadership. This could help to ease the uncertainty that often accompanied presidential transitions.

Creation of the SES

The timing may have been an important element of President Carter's reformation of the civil service. As one scholar noted, the creation of the SES and its objectives were "logical responses to the moral and management failures of Watergate and Great Society program implementation: to increase the effectiveness of program performance and to increase public confidence in and satisfaction with the integrity and the competence of federal program administration."[20] Following a period that has been identified by many as one of discontent and distrust in government, President Carter made civil service reform one of the primary goals of his administration.

Upon the completion of the Personnel Management Project's exploration of the current civil service system, President Carter sent a message to Congress in March 1978 with a proposal to overhaul the civil service system. In the message, he stated that "a critical factor in determining whether Federal programs succeed or fail is the ability of the senior managers who run them."[21] Seven months later, Congress passed the Civil Service Reform Act and created a new Senior Executive Service, which matched very closely the reforms suggested by the Federal Personnel Management Project in December 1977 and then proposed by President Carter. In July 1979, the SES was launched when nearly 7,000 government executives joined.[22]

Features of the Senior Executive Service

This section discusses several key elements of the SES, including the types of positions and appointments, the role of OPM, how career appointees enter the SES, compensation, and the issues of mobility and rank-in-person.

SES Structure: Types of Positions

A major objective of the SES was to provide managerial expertise to the political leadership of an agency, as well as to the career civil servants within the agency. To limit the politicization of the SES, a 10% government-wide limit was placed on the number of political appointments to SES positions. Within individual agencies, the limit is 25% of total SES positions in the agency.[23]

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Apr 1981), pp. 203-207.

[20] Bruce Buchanan, "The Senior Executive Service: How We Can Tell If It Works," *Public Administration Review*, vol. 41, no. 3 (May-June 1981), pp. 349-358.

[21] U.S. President (Carter), "Federal Civil Service Reform: Message to the Congress," *Public Papers of the Presidents of the United States: Jimmy Carter, 1978*, vol. I (Washington: GPO, 1979), pp. 444-449.

[22] Huddleston and Boyer, *Higher Civil Service*, 109.

[23] 5 U.S.C. § 3134.

Comprising primarily career positions, the SES was designed to be largely insulated from political influence, but was intended to provide a consistent source of leadership across administrations.

The SES has two types of positions: career reserved and general. Approximately half of SES positions are career reserved and half are general.[24] Once an SES position is established within an agency, it must be designated as either career reserved or general, and it may not be changed without OPM approval.[25]

Career reserved positions must be filled by career employees. According to OPM, certain types of positions must be removed from political influence to ensure public confidence in the impartiality of certain government functions.[26] Examples include audits, inspections, civil or criminal law enforcement, grants administration, and security matters— "the principal duties of which involve day-to-day operations, without responsibility for or substantial involvement in the determination or public advocacy of the major controversial policies of the Administration or agency."[27] Any type of position responsible for these duties is designated as a career reserved position.

General positions can be filled by career appointees, noncareer appointees, and limited term appointees. An agency may convert a position from career reserved to general, or vice versa, but must first seek and receive written approval from OPM.[28]

SES Structure: Types of Appointments

Within the two types of SES positions, there are three types of appointments: career, noncareer, and limited. Most SES positions, including general positions, are filled through a career appointment. Career appointees may fill a wide range of needs within agencies, such as administering programs, providing legal counsel, and managing field offices.

Table 1 presents a breakdown of how many senior executives are currently serving in the government by appointment type.

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[24] U.S. Congress, Senate Committee on Homeland Security and Governmental Affairs, *United States Government Policy and Supporting Positions*, 110th Cong., 2nd sess., Committee Print, November 12, 2008 (Washington: GPO, 2008), p. 200, also referred to as the "Plum Book."

[25] 5 U.S.C. § 3133(e)(2). For more information on the conversion of employees from noncareer positions to career positions, see CRS Report RL34706, *Federal Personnel: Conversion of Employees from Appointed (Noncareer) Positions to Career Positions in the Executive Branch*, by Barbara L. Schwemle.

[26] 5 U.S.C. § 3132(b)(1).

[27] The list of occupational disciplines designated by OPM to be Career Reserved positions may be found at 5 C.F.R. § 214.401.

[28] 5 C.F.R. § 214.403.

Table 1. SES Membership by Appointment Type as of December 2010

Appointment Type	Number of Senior Executives
Career[a]	7,077
Noncareer	669
Limited term/limited emergency	147
Total	**7,893**

Source: Congressional Research Service, using data from the Office of Personnel Management's FedScope website, located at http://www.fedscope.opm.gov/employment.asp.

a. As discussed above in the section entitled "SES Structure: Types of Positions," about half of the career appointees are placed into career reserved positions and the other half into general positions. The noncareer and limited term/limited emergency appointees are placed into general positions.

Career appointments are made through a competitive, merit staffing process. The agency publishes a job announcement for an SES position, rates and ranks eligible applicants, and approves of the candidate's qualifications. Both the agency and the SES Qualifications Review Board (QRB), administered by OPM, must review and approve the qualifications of the candidate. The candidate must be certified by the QRB for the individual to receive an appointment to the position.[29]

As discussed above, noncareer appointees may serve in only general positions. The process for entering the SES for noncareer appointees is different from career appointees. There is no requirement for a competitive staffing process for noncareer appointees. Noncareer appointees must have their qualifications certified by the head of the hiring agency.

Noncareer appointees may serve as chiefs of staff or various senior advisers within the Cabinet departments. Other examples include the heads of some regional offices of various agencies (such as the Environmental Protection Agency and the General Services Administration).

Limited term appointees may serve only in general positions for a specified period of time. A limited term appointment is used in situations where the position is established on a temporary basis (up to three years, or up to 18 months for a limited emergency appointment).[30] Limited term and limited emergency appointments are not renewable.[31] Limited term appointees may head a specific project or be used to meet an agency's unanticipated need. For example, following Hurricane Katrina, the Department of Homeland Security established positions for some limited term appointees, including the Chief Finance Director for Gulf Coast Recovery and a Director of the New Orleans Transitional Recovery Office.[32]

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[29] 5 C.F.R. § 317.501.

