

READY TO GOVERN
DEVELOPING A MANAGEMENT ROADMAP
FOR THE NEXT ADMINISTRATION

Managing the Government's Executive Talent

OCTOBER 2015

Douglas A. Brook
Maureen Hartney



PARTNERSHIP FOR PUBLIC SERVICE



**IBM Center for
The Business of Government**

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

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

The IBM Center for The Business of Government connects research to practice, applying scholarship to real world issues and decisions for government. The Center stimulates research and facilitates discussion of new approaches to improving the effectiveness of government at the federal, state, local, and international levels.

The Center's publications focus on major management issues facing governments today, including the use of technology and social media, financial management, human capital, performance and results, risk management, innovation, collaboration, and transformation. Our intent is to spark creativity in addressing pressing public sector challenges—crafting new ways of improving government by identifying trends, ideas, and best practices in public management that can help government leaders respond more effectively to their mission and management priorities.

Since its creation in 1998, the Center has awarded research stipends to public management researchers in the academic and non-profit communities that have resulted in nearly 350 reports - all of which are available on the Center's website, www.businessofgovernment.org.

FOREWORD

On January 20, 2017, the 45th president of the United States will be inaugurated. He or she will take the reins of one of the largest and most complex organizations in the world, ready to move ahead with a set of priorities that have been articulated through the campaign and the transition period.

A focus on management by the White House and executive branch agencies will be essential for the new administration to successfully implement policy goals, reduce the risk of costly missteps, and build public confidence in the federal government's ability to serve our nation.

The Partnership for Public Service and the IBM Center for The Business of Government have joined together in sponsoring a series of roundtable dialogues with key government leaders and stakeholders to inform the next president and his or her team about critical management issues, and actions that can strengthen the new administration's capacity to address important challenges. Each one of our roundtables is focused on a key theme: Leadership Talent, Enterprise Government, Decision-Making, Innovation and Key Enablers.

Through these roundtables, the accompanying papers and related research, the Partnership and the IBM Center will develop a Management Roadmap for the next administration to share lessons learned, identify promising initiatives, and offer ideas on successful implementation.

Roundtable participants include current and former political and career leaders from the executive and legislative branches, subject-matter experts, good-government organizations and the academic community. We have invited expert authors to write a paper following each roundtable that summarizes key themes and recommendations from the discussion.

This report, authored by Doug Brook and Maureen Hartney of Duke University, is anchored in discussion at a roundtable in May 2015 that focused on strengthening executive talent across the federal government. Part I of the report recaps the roundtable discussion, and Part II proposes a framework for the next administration to manage and harness the talent of top political and career executives.

We hope this report and the Management Roadmap can help the new administration successfully transition to power and improve the government's performance throughout the president's term.

Sincerely,



Max Stier
President and CEO
Partnership for Public Service



Daniel Chenok
Executive Director
IBM Center for The Business of Government

CONTEXT FOR THIS REPORT

DEVELOPING A MANAGEMENT ROADMAP FOR THE NEXT ADMINISTRATION

The IBM Center for The Business of Government and the Partnership for Public Service are sponsoring a series of dialogues to inform the next administration about issues and actions that strengthen the long-term organizational capacity of our government.

Bringing together external partners and government leaders during a series of roundtables, the IBM Center and the Partnership will craft a Management Roadmap for consideration by the next administration. The Roadmap is a key element in the Partnership's overall *Ready to Govern* initiative (for more information, see ourpublicservice.org/readytogovern).

The Roadmap will distill the essence of lessons learned from the past and identify current and new management initiatives that will be needed to address key challenges facing the country. The focus areas of these roundtable discussions include:

DEVELOPING AND MANAGING EXECUTIVE TALENT

Focusing on strengthening federal senior leadership, including political appointees and career executives, and enhancing their collaboration (note: this is the subject of this report).

ENHANCING AN ENTERPRISE APPROACH

Strengthening governance, improving collaboration and using enterprise frameworks to build capacity to achieve cross-agency goals, improve operations and lower costs.

IMPROVING DECISION-MAKING

Creating and sustaining disciplined and replicable models of innovation to drive better customer service and improve outcomes.

SUSTAINING INNOVATION

Creating the capacity to enhance analytics decision-making through strategic foresight and integrating existing planning, program evaluation, risk management, analytics and benchmarking capabilities.

GETTING IT DONE

Outlining how to deliver real change in the federal government utilizing the full set of operational and change management levers available to leaders and implementing new governance and collaboration structures.

CONTENTS

FOREWORD.....	1
EXECUTIVE SUMMARY.....	5
INTRODUCTION.....	6
ABOUT THE AUTHORS.....	7
Part I: SUMMARY OF ROUNDTABLE DISCUSSION.....	9
Issue 1: Managing the Career-Political Interface.....	10
Issue 2: Strengthening the Career Senior Executive Service.....	12
Issue 3: Aligning Accountability and Incentives.....	14
Issue 4: Supporting Talent Management Innovation.....	16
Issue 5: Enablers—Getting It Done in Government.....	18
Part II: EXECUTIVE MANAGEMENT TALENT.....	20
Key Premises Underlying Recommendations.....	21
Key Stakeholders Overseeing Executive Management Talent.....	23
Recommendation 1: Create a Government-wide Executive Management Corps.....	24
Recommendation 2: Create Department- and Agency-Level Joint Executive Management Teams.....	26
Recommendation 3: Create a Political Executive Management Corps.....	28
Recommendation 4: Create a Career Executive Management Corps.....	30
Getting It Done: Timing and Who Does It.....	32
CONCLUSION.....	34
REFERENCES.....	35
APPENDICES.....	36
Appendix One: May 2015 Executive Talent Roundtable Attendees.....	36
Appendix Two: Project Contributors.....	37
Appendix Three: Suggested Approach for Implementing Recommendations.....	38



WELCOME

EXECUTIVE SUMMARY

For the next administration, the management of the federal workforce—including executives—will be a critical factor in the president’s success. The president’s political appointees will work with members of the career Senior Executive Service (SES) to direct the work of agencies and departments.

To accelerate the achievement of the president’s priorities and reduce the risk of operational failures (such as the Affordable Care Act website rollout and the Hurricane Katrina response) campaign transition teams and the next White House must make the management of executive talent a priority.

Part I

Part I of this report presents insights and options for effectively managing executive talent that stem from a roundtable discussion with senior current and former government leaders. The focus is on key areas the next administration should pay attention to in order to accelerate the stand-up of the administration and the achievement of presidential priorities. These key areas of focus are:

- Effectively managing the career-political interface to foster strong teams that deliver results
- Strengthening the career SES to increase the capability and capacity of the government
- Aligning accountability and incentives to drive desired behaviors and the achievement of administration priorities
- Supporting innovations in talent management that can enhance the ability to recruit, hire and train the talent that the administration will be relying on
- Enabling ideas and tools to help leaders manage executive talent in the complex federal environment

Part II

In Part II, the report authors offer a framework for how the next administration can effectively manage political and career executive talent. The authors make four recommendations:

- Create a government-wide Executive Management Corps, comprising political and career leaders in senior management positions, to bring an enterprise-wide perspective with a shared sense of purpose and common priorities
- Establish Joint Executive Management Teams in individual departments and agencies, in which political and career executives share ownership for mission outcomes and work across departmental and functional boundaries to achieve goals
- Fill presidential appointee positions that require significant managerial expertise with highly qualified candidates and include them in a Political Executive Management Corps, with responsibility to drive the management priorities of the administration
- Create a Career Executive Management Corps through which departments and agencies, in coordination with the Office of Management and Budget and the Office of Personnel Management, can effectively manage career senior executives with the broadest management and operational responsibilities to run the operations of government and deliver on the priorities of the administration

Transition teams and the new administration face the difficult task of in setting up new teams while driving the achievement of policy goals. Faced with so many consequential decisions, managing executive talent may not rise to the level of presidential attention. However, when implementing policy, responding to unexpected events, or operating the government effectively, the quality of the executive leadership team matters from the first day forward. Will the government demonstrate competence and executive excellence, or will failures undermine agencies and inflict political damage? The choices made by the transition team and White House about how to manage executive talent will shape the impact of the administration.

ABOUT THE AUTHORS

Douglas A. Brook is Visiting Professor of the Practice in the Sanford School of Public Policy at Duke University. He is also professor emeritus at the Naval Postgraduate School, where he had served as professor, dean of the Graduate School of Business and Public Policy, and director of the Center for Defense Management Research.

From 2007 to 2009, Brook served first as Assistant Secretary of the Navy (Financial Management & Comptroller) and later as Acting Undersecretary of Defense (Comptroller) and Chief Financial Officer. In 1992 he was Acting Director of the Office of Personnel Management and from 1990 to 1992 he served as Assistant Secretary of the Army (Financial Management). Dr. Brook holds a bachelor's degree in political science and a Master of Public Administration degree from the University of Michigan. In 2001 he earned his Ph.D. in Public Policy at George Mason University.

Maureen Hartney is a master's student in the Sanford School of Public Policy at Duke University. After earning dual bachelor's degrees from the University of Florida in political science and history, she was commissioned through the Reserve Officer Training Corps into the Air Force as an Intelligence Officer. She served on active duty for six years and was stationed in Germany as well as northern Virginia. While in Germany, Hartney deployed to Afghanistan within A-10C squadron and also supported NATO forces during the 2011 Libya conflict.

Hartney was most recently a Rosenthal and Carlucci Congressional Fellow serving in the office of Rep. John Conyers, Jr. She holds a master's degree in Interdisciplinary Studies and International Relations from the University of Oklahoma, and a graduate certificate in China: Intelligence Concerns from the National Intelligence University. Her current graduate study at Duke focuses on national security, defense and acquisition issues, economics and effective public management.

INTRODUCTION

Presidents champion policies and seek to shape the direction of the nation. But ideas are not enough—a president needs talented people to implement them. Presidential transitions must focus early on recruiting and deploying talent to advance the policy and political agenda of the president-elect. The leaders they select, especially those who are presidentially appointed and Senate-confirmed (PAS), hold primary responsibility for the formulation and execution of the president’s policies. Yet new presidential administrations often lack appreciation for the direct link between success and the need for sound management and capable people who will implement their policies and programs. Indeed, every presidential administration has experienced unexpected management failures, some of which have created political firestorms, set back policy initiatives or undermined public confidence in our government.

This is why it is essential for the next president, during the transition to power and after taking office, to recruit and place talented political and career executives with management experience in critical management and operational positions throughout the government, and organize them into effective senior leadership teams within departments and agencies.

The presidential transition team and the White House Presidential Personnel Office have the huge responsibility of identifying qualified candidates and filling some 4,000 political positions, including about 1,000 PAS jobs and some 625 non-career positions in the Senior Executive Service (SES). These appointees will work with the approximately 7,200 members of the career SES to direct and oversee nearly 2.1 million civilian executive branch employees and millions of contractors supporting the work of their agencies and departments.

Political appointees, by definition, have limited tenures in office. In contrast, career senior executives often work for their entire careers in the service of one agency or within one functional specialization. Neither group singularly possesses the broad policy, political, programmatic and organizational knowledge necessary to manage their agencies and deliver upon the president’s priorities. Together, political and career federal executives must manage highly sensitive tasks that require great skill, experience and judgment. They need sophisticated management and negotiation skills to effect change, not just across the federal government, but also with other levels of government, not-for-profit providers and for-profit contractors, all within an environment characterized by tight fiscal resources, rapidly changing problems and new technologies.

Background of this report

Given the critical importance of strong leadership teams to the success of a new administration, this report focuses on senior political and career executives who lead mission-delivery organizations and mission-support functions such as finance, human resources, information technology and procurement.

Part I of this report summarizes key findings, insights and potential options on this topic that emerged from a May 2015 “Leadership Talent” roundtable discussion hosted by the Partnership for Public Service and the IBM Center for The Business of Government. This roundtable, which included current and former political and career government officials, subject-matter experts and other knowledgeable parties, is part of a larger Partnership-IBM Center “Management Roadmap” initiative intended to help the next administration address key challenges facing the country by sharing lessons learned from past management reforms and recommending steps to build on the strength of current initiatives. For a complete list of roundtable participants see Appendix One.

Part II of this report draws from the roundtable, the literature and the experiential context of the authors to provide a framework through which the next administration can view executive talent. The central premise of the authors’ framework is that the government needs a talent management strategy built around management teams aligned to shared objectives and prepared to achieve important mission outcomes in managing large and complex programs. Such teams—consisting of a mix of political appointees and career SES professionals—would combine the administration’s policy direction with institutional knowledge to create effective leadership to act on priority policies and programs.

The authors recommend that the new administration view these selected senior political and career leaders as its Executive Management Corps that will be fundamental to the success of the administration. The report also offers recommendations for how the administration can quickly forge strong working relationships among political and career executives to support presidential priorities.

By recognizing the importance of managing executive talent—both political and career—and making it an early and continuing high priority, the next administration can recruit and retain political and career executives with strong management capabilities, and organize them into effective teams that can enable success in meeting key challenges.

Why Does Executive Talent Matter for Government?

Skilled leaders are a powerful determinant of organizational success. Investing time and resources in talent management has proven over time to improve outcomes from a mission, as well as managerial, political and economic perspective. And this is not just a public sector challenge—fostering executive talent is a challenge in the private sector too, where leading companies wrestle with very similar issues.

Effective leaders can set direction through providing vision, allocating resources and building a culture of ethics and trust. This frame enables leaders to guide results across the talent “value chain”—in which organizations recruit, hire, compensate, onboard, train, manage, evaluate, develop and separate/retire a productive workforce. Indeed, talent is essential to a well-implemented performance management cycle that includes strategy, resources, operations, execution and evaluation, as well as strong change management to address influencers within and between organizations in the government ecosystem.

In the public sector, leadership talent spans a broad array of executives whose collaboration—or lack thereof—sets the tone for agency and program success or failure. These executives include political appointees and career Senior Executive Service officials in program and functional (human resources, information technology, finance, acquisition, etc.) areas, who guide civil servants and contractors and connect with state and local government, Congress and even the judiciary to deliver on agency missions.

PART I

Summary of Roundtable Discussion

The Leadership Talent roundtable focused on managing the career-political interface, strengthening the Senior Executive Service (SES), seeking innovation in talent management, establishing incentives and accountability for performance and outcomes, and developing policies and practices that enable effective talent management.

Discussion questions, shown at right, were posed within each of these focus areas to explore various facets of federal executive leadership.

Managing the Career-Political Interface

How can incoming leaders create strong appointee career SES teams? How can onboarding, training and other efforts improve performance of leadership teams? How can connectivity between appointees and career executives be improved? How can an incoming administration set up a career-political interface that creates trust and establishes rules of engagement from day one?

Strengthening the SES

Looking beyond the current SES initiatives, what should the next administration do to strengthen the SES? What should be on the agenda for broader SES reform? What are the bold ideas for reimagining how the SES is organized and functions?

Aligning Accountability and Incentives

How can leaders align organizations, set clear objectives and expectations, and measure performance against explicit and consistent targets for both appointees and SES? What are the incentives that would support and drive organizational alignment? What would a good performance plan look like? What are the best approaches to drive accountability for performance and creating lasting frameworks for managing performance from political and SES leadership to career staff?

Supporting Talent Management Innovation

What advances and new models of hiring can be replicated and scaled for federal government agencies? Are there hiring flexibility capabilities that could be implemented or expanded?

Enablers—Getting It Done in Government

What tools can the incoming administration use to shape teams, move people and bring in new talent? What resources would be required?

Managing the Career-Political Interface

ISSUE BACKGROUND

The most essential and the most challenging factor in creating strong leadership teams in federal government agencies is managing the interface between career senior executives and senior political appointees. The management literature documents how difficult it is for executive leaders to work together as a true team (Yanovsky, 2012). This difficulty can be multiplied when dealing not only with personalities and ambitions, but also with politics and policies.

Political appointees come from a variety of backgrounds. Many have some government management experience; some have none. In either case, very few have

managed large, complex organizations such as the ones they encounter in the executive branch of the federal government. And, for the most part, there is no particular training or knowledge passed down that helps them move into their assignments. It is often on-the-job training at the highest and most consequential levels imaginable. Career executives can help political appointees with orientation, technicalities and intelligence by providing assistance, giving proposals and helping them execute policies.

ROUNDTABLE DISCUSSION

The roundtable discussion around the career-political interface examined how to foster strong teams consisting of both career Senior Executive Service (SES) and political appointees through effective training and onboarding strategies. Key topics that emerged included:

- Involving and including career executives in portions of political appointee onboarding training
- Identifying critical information for transition teams
- Hiring in blocks for positions
- Onboarding and training career and political leaders together
- Fostering partnerships across the career and political ranks

Roundtable members acknowledged that it is often much harder to be an effective manager in the public sector. Senior federal executives face pesky checks and balances. While they need to be clear on outcomes desired and have the executive leadership aligned on those outcomes, such goal congruence does not always occur in government.