[30] Senate Committee on Homeland Security and Governmental Affairs, *Policy and Supporting Positions*, p. 200.

[31] United States Office of Personnel Management, *Guide to the Senior Executive Service*, Washington, DC, January 2001, p. 2.

[32] Ibid., p. 82. For information on emergency situations and human resources in the federal government, see CRS Report RS22264, *Federal Employees: Human Resources Management Flexibilities in Emergency Situations*, by Barbara L. Schwemle.

Government-wide, limited appointments may not exceed 5% of all SES positions.[33] Each agency is provided with limited appointment authorities from OPM for a total of up to 3% of their SES position allocations. Additional positions require OPM approval.[34]

SES and the Role of OPM

The Civil Service Reform Act replaced the Civil Service Commission with the Merit System Protection Board (MSPB) and OPM. As President Carter said in his message to Congress on civil service reform, the Civil Service Commission was acting as both the "protector of employee rights and as the promoter of efficient personnel management policy."[35] The reorganization separated these elements, granting OPM responsibility for employee training, examinations, and administration of pay and benefits, and granting the MSPB responsibility for protecting employee rights.

With regard to the SES, OPM was tasked with the creating SES positions and distributing them to agencies; granting sabbaticals to senior executives and encouraging mobility; establishing a qualifications review board to certify qualifications of candidates for SES positions; establishing programs for the continual development of SES members or requiring agencies to establish such programs; and performing other general administrative functions.[36]

Entering the SES: Career Appointments

Career reserved positions are filled using merit staffing procedures. Job candidates are recruited through a published announcement on the government's USAJOBS website, after which eligible candidates are rated and ranked.[37] When the agency has selected its preferred candidate, first the agency must approve the qualifications of the individual for the position, then OPM must approve the qualifications of the individual for the SES.

Within each agency, an Executive Resources Board (ERB) reviews the qualifications for the top-ranked individuals who have applied to the position and makes recommendations to the official(s) within the agency who is responsible for selecting the candidate.[38] The selecting authority makes a choice and certifies that the candidate meets the technical qualifications for the position. Following the agency's certification of the individual, the agency submits the application package to OPM.

OPM then convenes an SES Qualifications Review Board (QRB) to review the candidate's executive core qualifications (ECQs), which were devised by OPM.[39] ECQs are the general skills OPM deems necessary for senior executives. The five ECQs are (1) Leading Change, (2) Leading

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[33] This limit does not count toward the 10% limit on noncareer appointments. 5 U.S.C. § 3134(e).

[34] Senate Committee on Homeland Security and Governmental Affairs, *Policy and Supporting Positions*, p. 201.

[35] U.S. President (Carter), "Federal Civil Service Reform: Message to the Congress," *Public Papers of the Presidents of the United States: Jimmy Carter, 1978*, vol. I (Washington: GPO, 1979), pp. 444-449.

[36] 5 U.S.C. § 3131 *et seq*.

[37] Job postings must be listed for at least 14 days. (5 C.F.R. § 317.501(b)(2))

[38] 5 C.F.R. § 317.501(a).

[39] The Qualifications Review Board consists of current senior executives.

People, (3) Results Driven, (4) Business Acumen, and (5) Building Coalitions.[40] The QRB certifies candidates, provided they can demonstrate all of these qualifications, before they can be selected to join the SES. Following QRB certification, the agency may appoint the individual to the SES position.

One option for those interested in joining the SES is to participate in a Candidate Development Program (CDP).[41] A CDP provides training to individuals who are interested in obtaining an SES appointment. Entrance into the program is competitive, so individuals must go through an application process. Individuals participating in a CDP receive training based upon the Executive Core Qualifications. Individuals who complete the program may apply for certification by a QRB, and graduates of the CDP are eligible for appointment to the SES without further competition. However, graduation from the program does not guarantee appointment to a position in the SES.[42]

Career appointees serve a one-year probationary period, during which the individual's supervisor can take action to remove the individual from the SES "if it becomes apparent, after full and fair consideration, that the executive's performance is not suitable for satisfactory work."[43] After completion of the probationary period, an SES career appointee may be removed from the SES for cause or poor performance.[44] Generally, a career senior executive who held a civil service position at the time of appointment to the SES and is removed from the SES may be placed into a civil service position.[45]

Mobility and Rank-In-Person

The CSRA provides that "The Office [of Personnel Management] shall encourage and assist individuals to improve their skills and increase their contribution by service in a variety of agencies as well as by accepting temporary placements in State or local governments or in the private sector."[46] The SES was envisioned to be a highly mobile corps of individuals who would apply the skills obtained by serving in a wide variety of agencies and positions to challenges in government. Mobility would offer an expanded set of learning opportunities. The original concept did not envision SES members as technical experts, but leaders who had executive management experience. By exposing individuals to positions in various agencies, the hope was that SES members could bring fresh perspective to a range of needs in the government.[47]

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[40] OPM's *Guide to Senior Executive Service Qualifications* is accessible at http://www.opm.gov/ses/references/GuidetoSESQuals_2010.pdf.

[41] OPM's website for the SES Federal Candidate Development Program may be found at http://www.opm.gov/fedcdp/.

[42] Information about OPM's Federal Candidate Development Program may be found at OPM's website: http://www.opm.gov/fedcdp/FFALbrochurefinal.pdf.

[43] The SES probation policy is located on OPM's website, at http://www.opm.gov/ses/performance/probation.asp.

[44] 5 C.F.R. § 359.402 *et seq.*

[45] For information about placement rights for senior executives that have been removed from the SES, see 5 C.F.R. § 359.702. Career appointees who entered the SES from a civil service position generally may "be placed in a position of tenure equivalent to that of the appointment held at the time of appointment to the SES." Further information can be found on OPM's website at http://www.opm.gov/ses/performance/removal.asp.