Political appointees need to have relevant expertise and experience. Appointments based in policy and politics are expected, but gaps in management capability are risky. At the same time, career executives need to prove themselves early. Shared management responsibility is essential and political appointees need to engage careers right away. They also need to be sensitive about excluding senior career executives from key meetings and events. Inevitably, some political appointees will not have the necessary expertise or management experience. How then do agencies support new appointees when they enter office without any management experience? Similarly, career executives often function in policy roles during transitions when political appointees are absent. How can agencies help senior career leaders switch between the development of policy and its execution? How can the best career talent be protected from appointees who begin their agency tenure thinking that successful workers in an outgoing administration are by default detrimental to the new one?

INSIGHTS AND OPTIONS

- Recruit and nominate/appoint political leaders in blocks by functional position (i.e., all the deputy secretaries, all the chief financial officers).
- Select the Senate-confirmed directors of Office of Management and Budget and Office of Personnel Management and the Office of Management and Budget Deputy Director for Management as a block. The head of the Presidential Personnel Office (PPO), while not Senate confirmed, is a key member of the management team and should also be selected in concert with the others.
- Retain incumbents in key mission support positions (e.g., chief financial officer, chief information officer) until successors are nominated and confirmed.
- Accelerate a “go to market” strategy for finding talent for both political and career positions.
- Seek out political appointees with significant management experience along with the acknowledged policy and political considerations.
- Employ small teams of career SES executives as advisors to agency transition teams. Add senior career human resources executives to PPO to help in recruiting, hiring, and onboarding.
- Design and hold an orientation program for career executives and political appointees together.
- Provide early and continuous training for political appointees; institutionalize the current training framework operated by PPO.
- Resist temptations to reorganize the agency or shuffle the senior career executives for one entire budget cycle.
- Consider implementing a “political appointee orientation” for career SES members to clarify people, goals, roles, outcomes and performance management structures of the presidentially appointed and Senate-confirmed appointees.
- Identify key career people to retain through transition.

Strengthening the Career Senior Executive Service

ISSUE BACKGROUND

The Senior Executive Service (SES) was created in the Civil Service Reform Act of 1978 (CSRA). Its aim was to replace the super grades (GS16-18) with an elite corps of seasoned senior executive generalists who would be mobile, highly capable managers. Today there are 7,802 career SES members. They have worked an average of 23.5 years for the federal government; they earned \$168,608, on average, in fiscal 2013; two-thirds are men and four out of five are white (Kopp, February 23, 2015).

Because of the issues we outline below, the current administration launched an initiative to strengthen the

career SES, called the “White House Advisory Group on SES Reform.” This group, composed of SES members and other professionals, are putting together a set of recommendations on how to better manage this critical leadership sector of the federal government. By addressing the issues, discussion and recommendations, we hope to build on the administration’s initiatives for the SES, targeting them and focusing them on what will be effective, feasible change.

ROUNDTABLE DISCUSSION

The roundtable discussion focused on ways to strengthen the SES with respect to training, organization and operation. Key topics that emerged included:

- Onboarding careerists and political appointees together
- Increasing nonfinancial incentives, such as personal recognition
- Implementing rotational assignments in the SES
- Increasing clarity of expectations and accountability
- Rethinking SES to consider a smaller corps of management-focused cross-agency executives
- Training and developing leaders as an ongoing priority

Three promising policies and practices were identified. First, during the Clinton administration, performance-based organizations were established that utilized SES performance contracts with term limits that were tied to a position, rather than an individual. This approach was continued in pockets of the Bush administration. This concept might provide a template for returning to performance-based SES management.

Second, the Department of Defense SES management system was identified as a best practice that should be shared across the government.

Third, the Presidential Personnel Office’s “President’s Leadership Workshop” was identified as a training approach that should be continued as administrations change. The workshops involve formal management training classes and less formalized workshops around specific issues.

The roundtable addressed the stature, incentives and rewards associated with the SES. There was broad consensus that the new administration should publicly recognize the importance of the SES and convene an SES meeting early in the term. Further, participants felt strongly that the next administration should emphasize the role of the SES as a government-wide enterprise group. To foster SES engagement, Presidential Rank Awards should be continued and publicized, while pay, performance management and policies should be improved to strengthen the SES and encourage cross-agency SES mobility.

For recruiting, the pipeline of potential candidates can be expanded by increased sharing of SES talent among agencies, and by tapping into executive talent from outside the federal government.

Improvements in SES management and training were discussed. There was a view that the SES is not adequately taken into consideration in overall federal workforce planning. Questions were raised about whether the responsibilities that reside in the SES should be located in the position, or in the person as it is today. It was noted that the competencies and the Qualifications Review Board (QRB) process needs to be either reformed or discarded. Professional development needs a more formal program for career-long growth, even after the transition to SES status has been made. Running across the SES management discussion was the lack of strategic

human capital planning and the need for central policy and guidance for the SES.

Some ideas for reimagining the SES were also considered. The Office of Personnel Management (OPM) could be given more authority for identifying enterprise-wide SES members capable of moving throughout the government in their functional areas. OPM could employ more rigorous analytics to create a government-wide list of knowledge and skills for all SES members so agencies can address needs. Term limits for SES appointments could incentivize mobility and enhance professional development. Participants also raised questions about the ability of OPM to play a more central and strategic role, underscoring the challenge of how to manage talent across the large and diverse federal enterprise.

INSIGHTS AND OPTIONS

- Signal interest in and support of the SES early in the administration. Hold an all-hands SES meeting with the president.
- Create management partnerships between political appointees and SES members.
- Continue to highlight SES recognition programs, such as the Presidential Rank Awards.
- Identify and share SES management best practices, such as those in the Department of Defense, across the government.
- Establish more proactive OPM management of the SES in matters such as apprenticeships and mentoring, competencies, diversity, SES boot camp training, selection and screening, and professional development.
- Require agencies to have a process of developing and managing the SES, and communicating the development process. Require them to spend a certain amount of their operating budgets on their plans for SES development and communication.
- Implement an enterprise-wide SES system (common pay, authorities, training, etc.) to facilitate portability.
- Manage data on SES more deliberately to determine SES capabilities and competencies.
- In recruiting and selection, focus on management capability and risk-taking traits; focus less on technical traits.
- Utilize multiyear performance plans with high, but clear, accountability goals and assessments of goal-meeting.
- Implement an SES “skills bank” in OPM to aid in hiring processes.
- Hire in functional blocks (e.g., hiring CFOs and CIOs together as a group).
- Undertake a long-term reimagining of the SES. Consider such ideas as limited terms; mandatory mobility; fewer members of the SES; and a new top-level, enterprise-wide SES corps.

Aligning Accountability and Incentives

ISSUE BACKGROUND

Talent management to improve performance in the federal government is influenced, in part, by systems of accountability and incentives. The difficulty of some governmental jobs contributes to the challenge of structuring incentives, measuring performance and holding senior executives accountable. There is also the issue of risk associated with accountability and incentives. Senior managers are regularly encouraged to be entrepreneurial, try new ideas, be creative and take risks. But doing so sometimes invites additional oversight that may carry professional and personal risk and lead to risk aversion. Too often, senior executives see only the negative aspects of accountability, especially in the relative absence of offsetting positive rewards or incentives. It is clear, however, through experience, discussion and academic research that both accountability and incentives have critical roles in talent management in the federal government.

Accountability of senior leaders is a critical issue that must be addressed when managing leadership talent. Many federal employees believe there is a lack of accountability in the system for senior leaders; when accountability does exist, it is not standard or uniform (Partnership: Improving Leadership, 2014). This is particularly evident

across departments and agencies. There are currently not sufficient mechanisms to hold leaders accountable for mission accomplishment, nor are there mechanisms for holding leaders accountable for the development of subordinates. The latter is a critical step to developing motivated, engaged future leaders.

The effective use of incentives can perceptibly raise morale and create a “team” dynamic. These incentives should not be focused simply on improving pay for senior leaders, but rather on caring for and developing current and future leaders, in order to develop an inherent loyalty to—and passion for—the agency and its mission. Often, senior leaders deal with immense strategic and operational challenges, making it difficult to see an individual’s impact on an agency or business. Using incentives and rewards effectively can help alleviate this disconnect.

Similar to the initiative on strengthening the Senior Executive Service (SES), the current administration has launched the White House Leadership Development Program that may be seen as an incentive for top talent to stay within the federal government. The program, launched this fall, provides the opportunity for future leaders to participate in rotational assignments and to help drive cross-agency integration.

ROUNDTABLE DISCUSSION

The roundtable discussion surrounding accountability was linked with the discussion on incentives, as the two are closely related. The discussion examined how to best structure incentives and drive accountability, how to set objectives and expectations, the importance of personal development, and innovative ways to drive, reward and measure performance. Central topics that emerged included:

- Increasing accountability through a uniform system
- Developing uniform, high-quality performance plans
- Assessing and developing talent by adapting commercial best practices
- Evaluating team performance in achieving team goals
- Increasing nonfinancial incentives, including rotational employment, recognition and sabbaticals
- Training and developing leaders as an ongoing priority

Roundtable members observed there is often a hands-off approach to leader involvement in an employee’s career development, resulting in a disconnect between mission accomplishment and performance. There are not sufficient mechanisms available to hold leaders accountable for development of subordinates. Often, a lack of incentives leads to underperforming workers, apart from an exceptionally driven few. It was also suggested that one-year probationary periods for new employees may be too short and managers can run out of time to review and decide before the probationary period is over.

It was noted that many employees are motivated by the opportunity to have interesting and challenging experiences. By thinking of careers as a linked set of experiences, leaders can intentionally design broadening experiences for employees. In addition to keeping employees engaged, this approach can provide the important benefit

of cross-pollinating people within the government and developing leaders with broader enterprise perspectives.

Also lacking from the federal workforce, and leadership in particular, is a sense of clarity in both the expectations of the workforce and the repercussions if these expectations are not met. For example, many have cited that removing poorly performing public servants is a difficult and painful process, leaving many to ignore these poor performers and leave them in the system as “dead weight.” While this may seem harsh, two critiques of leadership from the Talent Management roundtable were that a) nonperforming leaders seldom get removed, and b) leaders do not have the necessary tools to deal with nonperformers and to make hard decisions.

Participants emphasized that current performance management systems need more consistency in measurability of performance outcomes for political appointees and career executives alike. To drive accountability,

individual performance plans need to be directly tied to mission outcomes. Clear accountability and incentives linked to mission-oriented goals rarely get implemented into contracts and performance evaluation.

It should also be recognized that many people primarily work as members of teams, yet are rated individually. Ratings systems must be uniformly applied and should recognize the collaborative nature of much of the work in government. Shared bonus pools and peer assessment mechanisms can be effective tools for aligning behavior and performance to the achievement of mission-oriented goals.

In addition, non-financial incentives would recognize the intrinsic motivations of senior federal executives whose compensation often compares poorly with private sector benchmarks. Use of sabbaticals, job rotation in and outside of government, and non-financial recognition schemes could reward high performers and also foster development of new ideas and experiences.

INSIGHTS AND OPTIONS

Accountability:

- Tie individual performance plans to mission outcomes to drive accountability.
- Structure accountability and performance reviews based on team outcomes in addition to individual performance-based rewards.
- Improve performance management; review and revise the OPM performance management practice.
- Periodically re-certify SES members (e.g., every three to five years).
- Create individual performance plans for political appointees that share a set of common objectives with career performance plans and reflect agency and administration priorities.

Incentives:

- Tie mission outcomes to incentives in performance plans of political and career management executives.
- Revise the performance management system with more clear objectives and outcome-based performance goals.
- Create an office in OMB to drive common incentives and training for leaders.
- Devise and make use of a set of non-pay incentives and rewards.
- Structure incentives based on team outcomes in addition to individual performance-based rewards.
- Identify and share best practices in incentives and accountability, such as those used in the Department of Defense and corporate organizations.

Supporting Talent Management Innovation

ISSUE BACKGROUND

There are 2.1 million civilian workers in the federal government. Over 80% are based outside the Washington, DC area and 48% have college or advanced degrees. While at any given moment, some of those 2.1 million may be making mistakes or breaking rules, most are involved daily in providing essential services; making sure we

deliver Social Security payments, assuring that our food is safe, responding to natural disasters, or keeping our planes in the air. These are the people who will be tasked with implementing the policies of the new administration. Management of this talent offers both a challenge and an opportunity for innovation.

ROUNDTABLE DISCUSSION

The discussion surrounding innovation examined how models of hiring could be replicated and scaled for the Senior Executive Service (SES), as well as any hiring flexibilities that could be implemented. Key issues that emerged included:

- Decreasing the number of SES and political appointees.
- Increasing apprenticeship programs.
- Designating a chief talent officer, someone who would take a strategic view on identifying future and current talent needs.
- Fostering a culture that supports innovation and risk-taking.
- Identifying successful initiatives to replicate, such as the General Services Administration's 18F program.

Roundtable participants assessed the current state of talent and morale in the federal workforce, concluding it is the lowest it has been in 10 years and arguing that leadership is the key driver to reverse this situation. One specific topic raised is the lack of faith in performance management systems.

Creating cultures of apprenticeship and involving employees were seen as steps toward identifying and spreading good ideas. Employee advisory groups were suggested, along with transparent idea factories where best ideas are submitted, and employees can vote on which ideas to send to a panel to determine how to implement and manage them. Additional ideas from participants included agency-wide mentoring, and entry-level training to build up employees and help them work toward desired career pathways.

Problems were seen in the current hiring system. Agencies interpret hiring rules differently, sometimes limiting what talent managers can look at or creating a proliferation of personnel policies that result in a tangled environment where managers find it difficult to hire the talent they need. More sophisticated qualifications would set a higher threshold for hiring, and line managers should be more involved in the hiring process.

INSIGHTS AND OPTIONS

Effective talent management will require the new administration to confront these and other problems in personnel policy and management. The following insights and options are offered as steps to consider for innovation in talent management. Some can be taken by administrative action; others will require new policy development and subsequent legislation.

- Exploit opportunities to recognize high performance and showcase positive stories.
- Match encouragement of entrepreneurial approaches and risk taking with actions. If you want to reward risk, you can't penalize failure.
- Develop leadership talent through apprenticeship programs, an emerging leaders program, peer-involved succession planning and rotational assignments.
- Revise the Office of Personnel Management (OPM) recruitment process and restructure USAJobs; consider eliminating the Qualifications Review Board; make open executive positions more transparent; and give agency senior executives more responsibility for recruiting and hiring.
- Establish a robust HR analytics capability in the Officer of Management and Budget (OMB), OPM and agencies to generate evidence-based actionable data about talent management in the federal workforce.
- Create a Director-General of the Public Service to serve as a role model, advocate and chief talent officer.
- Undertake a study of the personnel management structures in the federal government and propose legislation to modernize workforce management.

Enablers—Getting It Done in Government

ISSUE BACKGROUND

Now that a range of insights and options has been laid on the table, how can the incoming administration act on them to accomplish its goals? This section identifies key enablers to making change in the government—with the end result being to establish and use executive management teams and strategically manage talent.

There are enablers that can be implemented at all levels or portions of the talent management “pipeline” or life cycle. Recruitment, hiring and retention collide with managing the career-political interface, strengthening the Senior Executive Service (SES) and implementing better systems of accountability and incentives. This section addresses tools available to the new administration to enact the necessary changes for positive executive talent management.

First, there are some efforts by the Office of Personnel Management (OPM) that are underway and deserve consideration for continuation through the transition to the new administration. Through its makeover of USAJobs.gov, OPM is trying to fix basic a problem that job seekers have complained about for years: It’s simply too hard to apply for jobs. The REDI Roadmap (where REDI stands for Recruitment, Engagement, Diversity and Inclusion) is a comprehensive, data-driven strategy that uses digital tools to attract and engage a model workforce. OPM is helping agencies identify and eliminate barriers to recruiting and hiring the diverse talent they need, including:

- Untying hiring knots
- Revitalizing USAJOBS.gov
- Improving the effectiveness of the Pathways Program
- Expanding the use of social media tools for strategic recruitment
- Enhancing OPM’s role as a premier source for innovative recruitment and hiring tools and services
- Expanding partnerships with stakeholders, including colleges and universities
- Eliminating barriers to attracting diverse talent to the Senior Executive Service (OPM 2015)

The OPM is tracking applicant satisfaction with the process on a number of factors, including agency responsiveness. Initial measures were below the OPM’s goals, but the collection of such data can lead to effective changes in both policies and practices (Moore 2014).