[46] 5 U.S.C. § 3396(d)(1).

[47] Huddleston and Boyer, *Higher Civil Service*, pp. 116-119.

Rather than creating *positions* that carried a certain rank and grade level, as are provided in GS and similar pay scales, the new system called for attaching rank to *individuals*. The idea of attaching a rank to a person was intended to allow for greater flexibility in reassigning that individual to a different position or agency.[48]

SES Pay

There have been several changes to the pay structure of the SES. The Civil Service Reform Act created an incentive-based pay system for the SES that rewarded good performance with higher pay and monetary awards. In 2004, however, the pay system for senior executives was changed dramatically.[49] There were two driving factors behind this change. The first was pay compression, and the second was the President's Management Agenda, which was instituted by the George W. Bush Administration.

The original SES pay system had six levels of basic pay, ES-1 through ES-6. The lowest rate was tied to the rate of the top level of the General Schedule (GS) scale, and the highest rate of pay was tied to the Executive Schedule (EX) scale. In other words, SES basic pay would fall between "120 percent of the minimum rate of basic pay for GS-15" and it could not exceed EX Level IV.[50] Senior executives also received locality pay when appropriate. The combination of basic pay and locality pay, however, could not exceed the level of EX-III.[51] Increases in pay would be determined by the President concurrent with annual adjustments to the GS pay scale. In addition, up to 50% of senior executives could be eligible for annual cash performance bonuses. The bonuses would be linked with the individuals' annual performance reviews, and they could be worth up to 20% of an employee's basic pay.[52]

Under the original pay system, however, salary compression became an increasing problem. Because the floor of the SES pay scale continued to climb gradually as GS-15 pay levels increased, SES pay increased over time. However, the top of the pay scale did not increase at the same rate as at the bottom of the scale. The result of increases in the minimum pay and the statutorily imposed caps was pay compression within the ranks of the SES. The differences between what SES members made at each pay level continually decreased, and in many cases, the top several pay levels actually received the same salary.[53] Some possible results of pay compression may have included difficulties recruiting and retaining talented senior executives.[54]

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[48] CRS Report RL33128, *Senior Executive Service (SES) Pay for Performance System*, by L. Elaine Halchin, p. 1.

[49] For a more detailed analysis of the pay for performance system instituted in 2004, see CRS Report RL33128, *Senior Executive Service (SES) Pay for Performance System*, by L. Elaine Halchin.

[50] EX Level IV is associated with positions such as Assistant Cabinet Secretaries, several General Counsels of Cabinet departments, and the members of certain regulatory boards such as the Securities and Exchange Commission and the National Labor Relations Board. The positions that receive EX-IV pay are listed at 5 U.S.C. § 5315.

[51] EX Level III is associated with positions such as Cabinet department Under Secretaries, the chairs of several regulatory boards such as the Federal Trade Commission and the Federal Communications Commission, and Administrators of such organizations as the Small Business Administration and the Centers for Medicare and Medicaid Services. The complete list of positions that receive EX-III pay can be found at 5 U.S.C. § 5314.

[52] Sec. 407, P.L. 95-454.

[53] CRS Report RL33128, *Senior Executive Service (SES) Pay for Performance System*, by L. Elaine Halchin, p. 2-4.

[54] Ibid., p. 7.

President George W. Bush introduced the President's Management Agenda in 2001 (PMA). The PMA revisited the managerial capabilities of the federal workforce, including the SES, with the aim of making government performance more results oriented. One concern for the PMA was that SES members were consistently rated at the highest level on their performance appraisals. On more than one occasion, the OPM Director reminded agency officials that these appraisals should be based on measurable results.[55]

The first major changes to the pay system occurred in 2002, when the Homeland Security Act[56] increased the cap on total compensation for senior executives in agencies that have OPM-certified appraisal systems to the Vice President's salary (currently $230,700 in 2011). For agencies without a certified system, the cap on pay remained EX-I (currently $199,700 in 2011).[57]

In his FY2004 budget request, President Bush proposed further changes to the pay structure. He proposed providing more financial incentives for senior executives by increasing the pay ceiling and eliminating the six-level pay structure, and encouraging agencies to determine pay for senior executives based upon their individual performance. In accordance with the President's budget request message on SES pay, Congress passed provisions in the FY2004 National Defense Authorization Act that modified the SES pay system. These changes included (1) eliminating locality pay from the SES; (2) replacing the six pay levels with a single pay range; (3) increasing the cap on basic pay from EX-IV to EX-III; and (4) adding a higher cap on basic pay, EX-II,[58] for agencies that have OPM-certified performance appraisals.[59]

A central element of the pay-for-performance system encourages agencies to have an OPM-certified performance appraisal system.[60] Under a certified appraisal system, the cap on basic pay is currently $179,700. Otherwise, the cap is $165,300. The purpose of this was to create stronger performance incentives. Many critics viewed the previous performance appraisal system for the SES as flawed, since most members of the SES received the highest possible rating. The new system encourages agencies to have meaningful distinctions among their performance ratings.

Table 2 presents the current basic pay levels for SES, based upon these statutory requirements, which are within the following ranges:

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[55] Ibid., pp. 7-10.

[56] Sec. 1322, P.L. 107-296.

[57] EX Level I is associated with the heads of executive branch agencies such as Cabinet departments, the Social Security Administration, and the Federal Reserve System. The complete list of positions that receive EX-I pay can be found at 5 U.S.C. § 5312.

[58] EX Level II pay is usually associated with positions such as Deputy Secretaries and Administrators of programs such as the Federal Aviation Administration, the Environmental Protection Agency, and the Federal Emergency Management Agency. The complete list of positions that receive EX-II pay can be found at 5 U.S.C. § 5313.