In leadership development, the President’s Management Council and the Chief Human Capital Officers Council launched a PMC Interagency Rotation Program in 2011 to bolster cross-agency exposure for high-potential GS 13-15s. Through six-month developmental assignments, this program enables emerging federal leaders to expand their management skills, broaden their organizational experience and foster networks they can leverage in the future. Also, HR University, created in 2011, provides a foundation for human resources professionals to receive centralized training and provides a platform for cross-agency sharing (White House, 2014). The recently launched White House Leadership Development Program is another innovative effort that should be considered for continuation by the next administration.

ROUNDTABLE DISCUSSION

The discussion about enablers focused on the implementation of previously discussed recommendations. Participants examined what tools and resources needed to be used to achieve these goals. Key points that emerged included:

- Facilitating collaboration between OPM and the Presidential Personnel Office (PPO)
- Considering alternative compensation models
- Integrating management approaches
- Reforming the human resources process toward outcomes and away from compliance, with active support and involvement from leaders
- Communicating compelling stories about how strong talent impacts mission achievement

There is a need to rethink OPM and its mission. A lot of the things that OPM deals with are not directly related to developing human capital. What should the future talent management structure look like? What is the future growth of the chief human capital officer (CHCO) function, and should the CHCO Council act as a governing body for talent management? The divide between OPM, OMB and PPO is a source of both confusion and conflict in talent management policy. Especially during the transition, greater collaboration and conversation is needed between OPM and PPO.

INSIGHTS AND OPTIONS

The following insights and options are derived from the analysis and roundtable discussions. Some involve continuing current activities, some require only policy or administrative actions within the powers of the executive branch, and some require legislation.

- Accept the challenge of talent management as a high priority.
- Make use of existing authorities to test innovative ideas through demonstration projects and experimentation. Review results from previous demonstration projects for possible government-wide implementation.
- Recruit and appoint CHCOs who are willing and able to be change agents.
- Design and implement a campaign to rebrand federal service in a positive manner.
- Remove unnecessary procedural barriers to firing poor performers.
- Develop and use the capacity for greater analytics to support human resources policy making.
- Make available a menu of alternative compensation types that can be mixed and matched to incentivize and reward performance.
- Reshape governance models (OPM, Merit Systems Protection Board and Federal Labor Relations Authority) to meet the needs of 21st-century talent management.

Executive Talent Management

In this part, we draw on the insights and options from the roundtable discussed in Part I, as well as related research, to develop a framework for how the new administration can best address the management of federal executive leadership—a factor critical to the new administration’s success that needs to be a priority.

Key premises underlying recommendations

Today, political and career federal executives must manage highly sensitive tasks that require great skill, experience and judgment. They need sophisticated management and negotiation skills to effect change not just across the federal government, but also with other levels of government, not-for-profit providers and for-profit contractors, all within an environment characterized by tight fiscal resources, rapidly changing problems and new technologies (White House, 2014).

A new administration must both assemble and organize the talent required to meet these challenges by recruiting and retaining political and career executives with strong management capabilities and organizing them into effective senior leadership teams in the departments and agencies of government.

Too often, new administrations simply select their political appointees and send them off to their agencies, where it is left to individual appointees to develop their management strategies. This does not always produce favorable results, nor does it facilitate consistencies in management practices and policies across the government. It is not unusual for administrations to realize this late in their term and only then begin training and coordination efforts. The new administration should accept the challenge of executive talent management as an early and continuing high priority.

The essential building block for an effective executive talent management strategy is the creation of enterprise-focused executive management teams in the departments and agencies of the federal government. In this context, we offer policy and management recommendations for creating and managing the government’s Executive Management Corps, and we present a framework for getting it done in the new administration.

Our analysis leads to four premises on which the recommendations in this report are based:

1. Executive management talent is critical to achieving the goals of the next administration.

There are many recent examples of government failure in management undermining good policy. If the new administration's policy objectives are to be met successfully, they must be accompanied by strong, capable management.

2. The new administration must find the right managerial talent for the government's Executive Management Corps, consisting of both the Political Executive Management Corps and the Career Executive Management Corps.

Political appointees come from various backgrounds, and policy and political considerations are legitimate in the selection of people to serve in presidentially appointed positions. But for those appointments into the Political Executive Management Corps, an additional qualification is required: management capability. Similarly, Senior Executive Service managers can also have varying degrees of management experience. However, for managerial positions within the government's Executive Management Corps, the administration must identify and select senior executives with significant management experience and capability.

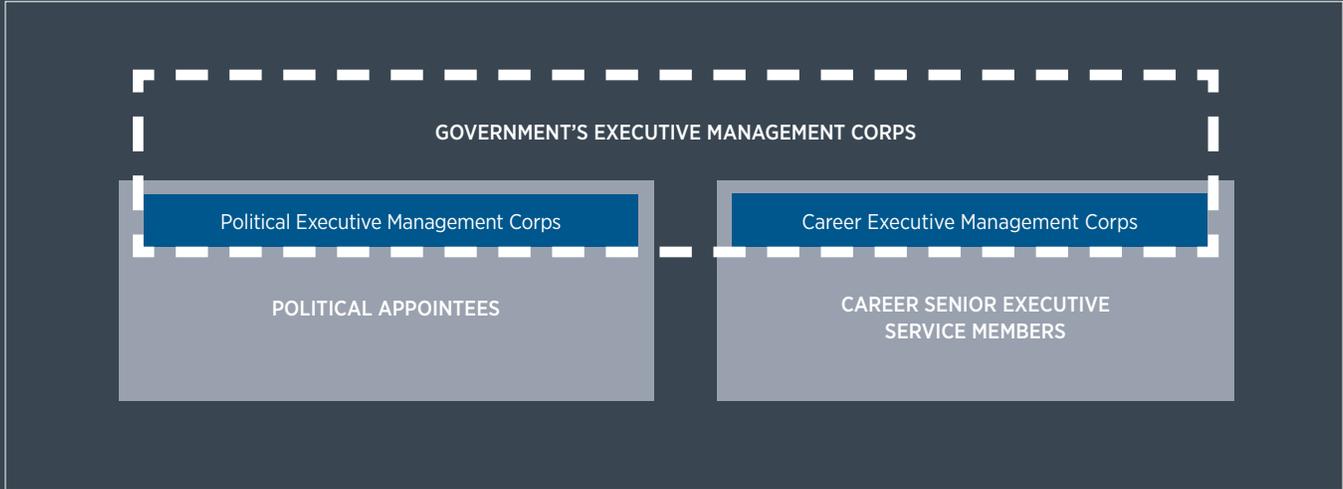
3. The accomplishment of the management and policy goals of the next administration requires a strong working relationship between the Political Executive Management Corps and the Career Executive Management Corps.

Political appointees, by definition, have limited tenures in office. In contrast, career senior executives often work for their entire management careers in the service of one agency or within one functional specialization. Neither group singularly possesses the broad policy, political, programmatic and organizational knowledge necessary to manage their agencies. These two groups must forge positive working relationships. The earlier these relationships are established, the quicker the agency can be positioned to act upon the administration's priorities.

4. The government's executive talent pool requires proactive management by departments and agencies, with the support of the Office of Management and Budget, the Presidential Personnel Office and the Office of Personnel Management.

The new administration's management strategy must be actively managed and coordinated across government.

CREATING AN EXECUTIVE MANAGEMENT CORPS



KEY STAKEHOLDERS OVERSEEING EXECUTIVE MANAGEMENT TALENT

Responsibility for the federal workforce is the joint province of the Office of Personnel Management (OPM), the Office of Management and Budget (OMB), the President's Management Council (PMC), the Presidential Personnel Office (PPO), and the departments and agencies.

- OPM is the central management agency for virtually all federal employees, and deals with the policies associated with managing the Senior Executive Service (SES).
- OMB, through the deputy director for management, sets performance management policies and practices and manages most of the various cross-agency functional area councils.
- The PMC is composed of departmental and agency chief operating officers—typically the deputy secretaries—responsible for leading and integrating management and mission priorities.
- PPO manages the selection of political appointees who will be nominated or appointed by the president.
- Each department and agency also has its own set of structures, policies and practices for managing talent.

It is no small challenge, but these five stakeholder groups must work together in order to drive an effective executive talent management strategy that will support the achievement of the president's priorities.

The discussion below offers a framework for how the next president can work with these stakeholder groups to manage political and career executive talent to maximize and accelerate the ability to act on the president's priorities. We present this framework in four parts, in which the new administration would identify:

- Government-wide Executive Management Corps
- Department and Agency Joint Executive Management Teams
- Political Executive Management Corps
- Career Executive Management Corps

We close with a discussion of enablers for how best to implement this framework.