[59] CRS Report RL33128, *Senior Executive Service (SES) Pay for Performance System*, by L. Elaine Halchin.

[60] Some elements of the certification of agencies' performance appraisal system include the following: alignment of individual performance expectations with broader agency goals; consultation with senior employees; use of measurable results in evaluation of senior executives; and demonstration that distribution in pay among SES members reflects meaningful distinctions between performance levels. A memorandum from John Berry, OMB Director, to the heads of agencies and executive departments providing guidance on the appraisal certification is available at OPM's website at http://www.chcoc.gov/Transmittals/TransmittalDetails.aspx?TransmittalId=2854.

Table 2. 2011 Rates of Pay for the Senior Executive Service

	Minimum Basic Pay	Maximum Basic Pay	Maximum Total Pay[a]
Agencies without OPM-certified appraisal system	$119,554	$165,300	$199,700
Agencies with OPM-certified appraisal system	$119,554	$179,700	$230,700

Source: Congressional Research Service, using data from the Office of Personnel Management's website, located at http://www.opm.gov/ses/performance/salary.asp.

a. The maximum total pay allowed to senior executives includes basic pay, bonuses, and awards.

The elimination of locality pay for senior executives was intended to foster greater performance incentives. Senior executives no longer receive an automatic increase in their basic pay based upon their geographic location; rather, they are encouraged to augment their pay through good performance. To provide these fiscal incentives, several types of pay increases and awards are available to senior executives. Automatic pay increases do not occur, but pay adjustments can occur on an annual basis to reward good performance or to maintain an individual's relative position within the SES pay range.[61] Career executives with good performance ratings may be eligible for performance awards (one-time bonuses) that can range from 5% to 20% of their basic pay. All SES members, regardless of type of appointment, may be eligible for incentive awards for a suggestion, invention, or special act of service that improves the functioning of the federal government.

Additionally, a small group of career senior executives is awarded a Presidential Rank Award each year.[62] Presidential Rank Awards have two categories: Distinguished Rank, which awards recipients 35% of their annual basic pay, and Meritorious Rank, which awards recipients 20% of their annual basic pay. Up to 1% of senior executives can be Distinguished Rank recipients in a given year, and up to 5% can be Meritorious Rank recipients per year.

Options for Reform

While many of the goals of the original vision for the SES have been achieved, critics maintain that unintended consequences have occurred in its development and that the SES can be further improved. Advocates for SES reform argue that changes could improve the efficiency and the management of government programs and the government workforce.

For example, a report by the Partnership for Public Service and Booz Allen Hamilton published in August 2009 examined the current condition of the SES, stating,

> Our primary finding is that the Senior Executive Service as envisioned by reformers has fallen short of its promise. The original vision of the SES was never realized. More importantly, we find that the original vision itself is inadequate for today's needs and does not provide the blueprint to build the kind of senior government leadership required for the

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[61] 5 C.F.R. § 434.404.

[62] The presidential awards were also a component of the original SES pay system in the CSRA. Information about performance awards for senior executives can be found at OPM's website, available at http://www.opm.gov/ses/performance/awards.asp.

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future…. Building a consistently high-caliber, government-wide executive organization is impeded by decentralized talent development and recruitment processes, passive recruiting, an exceedingly cumbersome and lengthy hiring system, inadequate leadership training programs and a pay structure than can allow subordinates to earn more than top-level executives.[63]

The Senior Executive Service's professional association, the Senior Executive Association (SEA), has also suggested a need for reforms to the SES. Carol Bonosaro, president of the SEA, has been a strong advocate for reforms. In testimony she gave before the House Committee on Homeland Security's Subcommittee on Management, Investigation and Oversight in March 2009, she proposed several reforms for the Department of Homeland Security and government-wide. She suggested a number of changes that would help to do the following:

Restore career leadership, create a more fair and transparent pay and performance management system, and provide for training and continuing development of the SES. Making such reforms to the SES system across the government will help all agencies, including DHS, recruit and retain the best Senior Executives and ensure that they have the necessary tools to effectively carry out the missions of their agencies.[64]

This section discusses some areas that advocates for changes to the SES have identified as needing reform, including pay compression, recruiting and retaining of senior executives, career development and training opportunities, mobility, diversity, and the role of OPM.

Pay Compression

As discussed above, Congress enacted a series of reforms to the SES's pay structure in 2004. Among other changes, the 2004 reforms to SES pay eliminated locality pay in an attempt to provide stronger performance incentives to SES members. However, the changes created a system in which GS-14s and GS-15s, historically considered to be prime candidates for SES positions, may have little or no monetary incentive to move to the SES. As discussed above, the current basic pay for members of the SES starts at 120% of the GS-15 step 1 pay (currently $119,554). However, individuals at a GS-15 step 1 in the Washington, D.C. area currently earn $123,758, including locality pay.[65] Individuals who are at a GS-14 step 6 or higher also earn more than the minimum basic pay for SES members (a GS-14 step 6 base plus locality pay for Washington, D.C. is $122,744). This could mean that senior executives in agencies may have employees serving under them who earn more money than the executives.

Carol Bonosaro, president of the Senior Executives Association, raised the point in testimony before the U.S. House Committee on Homeland Security's Subcommittee on Management, Investigations, and Oversight in 2009 that most senior workers in the federal government are not primarily motivated by pay, and therefore some might argue that this pay overlap should not

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[63] Partnership for Public Service and Booz Allen Hamilton, *Unrealized Vision: Reimagining the Senior Executive Service*, August 2009, pp. i-ii, http://www.ourpublicservice.org/OPS/publications/viewcontentdetails.php?id=136.

[64] Testimony of Carol Bonosaro, U.S. Congress, House Committee on Homeland Security, Subcommittee on Management, Investigations, and Oversight, *Putting People First: A Way Forward for the Department of Homeland Security Workforce*, 111th Cong., 1st sess., March 5, 2009. p. 2, available at http://www.seniorexecs.org/fileadmin/user_upload/Testimony/DHS.pdf.