Create a Government-wide Executive Management Corps

The federal government is run by the approximately 4,000 political appointees and 7,200 career Senior Executive Service members. All members of the SES have important responsibilities for carrying out the mission of their agencies. In addition, the SES includes hundreds of political and career executives who run large operations and lead mission-delivery organizations and mission-support functions.

In this report, we recommend that agencies focus additional management attention on these executives, respectively, as the Political Executive Management Corps and the Career Executive Management Corps. As shown in the figure on page 22, these two key groups of executives would be designated as members of a government-wide Executive Management Corps for the federal government, comprising those executives whose positions have the greatest operational and management responsibilities. Leaders of large agencies and mission-critical operations would make up department and agency-level management teams through which the new administration can effectively manage delivery on key priorities. At the same time, these teams can provide a force multiplier to enhance management excellence across the entire pool of 11,000 political and career leaders.

Political appointees, especially those who are Senate confirmed, hold primary responsibility for the formulation and implementation of the president's policies. Considering the stages of the public policy process—problem identification, policy development, policy adoption and implementation—political appointees may be more comfortable with the earlier stages in this iterative process. But it is the final stage of the process, implementation, that truly requires effective management. Too

often, management failures have resulted in political appointees being called before congressional committees or lambasted in the media as having failed in implementation of key federal programs or activities.

Moreover, the duties of senior political appointees—along with their senior career counterparts—include higher-level responsibility for the management of their departments and agencies. These responsibilities require the government's Executive Management Corps to implement the administration's priorities, to jointly carry out the mission of their organizations and to meet requirements for management of financial, human, technological and other resources.

In this way, the new president can implement a model for effectively influencing change across large and mission-critical programs. This model has proven effective in the private sector as well as in other national governments. For example, the British, Australian and Canadian public services designate selected career executives as members of a government-wide team, with a charge to serve not only their agencies but also as stewards for the development of an enterprise-wide view of selected management issues. In a similar vein, members of the US federal government's Executive Management Corps could serve as models and a resource for their colleagues.

ACTIONS

Departments and agencies, in consultation with the Office of Management and Budget, the Office of Personnel Management, the President’s Management Council and the Presidential Personnel Office, should designate a sub-group of political and career executives as members of a government-wide Executive Management Corps.

- Members of this team would be composed of a sub-group of political appointees who hold key senior management positions and would be recognized as members of the Political Executive Management Corps, and another sub-group of career senior executives who would be recognized as members of the Career Executive Management Corps—whose positions have the broadest spans of operational responsibility. This group of senior executives would be expected to bring an enterprise-wide perspective to their roles as leaders, with a sense of shared purpose and common priorities.

The new administration should periodically convene the members of the Executive Management Corps in order to share administration management priorities and goals.

- As the chief executive of a civilian workforce of 2.1 million people, the president must address the entirety of the Senior Executive Service at the beginning of his or her term. In addition, the administration also should convene the Executive Management Corps to set clear objectives, signal its importance to the achievement of the president’s priorities, and recognize the current and potential contributions of the members of this group.
- Beginning in February 2018, the administration will be required for the first time to submit a strategic management plan just as the president’s budget is submitted to Congress. This would be a propitious time for the administration to convene a meeting of the Executive Management Corps.

Create Department- and Agency-Level Joint Executive Management Teams

The creation of the government-wide Executive Management Corps brings together senior political and career leaders to create shared expectations and objectives in service of the president. Likewise, the performance of department and agency executive management teams is another critical success factor for the implementation of the administration's priorities.

Joint executive management teams at the department and agency level that quickly coalesce and include both political appointees and career leaders can significantly increase the ability of the new administration to achieve its goals.

In joint executive management teams, the members share ownership for the mission outcomes and work across departmental and functional boundaries to drive goal achievement. When focused on shared goals, problems and missions, leadership teams can capitalize on the power and potential of political and career leaders. Further, this broader focus encourages acceptance of shared responsibility for pursuing and achieving administration and organizational goals and outcomes.

What are Joint Executive Management Teams?

Joint executive management teams bring together both political and career executives with specific agency functional/operational responsibilities and entrust them—and measure them—on the success and outcomes of the department or agency.

Shared leadership entails broadly sharing power and influence among a set of individuals rather than cen-

tralizing it in the hands of a single individual (Pearce et al., 2009). The need for executive management teams is driven by the realization that most senior leaders do not possess sufficient time—or enough relevant information—to make all the decisions in a rapidly changing, complex organization. Couple the demanding job duties with the short response times often required, and it becomes clear that leadership needs to be more evenly shared across federal organizations (Pearce et al., 2009).

Executive management teams should concentrate on both strategic and operational issues. Teams must go beyond the typical daily or weekly meeting of senior executives where policy direction is created and functional area executives report individually on activities in their respective domains. These teams should be focused on the mission, goals and outcomes of their organizations rather than on functional or informational reporting (Yanovsky et al., 2012).

Executive management teams do not form by themselves; they must be consciously constructed to meet the needs of the organization.

KEY ELEMENTS OF TOP MANAGEMENT TEAMS

Research shows that Top Management Teams (TMTs) rely on complementarity—the ability to do things that individuals and non-complementary teams cannot (Miles and Watkins 2007). Four types of complementary leadership are identified for effective management teams:

- **Task complementarity:** Dividing management responsibilities into coherent blocks of tasks in response to increasing demands on leaders' time and attention.
- **Expertise complementarity:** Differences in expertise among general managers lead to the formation of teams with complementary expertise.
- **Cognitive complementarity:** Differences in how individuals process information help to overcome individual leaders' inability to comprehend and act on all aspects of a given strategy, issue or decision.
- **Role complementarity:** Members of the TMT can assume different leadership and social roles in the organization.

The extent to which senior teams exhibit complementarity varies considerably. In some cases, leaders play complementary roles along all or most of the four dimensions. But the potential benefits of complementarity can be lost through role confusion or in achieving and sustaining agreement about organizational priorities. Organizations manage these risks by adhering to four types of alignment: a common vision, common incentives, communication and trust (Miles and Watkins 2007). Similarly, Williams and Scott (2012) identify five similar factors that must be present for a paired leadership program to work: respect, belief, trust, loyalty and commitment.

Because TMTs are built on complementarity, diversity should also be a consideration. By creating a more representative bureaucracy, gender diversity is likely to generate a better understanding of the organization's environment; inspire more creative and innovative output; and contribute to more effective problem solving (Opstrup and Vilandsen, 2015).

ACTIONS

The White House should create a clear expectation that joint leadership teams will be created and used in all departments and agencies and be comprised of members of both political and career leaders.

- Joint leadership teams comprising of political appointees and career executives should be created in each department and agency. These would include those designated as members of the government-wide Executive Management Corps, as well as other leaders. These joint leadership teams should collectively take responsibility across the department or agency by combining their expertise into a coherent strategic management plan.
- The joint nature of these teams is based on the guiding premise that accomplishment of the management and policy goals of the next administration requires a strong working relationship between political appointees and career executives. Similar joint leadership teams could be created at multiple levels within the organization as well.

Performance plans for political and career members of joint leadership teams should contain a set of common elements tied to achieving key mission outcomes in order to align objectives and incentives.

- The adage that you get what you measure is often true when it comes to performance management. By setting common goals and objectives and embedding these elements into individual performance plans, the actions and incentives of political and career executives will be better aligned and drive improved outcomes.

Departments and agencies should design and hold joint activities during the orientation process for political appointees.

- Team building and development of a common set of understandings about the organization are essential to the early establishment of leadership teams. Activities such as strategic offsite meetings, familiarization tours to agency operational sites, and exercises focused on emergent issues can serve to jump-start the formation of effective leadership teams. Activities should involve both political and career leadership executives.

Ethnic and gender diversity lead to more inclusive workplaces, lower levels of discrimination and bullying, and improve performance and productivity (Ibsen, 2015).

To ensure they are effective, TMTs must implement several processes. Mankins (2004) offers seven techniques for controlling the agenda to make sure meeting time is spent building value.

- Deal with operations separately from strategy.
- Focus on decisions, not on discussions.
- Measure the real value of every item on the agenda.
- Get issues off the agenda as quickly as possible.
- Put real choices on the table.
- Adopt common decision-making processes and standards.
- Make decisions stick.

Conflicts can arise in TMTs, but groups that experience task conflict tend to make better decisions than those that do not because task conflict encourages greater understanding of the issue being discussed. In fact, task conflict can lead to increased satisfaction with the group decision and a desire to stay in the group. Intragroup trust represents a crucial amendment to these findings, however, because it prevents task conflict from escalating into relationship conflict (Simons and Peters, 2000).