[65] According to OPM's website, 75% of senior executives are in the Washington, D.C. area. Office of Personnel Management, "Facts and Figures," at http://www.opm.gov/ses/facts_and_figures/demographics.asp.

matter. However, as she states, along with the possibility of lower pay and lower retirement benefits, SES positions also have "added responsibilities, added risk, and less time with families." Another possible disincentive for individuals to join the SES is that the SES performance bonuses do not count toward senior executives' retirement annuities. If performance awards could count toward an executive's "high-three,"[66] she argued, the SES would become a more attractive career goal for federal workers.[67]

Another problem that senior executives have identified with the current pay system is a perceived disconnect between performance ratings and pay adjustments. According to a 2006 Senior Executives Association survey, many senior executives believed that changes in pay were based primarily on administrative decisions and budgetary constraints, not on their actual performance. In that same survey, 233 executives reported increased responsibilities since the new pay system was instituted in 2004, but 82% of those 233 executives received no salary increase to match their increased workload.[68]

Critics have also suggested that SES pay is low compared to equivalent jobs in the private sector. The opportunity cost for members of the SES can be high if they have an opportunity to work in a senior management position in the private sector. Luring highly qualified candidates to serve in the public sector when they could be making a much higher salary in the private sector can be challenging, according to this view. In addition, the fact that the SES does not receive locality pay may also be a hindrance when it comes to attracting people to SES positions. This may be especially true for individuals who do not live in Washington, D.C. already, since according to OPM's website, 75% of SES jobs are located in the Washington D.C. area, while most GS jobs are located outside of Washington, D.C.[69]

Recruiting and Retaining SES Members

For an effective SES, recruiting and retaining highly qualified individuals is essential. The SES has had difficulty with both of these issues over the course of its history.

Recruiting

Some outside observers have noted that the recruiting process for the SES has not reached its potential. A recent report on the Senior Executive Service, for example, found that the government tends to be passive in its recruiting of senior executives. Agencies tend to fill their SES positions from within their own civil service ranks, often without considering a broader pool of applicants from across the government, or outside the government. Some say that agencies could benefit from actively developing and preparing their own GS-14s and GS-15s for SES

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[66] The "high-three" refers to the system of calculating government workers' annuities. The high-three bases a retiree's annuity payment on the average of the highest-paying three consecutive years in the employee's government service.

[67] Testimony of Carol A. Bonosaro, President of the Senior Executives Association, in U.S. Congress, House Committee on Homeland Security, Subcommittee on Management, Investigations, and Oversight, *Putting People First: A Way Forward for the Department of Homeland Security Workforce*, 111th Cong., March 5, 2009.

[68] Ibid. The survey can be found at OPM's website, at http://www.opm.gov/ses/SES_survey_results_complete.pdf.

[69] OPM's SES Member Profile, including geographic location, is located at http://www.opm.gov/ses/facts_and_figures/demographics.asp. For detailed information on the location of government employees, see the latest employment cube of OPM's FedScope database, which houses data on federal employees. FedScope is located at OPM's website: http://www.fedscope.opm.gov/employment.asp.

positions so that when they choose to hire from within, the individuals would be more prepared for the SES. [70]

Advocates for SES reform have argued that one way in which agencies could improve SES recruiting efforts would be to pay more attention to the talent pipeline within the government. By developing the skills of individuals who are likely to serve as future senior executives, agencies would be able to identify qualified individuals who they would like to bring on as senior executives. Federal agencies may have a Candidate Development Program (CDP; see section entitled "Entering the SES: Career Appointments" above). However, as some have pointed out, these programs have not developed as originally intended. As one scholar and former federal executive pointed out, a significant number of participants in the early years of the Federal CDP program were not selected for the SES. Technical experts were regularly selected over those who had undergone the CDP training, which reinforced a cultural bias within agencies toward individuals with specialized and technical expertise.[71]

This bias toward technical expertise rather than leadership ability was also reinforced by the fact that when established, the SES consisted of "supergrade" individuals who already were specialists and did not necessarily have the leadership training and skills that the government requires for SES members. This was a result of the conversion of top-level GS positions into SES positions in 1979. As one scholar noted, "the US civil service suddenly had several thousand senior executives who were specialists one day and, by definition, generalist executives the next."[72] Due in part to the way in which the supergrade positions were converted into SES positions, the tendency toward specialists as executives has remained.

A related critique of the current hiring process is that agencies tend to focus on an applicant's technical skills, rather than leadership and management skills. Selecting a technical expert for an SES position may not fulfill the original vision of the SES. Although technical experts can provide specific knowledge of government programs, they may not have the vision or executive skills to "move a program forward strategically," according to one report.[73] Hiring technical experts over generalists with leadership skills might occur for several reasons: identifying technical skills is easier than identifying skills such as leadership capabilities; technical experts may serve agencies better in the short term; and failure to consider leadership capability during the hiring process.[74]

Retaining Senior Executives

Retention of talented government employees is essential for the smooth operation of the public sector, and this is especially true for the SES. Attrition of senior executives can cause several problems, including the loss of knowledge and/or skills; a deterioration in organizational loyalty among employees; and a vacancy in the agency that may take some time to fill.[75] The SES has

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[70] Partnership for Public Service and Booz Allen Hamilton, *Unrealized Vision,* pp. 7-8.

[71] James E. Colvard, "Senior Executive Service Had High Hopes," *25 Years from* The Bureaucrat *to* The Public Manager, vol. 25, no. 1 (Spring 1996), p. 21.

[72] Ibid., p. 21.

[73] Partnership for Public Service and Booz Allen Hamilton, *Unrealized Vision*, p. 15.

[74] Ibid., pp. 14-16.

[75] For information on and strategies for retention of federal employees, see the Partnership for Public Service and Booz Allen Hamilton, *Keeping Talent: Strategies for Retaining Valued Federal Employees*, January 2011, at (continued...)

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had some difficulty retaining talented individuals. In the first decade of its existence, it had a turnover rate of almost 10% annually. By March of 1983, over 40% of the senior executives who had converted in July 1979 left government service.[76] Similar trends continued for the next three decades.

Although some sources have cited low pay as a reason that certain individuals may leave the SES, a recent study showed that few senior executives thought pay was a reason the government faced problems with retention of senior executives.[77] Respondents noted that individuals who make a commitment to public service know what kind of salary they will be receiving. Those who would be likely to leave the SES because they are not getting the pay they want are unlikely to join in the first place. According to this argument, the bigger challenge with pay is for recruiting rather than retention.

According to several sources, "onboard" training for new senior executives is lacking, which might play a role in retention efforts.[78] Ideally, successful onboard training would expedite the transition period for new senior executives, especially for those coming from outside government. A 2008 Partnership for Public Service and Booz Allen Hamilton report about onboarding argued that the private sector has shown that successful onboarding is crucial to improving retention, performance, engagement of employees, and shortens the length of time it takes for a new employee to become productive. The report suggested that the government could benefit from improving its onboarding programs, including those programs for executives.[79]

A successful onboarding program could also emphasize, for those individuals who are moving to an SES position from a GS-14 or GS-15, those skills which differentiate senior executives from the rest of the civil service. Such a program could encourage early development of the leadership skills in the potential senior executives that many critics have said are lacking.

Another area that critics have identified as needing improvement is career development and training, discussed more in the section below. Having greater development opportunities for senior executives could also help retention efforts.

Career Development and Training

The Civil Service Reform Act gave responsibility for the training of senior executives to OPM. OPM may delegate responsibility for training to agencies, but OPM is still responsible for establishing criteria, assisting with the implementation, and overseeing and enforcing adherence to the agency's criteria.[80]

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http://www.ourpublicservice.org/OPS/publications/viewcontentdetails.php?id=154

[76] Huddleston and Boyer, *Higher Civil Service in the United States,* p. 112.

[77] Partnership for Public Service and Booz Allen Hamilton, *Unrealized Vision*, p. 11.

[78] Bonosaro, *Putting People First,* p. 8; Partnership for Public Service and Booz Allen Hamilton, *Unrealized Vision*, p. 16.

[79] Partnership for Public Service and Booz Allen Hamilton, *Getting On Board: A Model for Integrating and Engaging New Employees*, May 2008, available at http://www.ourpublicservice.org/OPS/publications/viewcontentdetails.php?id=128.

[80] 5 U.S.C. § 3396.

OPM offers a number of training opportunities for senior executives, including the Federal Executive Institute and three Management Development Centers that provide leadership training for government executives. OPM's training opportunities attempt to strengthen and reinforce the Executive Core Qualifications (ECQs) that are required of all senior executives. In addition, OPM encourages agencies to establish training programs of their own and provides guidance on its website for agencies to do so.[81] In March 2011, a representative from OPM testified before the Senate's Homeland Security and Governmental Affairs Committee that OPM is working with the Federal Executive Institute to develop additional opportunities such as more frequent SES orientation programs and networking opportunities.[82]

Although there are some training opportunities for senior executives through OPM, some critics say that OPM has largely delegated the responsibility to agencies, and that neither agencies nor OPM have prioritized training. As a result, senior executives are mostly responsible for finding their own training opportunities, and many feel that their professional development is not a priority in their agencies.[83] This decentralized approach has led to variation in training opportunities among agencies. Providing training programs can be especially difficult for small agencies that may have small budgets.[84]

A critique of the decentralized training structure is that it violates the spirit of the original SES vision. Government-wide training programs, in which executives could share experiences and learn from their colleagues in other agencies, have been inconsistent and infrequent since the SES was launched. Such training and development sessions would have been more aligned with the original intent of civil service reform, some critics have pointed out.[85] Training opportunities tend to be agency-specific, reinforcing the SES's current agency-centric structure.

One study of the SES suggested that the government could take advantage of its own resources to provide additional training opportunities for SES members. For example, Presidential Rank Award recipients could be a training resource for development of potential or current senior executives.[86]

Responses to a 2008 OPM survey of senior executives showed that many senior executives feel their own developmental opportunities could improve. Fifty-five percent of executives were satisfied with the developmental opportunities available to them. Over a third of the survey respondents (35%) felt that their developmental needs were not assessed. Only about 25% of agency executives said they had received some sort of formal executive coaching.[87] These

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[81] Information about the training offered for senior executives by OPM, as well as guidance for agencies on establishing and maintaining development programs, can be found on OPM's website, available at http://www.opm.gov/ses/executive_development/index.asp.

[82] Testimony of Nancy Kichak, U.S. Congress, Senate Committee on Homeland Security and Governmental Affairs, Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, *Strengthening the Senior Executive Service: A Review of Challenges Facing the Government's Leadership Corps*, 112th Cong., 1st sess., March 29, 2011, pp. 3-4.

[83] Bonosaro, *Putting People First,* pp. 3-4.

[84] U.S. General Accounting Office, *Senior Executive Service: Training and Development of Senior Executives*, GAO/GGD-89-127, September 1989, pp. 4-5, at http://archive.gao.gov/d26t7/139989.pdf.

[85] U.S. General Accounting Office, *Senior Executive Service: Training and Development of Senior Executives*, and Partnership for Public Service and Booz Allen Hamilton, *Unrealized Vision,* p. 17.

[86] Partnership for Public Service and Booz Allen Hamilton, *Unrealized Vision*, p. 18.

[87] U.S. Office of Personnel Management, *Senior Executive Service Survey Results*, Washington, D.C., May 2008, at (continued...)

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responses reinforce the suggestion of some that development of executives may not be a high priority for many agencies.