When able to overcome the common obstacles, leadership teams can have extraordinarily positive effects on an organization.

Create a Political Executive Management Corps

Senate-confirmed political appointees and those named to the non-career Senior Executive Service (SES) positions fill policy roles in the administration and will be responsible for carrying out the priorities of the president. Some of these appointees also will be assigned to positions that have significant management responsibilities. These are the positions envisioned to be members of the Political Executive Management Corps.

Effective management of the Political Executive Management Corps involves identifying and selecting qualified appointees to fill management positions, and integrating political appointees and career executives into an effective operating team.

Better identify qualified appointees

Political appointees have authority from both statute and position. They come from a variety of backgrounds. Some have government management experience and others have none. Many will not have managed large complex organizations such as they will encounter in the executive branch of the federal government. For the most part, there is no particular standardized training or knowledge that helps them adjust to the demands of federal managerial assignments. Instead, appointees often rely on ad hoc, on-the-job training at the highest and most consequential levels imaginable.

Appointees who are designated for the Political Executive Management Corps need to have enough relevant management experience, in or outside of government, to impart confidence in their ability to deal with the complicated bureaucracies and broad management challenges in the federal government. While political considerations in presidential appointments are expected, gaps in management capability create high risk. The incoming ad-

ministration must take the time to identify the appointed positions that have significant management and operations responsibilities, and select people with corresponding management experience and ability.

Accelerate career-political collaboration

New presidential administrations and their appointees all too often come into office with distrust and hostility toward the career bureaucracy. They may fear that the bureaucracy is populated by holdovers from the previous administration, unsympathetic and unresponsive to new leaders and new policies (Pfiffner, 1987). This suspicion can lead to a prolonged period of testing and mistrust at the beginning of a new administration. Eventually, the political and career executives go through a cycle of accommodation that, in most cases, ultimately leads to teamwork and trust (Pfiffner, 1987). The goal of the new administration should be to shorten this cycle as much as possible (DeSeve, 2009).

ACTIONS

The incoming transition teams should identify Political Executive Management Corps roles—those positions to be filled by Senate-confirmed presidential appointees and non-career senior executives that require significant managerial expertise.

- All positions open to political appointees are compiled into *Policy and Supporting Positions*, known as the Plum Book. In 2016, it will be published by the Senate Committee on Homeland Security and Governmental Affairs. The transition team should identify positions that can be categorized as Political Executive Management Corps roles, which require significant management experience.

The Presidential Personnel Office should ensure that Senate-confirmed political appointees and non-career senior executive appointees who are selected for Political Executive Management Corps roles have the necessary managerial experience to do the job.

- The White House Presidential Personnel Office should recruit appointees for those designated as members of the Political Executive Management Corps with relevant management experience. These appointees can come from the private and nonprofit sectors, state and local governments, or the active and retired career civilian and military ranks of the federal government.

Members of the Political Executive Management Corps should receive targeted orientations—above and beyond standard appointee orientations—on management priorities, the government's management apparatus and management issues facing their agencies.

- It is not enough to simply appoint members of the Political Executive Management Corps and then walk away, assuming the task is complete. Instead, a coordinated effort must be made by the administration to orient the Political Executive Management Corps to the management priorities of the administration.
- Moreover, these orientations should include an introduction to the current cross-agency management apparatus. This apparatus includes the President's Management Council, Chief Financial Officers Council, Chief Information Officers Council, Chief Acquisition Officers Council, Chief Human Capital Officers Council, Performance Improvement Council, and the Council for the Inspectors General for Integrity and Efficiency. Without a baseline knowledge of current management priorities and coordination structures, new Political Executive Management Corps members will miss opportunities for collaboration and goal setting. Department and agency orientations should also include briefings on current management practices, initiatives and challenges.

Each cabinet secretary and independent agency head should establish individual performance agreements for members of the Political Executive Management Corps that include key mission outcomes and enterprise objectives.

- Performance accountability of senior political executives must be addressed when managing leadership talent. Annual or multi-year performance contracts should align to organizational goals with clear management objectives and expectations. Written performance agreements should contain a set of elements that are also common to the performance plans of career executives in order to drive organizational alignment. Though many agencies and departments address individual accountability, having performance plans that include shared goals and mission outcomes will increase buy-in from the executives and encourage the formation and use of leadership teams.

RECOMMENDATION 4

Create a Career Executive Management Corps

Among the approximately 8,000 career and non-career Senior Executive Service members, a subset are in roles that have the broadest operational and organizational responsibilities or cross-agency enterprise management roles. These roles are among the most important in government when it comes to delivering on the priorities of the administration and running the operations of government.

These are the roles that are envisioned to be included in the Career Executive Management Corps. They need to be filled with executives who have the capabilities and stature required to lead their organizations—and they should be provided with clarity on the goals and objectives of the administration.

ACTIONS

Departments and agencies, in coordination with the Office of Management and Budget (OMB) and the Office of Personnel Management (OPM), under the auspices of the President's Management Council, should identify a subset of career Senior Executive Service positions that have the broadest management and operational spans of responsibility.

- These positions should be proactively managed and assigned to senior executives in the Career Executive Management Corps who possess the desired management experience.

Establish an enterprise-wide approach to the management of the Career Executive Management Corps with active coordination between departments and agencies, OMB and OPM.

- Management of the Career Executive Management Corps must have an enterprise-wide approach. Federal workforce management—including the recruitment, hiring and professional development of the Career Executive Management Corps—is primarily the responsibility of OPM. However, responsibility for the government's management agenda and oversight of agency performance, including the cross-agency management apparatus, rests with the OMB.
- Management of the government's Executive Management Corps—including the Career Executive Management Corps—requires an enterprise-wide approach within departments and agencies and, in select cases, a government-wide approach. Coordination will be required across all stakeholders in position selection and personnel assignments to effectively manage executive talent. Because multiple agencies share responsibility for managing federal executives, the new administration should develop an enterprise-wide perspective and formal means of routine coordination between stakeholders.

Individual performance plans for members of the Career Executive Management Corps should clearly reflect mission outcomes and enterprise objectives.

- There are three core facets of this recommendation that must be kept in mind:
 1. Performance management systems need department-wide consistency in measuring performance outcomes.
 2. To achieve desired performance, evaluations must be aligned to mission-oriented goals. This and the first facet should create stronger linkage of mission outcomes, accountability and incentives.
 3. Developing mission-oriented goals, linking them to performance and creating a consistent performance measurement system will heighten shared accountability.
- In order to drive organizational alignment, performance plans for career executives should contain a set of elements that are also common to the performance agreements of political executives.

Getting It Done

TIMING AND WHO DOES IT

This report recommends that the new administration create an Executive Management Corps comprising senior political and career executives—and develop joint leadership teams in the departments and agencies of government. Supporting recommendations are made for management of the Political Executive Management Corps and the Career Executive Management Corps.

Some of the recommendations in this report need to be addressed immediately; others can be addressed as the administration moves through its time in office. We also recognize that there is considerable complexity in the implementation of any concept—including the executive talent framework we have introduced—and that a number of operational details would need to be addressed in the implementation of the recommendations we have provided.

Appendix Three displays the suggested timing for the recommendations, ranging from items that should be addressed during the transition period, to those that should be implemented during the first 6 to 12 months, to those that need to be further developed for implementation later in the term. It also indicates which of these organizations would have primary or shared responsibility for implementation of the recommendations.

Talent management in government is a life cycle, beginning with recruiting and onboarding, proceeding through training, performance and promotion, and leading to an eventual departure. Each of these phases requires active management by human resource policies and practices, and agency managers. An integrated approach to the management of the government's executive leadership can best facilitate the successful operation of leadership teams.

The Executive Management Corps can serve as a resource and a role model for department and agency leadership teams. The concept and structure of joint leadership teams is scalable across different levels of government.

There are existing authorities, powers and practices that enable early innovation in talent management. The new administration should leverage these authorities to seek early successes in talent management.

CONCLUSION

Managing executive leadership talent offers both an opportunity and a challenge for the incoming administration. It is an opportunity to meet the demands of the new president and achieve the priorities of the administration. However, it is a challenge as well. The need is immediate and the topic is complex. It requires recognition that the president is the chief executive of the federal government. It also requires recognition that policy and political success demands an effective executive talent management strategy.