Mobility of SES Members

The SES was intended to be a government-wide, cohesive corps of individuals that encouraged mobility within and across government agencies. The thought was that SES members would gain experience and leadership skills from being mobile that they could apply across different government agencies and positions. Mobility would bring fresh perspective to agencies and would encourage the individuals to apply a broader skill set to an agency's needs, rather than allowing individuals to get too involved in technical details of agency programs. Moreover, senior executives would form cross-agency relationships that would enrich their skills that they could apply to their own position.

Mobility of senior executives, however, has never been fully realized. Few senior executives have worked outside their own agency. Various sources have cited several reasons for why senior executives are not mobile. Since the creation of the SES, job rotations seem to be widely perceived as punitive and a way for political leaders to get rid of unwanted personnel, rather than a tool for improving one's skill set.[88]

Other barriers to mobility that have been cited include the way that OPM has delegated a great deal of responsibility over senior executives to individual agencies.[89] The CSRA required OPM to serve as a centralized administrator for the new SES, and it was tasked with many responsibilities that it has largely delegated to agencies. Recruitment and assessment have largely been delegated to agencies, so OPM has more of a distant oversight role than a direct hand in managing the SES. However, to institute a successful job rotation system, a strong, centralized personnel structure must exist, some have argued.[90]

One scholar suggested that senior executives may be able to learn from the military model with regard to frequent job rotations.[91] Through job rotations, senior leaders in the military are expected to yield a "rich array of career development experiences."[92] Job rotations have the potential to broaden understanding about what might make government more effective, because individuals would be exposed to and could learn from many different situations and contexts. Skills that could be obtained include adaptability, flexibility, leadership, planning, and a broader perspective on business functions.

A recent report on the SES recommended that OPM, in collaboration with each agency, should review all existing SES positions and identify those that would truly benefit from a rotational

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http://www.opm.gov/ses/SES_survey_results_complete.pdf.

[88] Patricia Wallace Ingraham, *The Foundation of Merit: Public Service in American Democracy* (Baltimore: Johns Hopkins University Press, 1995), p. 85.

[89] Partnership for Public Service and Booz Allen Hamilton, *Unrealized Vision*, p. 3

[90] Ibid., pp. 3-4.

[91] Al Robbert, "Developing Leadership: Emulating the Military Model," in *High-Performance Government: Structure, Leadership, Incentives*, ed. Robert Klitgaard and Paul C. Light (Arlington, VA: RAND Corporation, 2005), pp. 255-279.

[92] Ibid., p. 268.

component. Given existing challenges and the current government structure, they suggest that the idea of an entire SES corps that is mobile is no longer practical. There may be some SES positions within agencies that benefit from technical expertise, and agencies may prefer to keep those technical experts where they are. The report suggests separating those positions into "Agency SES" and "National SES," while turning some SES positions into Senior Technical (ST) and Senior Level (SL) positions where appropriate.[93] Members of the National Corps could establish mobility agreements with their agencies and institute developmental rotations administered by OPM. Those individuals designated as agency senior executives would not have the same rotational requirements.

A similar point was raised at a March 2009 hearing on the SES by Nancy Kichak, a hearing witness and Associate Director at OPM. She stated that some SES positions, such as Chief Information Officers and Chief Financial Officers, require technical agency expertise, and having mobile senior executives rotating in and out of those types of positions may not be appropriate.[94]

Diversity

One issue that has been raised by critics is that the SES lacks diversity. The findings and statement of purpose of the Civil Service Reform Act asserted that the law would "provide the people of the United States with a competent, honest, and productive Federal work force reflective of the Nation's diversity."[95] However, the SES does not currently reflect the diversity of the United States, nor has it reached the level of diversity of the rest of the federal workforce. The current demographic profile of these three groups is presented in **Table 3**.

Table 3. Senior Executive Service Demographic Profile

	SES	Federal Workforce	United States Population
Women	31.6%	44.1%	50.7%
Men	68.4%	55.9%	49.3%
American Indian/Alaska Native	1.2%	1.9%	1.0%
Asian/Pacific Islander	3.0%	5.7%	4.8%
African-American/Black	9.4%	17.3%	12.9%

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[93] Partnership for Public Service and Booz Allen Hamilton, *Unrealized Vision*, p. 20. Senior Technical (ST) and Senior Level (SL) positions are positions that are classified above GS-15 but serve slightly different functions than SES. As described by OPM on its website, SES positions are those that "involves one or more of the criteria set forth in 5 USC 3132 (e.g., directing the work of an organization, monitoring progress toward organizational goals, etc.)" ST positions are those that "involve high-level research and development. ST positions are established under 5 USC 3104 and are always in the competitive service." SL positions are those for which "the work of the position does not meet the SES criteria nor does it involve the fundamental research and development responsibilities that are characteristic of ST positions." Office of Personnel Management, "About the Senior Executive Service: Frequently Asked Questions," available at http://www.opm.gov/ses/about_ses/faqs.asp.

[94] U.S. Congress, Senate Committee on Homeland Security and Governmental Affairs, Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, *Strengthening the Senior Executive Service: A Review of Challenges Facing the Government's Leadership Corps*, 112th Cong., 1st sess., March 29, 2011.

[95] Sec. 3, P.L. 95-454.

	SES	Federal Workforce	United States Population
Hispanic	3.1%	6.1%	15.8%

Source: Congressional Research Service. SES and Federal Workforce data are current as of December 2010 and are available at the Office of Personnel Management's Fedscope database in the Diversity Cube: http://www.fedscope.opm.gov/index.asp. Data for the United States population, current as of 2009, are from the U.S. Census Bureau's "Quick Facts" website: http://quickfacts.census.gov/qfd/states/00000.html.

In a 2008 report on diversity in the SES, GAO stated that "having a diverse SES corps, which generally represents the most experienced segment of the federal workforce, can be an organizational strength that can bring a wider variety of perspectives and approaches to bear on policy development and implementation, strategic planning, problem solving, and decision making." GAO showed that the diversity in the SES is similar to the diversity of GS-14s and GS-15s, which comprise what is often viewed as the SES development pool.[96] The SES could benefit from an increase in diversity in the talent pool since a large number of senior executives are likely to retire in the next few years. According to GAO, this would improve the overall quality of the SES since "racial, ethnic and gender diversity in the SES is an important component for the effective operation of the government."[97]

Some scholars of public bureaucracy have argued that having a diverse government workforce can increase the effectiveness of government, because individuals with diverse backgrounds might bring a different set of experiences and perspectives to their decisions in government.[98] One scholar stated that an increasingly diverse public workforce can "improve the way in which government operates and is perceived by the general citizenry."[99]

During the 111th Congress, companion bills were introduced in the Senate and the House of Representatives (S. 1180 and H.R. 2721) calling for greater diversity in the SES. To accomplish that, both bills would have established a Senior Executive Service Resource Office within OPM. One of the office's primary missions would have been improving diversity within the SES. In addition, within one year of enactment of the legislation, agencies would have been required to submit to OPM a plan to enhance opportunities for minorities, women, and people with disabilities both within the SES and those who are trying to enter the SES.

OPM's Management of the SES

Some scholars of public administration have suggested that a strong OPM is important to establishing and maintaining a successful SES. Two years after the initial implementation of the SES, Bernard Rosen, then a professor at American University and former executive director of the Civil Service Commission, wrote an article entitled "Uncertainty in the Senior Executive Service." Rosen had been a career executive under five different administrations. He argued that

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[96] U.S. Government Accountability Office, *Diversity in the Federal SES and Senior Levels of the U.S. Postal Service and Processes for Selecting New Executives*, GAO-08-609T, April 3, 2008, p. 2, at http://www.gao.gov/new.items/d08609t.pdf.

[97] Ibid., p. 10.

[98] See, for example, Jay M. Shafritz et al., *Personnel Management in Government: Politics and Processes* (New York: Marcel Dekker, 1992).

[99] Norma M. Riccucci, *Managing Diversity in Public Sector Workforces* (Boulder, CO: Westview, 2002), p.153.

OPM had a very important role to play in the SES, particularly in President Ronald Reagan's Administration, since it was the first new administration since the SES was instituted. He argued that the OPM director must serve as a "catalyst" between the President, his appointees, and the agencies. As established by the Civil Service Reform Act, OPM should be able to "provide better guidance and monitoring without reverting to the tight controls exercised by the former Civil Service Commission. OPM can move from a very limited leadership role to a more active middle ground, and do so in healthy cooperation with the agencies… it would enhance the possibility for realizing the high promise of the SES—significant improvement in government operations."[100]

Almost three decades later, the Partnership for Public Service and Booz Allen Hamilton issued a study arguing that the lack of OPM efforts to establish a mobile SES has resulted in a highly immobile SES.[101] The Civil Service Reform Act created OPM and gave it many responsibilities, including the authority to grant sabbaticals to senior executives and encourage mobility; establish a qualifications review board to certify qualifications of candidates for SES positions; establish programs for the continual development of SES members or require agencies to establish such programs; and perform other general administrative functions. OPM has delegated a number of these responsibilities to agencies, including training and career development, performance evaluation, and recruiting efforts. Having a more centralized effort for many of these issues could increase the overall strength and effectiveness of the SES. However, some also may suggest that giving more control over senior executives to agencies allows agencies more flexibility in their own operations.

Recent Initiatives

President Obama's President's Management Council established a working group to identify, among other things, areas for improvement of the SES. OMB and OPM, the agencies that are coordinating the working group's effort, issued a joint memo on February 18, 2011, to members of the SES. In the memo, leaders from OMB and OPM listed proposals to (1) improve SES professional development programs; (2) streamline burdensome administrative processes; (3) strengthen personnel performance management; and (4) expand and diversify executive talent pipelines. The memo suggested such reforms as encouraging more engagement between senior executives and political appointees in agencies and improving the current recruitment techniques to increase diversity and talent within the SES.[102]

112th Congress

On March 29, 2011, the Senate Committee on Homeland Security and Governmental Affairs' Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia held a hearing on the SES. Entitled "Strengthening the Senior Executive Service: A Review of Challenges Facing the Government's Leadership Corps," the hearing featured three witnesses who discussed many of the issues mentioned in this report. The witnesses were

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[100] Rosen, "Uncertainty in the Senior Executive Service," p. 207.

[101] Partnership for Public Service and Booz Allen Hamilton, *Unrealized Vision*, pp. 20-21.

[102] Memorandum from Jeffrey D. Zients, Federal Chief Performance Officer and Deputy Directory for Management, Office of Management and Budget (OMB), and John Berry, Director of the Office of Personnel Management (OPM) to the Senior Executive Service, February 18, 2011, p. 1.

representatives from OPM, the Partnership for Public Service, and the Senior Executives Association. The chairman of the subcommittee, Senator Daniel K. Akaka, suggested that improvements to the hiring process, among other changes, could help strengthen the SES. Senator Ron Johnson, the committee's ranking member, stressed the importance of strong leadership in ensuring effectiveness of an organization, whether it is in the public or private sector. Hearing witness Max Stier, president and chief executive of the Partnership for Public Service, suggested changing the 10% government-wide cap on noncareer senior executives to a 10% cap on each individual agency, since the percentage of noncareer appointees varies widely among agencies, ranging up to 20% at the Department of Education. Nancy Kichak, a hearing witness from OPM, discussed current efforts at OPM to improve the hiring and recruiting processes. Carol Bonosaro, the president of the Senior Executives Association, raised the issue of pay compression and pressed for changes to the pay system. Other topics that were discussed at the hearing included diversity and career development opportunities for senior executives.[103]

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[103] U.S. Congress, Senate Committee on Homeland Security and Governmental Affairs, Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia, *Strengthening the Senior Executive Service: A Review of Challenges Facing the Government's Leadership Corps*, 112th Cong., 1st sess., March 29, 2011.