The roundtable participants surfaced a number of important and actionable recommendations that transition teams and the next administration should consider. Running through the roundtable discussions and the proposed framework is the belief that the new administration can be more successful through a clear plan for executive talent management. We recommend the creation of an Executive Management Corps and the implementation of top leadership teams in departments and agencies as an initial strategy. The new administration needs to effectively integrate political and career executives from the beginning and select appointees for key positions whose management experience is weighed as heavily as policy and political considerations.

Leadership teams need to be supported by policies and practices that shorten the cycle of accommodation between political and career executives and strengthen the Senior Executive Service (SES), so that its members can become the cadre of exceptional top career leadership needed to guide top performance.

Longer-term attention then must be directed toward addressing key factors that influence talent management

and performance. Incentives and accountability are not yet quite understood in the federal government despite prior attempts to address both issues. The new administration should explore the incentives would support and drive better organizational performance, and what accountability measures of performance should be used. Some observers argue that existing talent management structures and practices need to be re-examined and possibly restructured (Kopp, 2015, Neal 2015). In the short term, such structural change can be politically difficult and draw upon precious leadership time and attention.

New models for recruiting, hiring, training and developing top leadership talent are needed to meet the technologically empowered future workforce. To begin, there are existing authorities, powers, and practices that enable early innovation in talent management. The new administration should leverage these authorities to seek early successes in that area.

By considering our recommendations for adopting a government-wide Executive Management Corps and creating department and agency joint political and career leadership teams, the administration can more quickly and more effectively implement the president's policies.

Policy and politics will energize the new administration in its earliest days. But management of its programs will determine its ultimate success or failure. Key to that management is having the right talent in the leadership of the department and agencies of government. Past administrations learned this too late and at a high cost. To avoid this outcome, it is imperative to start now to develop and implement a leadership talent management program.

REFERENCES

Douglas A. Brook, "The Future of Merit: Twenty Years After the Civil Service Reform Act" (Woodrow Wilson Center Press, Washington, DC: 2000), 1-11.

Edward G. DeSeve, "Speeding Up the Learning Curve: Observations from a Survey of Seasoned Political Appointees," The IBM Center for The Business of Government, 2009. <http://bit.ly/1jmO4Xo>.

Emily Kopp, "Fixing the SES: The truth about accountability," Federal News Radio, February 23, 2015. <http://bit.ly/1hIB3vl>.

Emily Kopp, "How to fix the SES: Wipe the slate clean," Federal News Radio, March 2, 2015. <http://bit.ly/1QUGSw3>.

Jeff Neal, "Instead of remaking the SES, let's create something completely new," ChiefHRO.com, March 26, 2015. <http://bit.ly/1MpoSpZ>.

Partnership for Public Service, *Improving Leadership*, Washington D.C., 2014. <http://bit.ly/1hIB6r4>.

Charles Manz, Craig Pearce and Henry Sims, "Is Shared Leadership the Key to Success?" *Organizational Dynamics*, July-August 2009, 38:3, 234-238.

James P. Pfiffner, "Political Appointees and Career Executives: The Democracy-Bureaucracy Nexus in the Third Century," *Public Administration Review*, January-February 1987; 47:1, 57-65.

White House, "Analytical Perspectives: Budget of the U.S. Government for Fiscal Year 2013," Government Printing Office, Washington, D.C., 2013. <http://1.usa.gov/1jKuSTm>.

Katerine Osatuke, Elizabeth A. Shoda and Boris I. Yanovsky, "Exploring Leadership Team Behaviors and Subordinate Employee Attitudes in VA Hospitals," *World Medical & Health Policy*, December 2014, 6:4, 419-445.

APPENDIX ONE
MAY 2015 EXECUTIVE TALENT ROUNDTABLE ATTENDEES

Dan Blair National Academy of Public Administration	Julian Ha Heidrick & Struggles	Scott Quehl Accenture
Allison Brigati National Academy of Public Administration	Ann Marie Habershaw Office of Personnel Management	Eva Sage-Gavin Boston Consulting Group
Douglas A. Brook Duke University	Scott Hefter Boston Consulting Group	Rob Seidner Office of Management and Budget
Deb Butters IBM Human Resources	Ellen Herbst Department of Commerce	Lara Shane Partnership for Public Service
Dan Chenok IBM Center for The Business of Government	Alan Howze Partnership for Public Service and IBM Center for The Business of Government	Kristine Simmons Partnership for Public Service
Phaedra Chrousos General Services Administration	Ruth Ann Hudson IBM Federal	Francine Smith National Aeronautics and Space Administration
Margot Conrad Partnership for Public Service	Marguerite Jimenez Office of Personnel Management	Fred Steckler U.S. Patent and Trademark Office
Bob Corsi Senior Executive Association	John Kamensky IBM Center for The Business of Government	Max Stier Partnership for Public Service
Lisa Danzig Office of Management and Budget	Bernadine Karunaratne Korn Ferry	Tina Sung Partnership for Public Service
Dianna Davis Federal Emergency Management Agency	Don Kettl University of Maryland	Dan Tangherlini Artemis Real Estate Partners
Mark Doboga Partnership for Public Service	Suzanne Logan Federal Executive Institute	Reginald Wells Social Security Administration
Jonny Dorsey Department of Education	Chris Lu Department of Labor	Danny Werfel Boston Consulting Group
Mike Filler International Brotherhood of Teamsters	Phil Lussier Department of State	
Ventris Gibson Department of Health and Human Services	Jenny Mattingley General Services Administration	
John Gill Department of Health and Human Services	Sean Morris Deloitte	
Robert Goldenkoff Government Accountability Office	Jeff Neal ICF International	
Scott Gould Boston Consulting Group	John Palguta Partnership for Public Service	
Valerie Green White House Office of Presidential Personnel	Ashley Poling U.S. Senate Homeland Security and Governmental Affairs Committee	
	Chuck Prow IBM Global Government	

APPENDIX TWO
PROJECT TEAM

PARTNERSHIP FOR PUBLIC SERVICE

Margot Conrad, Director of Government Affairs
Bevin Johnston, Creative Director
Audrey Pfund, Associate Design Manager
Kristine Simmons, Vice President of Government Affairs
Max Stier, President and CEO
Elizabeth White, Fellow

IBM CENTER FOR THE BUSINESS OF GOVERNMENT

Alan Howze, Management Roadmap Project Lead
John Kamensky, Senior Fellow
Dan Chenok, Executive Director
Mark Abramson, Senior Advisor

APPENDIX THREE
SUGGESTED APPROACH FOR IMPLEMENTING RECOMMENDATIONS

RECOMMENDATIONS & ACTIONS	
Recommendation 1: Create a Government-wide Executive Management Corps	
Departments and agencies, in consultation with the Office of Management and Budget, the Office of Personnel Management and the Presidential Personnel Office, should designate a sub-group of political and career executives who hold key senior management positions as members of a government-wide Executive Management Corps.	
The new administration should periodically convene the members of the Executive Management Corps in order to share administration management priorities and goals.	
Recommendation 2: Create Department- and Agency-Level Joint Executive Management Teams	
The White House should create a clear expectation that joint executive management teams will be created and used in all departments and agencies, and be comprised of both political and career leaders.	
Performance plans for political and career members of joint executive management teams should contain a set of common elements in order to align objectives and incentives.	
Departments and agencies should design and hold joint activities during the orientation process for political appointees.	
Recommendation 3: Create a Political Executive Management Corps	
The incoming transition teams should identify Political Executive Management Corps roles—those positions to be filled by Senate-confirmed presidential appointees and non-career senior executives that require significant managerial expertise.	
The Presidential Personnel Office should ensure that Senate-confirmed political appointees and non-career senior executive appointees selected for Political Executive Management Corps roles have the necessary managerial experience to do the job.	
Members of the Political Executive Management Corps should receive targeted orientation—above and beyond standard appointee orientation—on management priorities, the government’s management apparatus and management issues facing their agency.	
Each cabinet secretary and independent agency head should establish individual written performance agreements for members of the Political Executive Management Corps that include key mission outcomes and enterprise objectives.	
Recommendation 4: Create a Career Executive Management Corps	
Departments and agencies, in coordination with the Office of Management and Budget and the Office of Personnel Management, under the auspices of the Presidents’ Management Council, should identify a subset of career Senior Executive Service positions that have the broadest management and operational spans of responsibility.	
Establish an enterprise-wide approach to the management of the Career Executive Management Corps with active coordination between departments and agencies, the Office of Management and Budget and the Office of Personnel Management.	
Individual performance plans for members of the Career Executive Management Corps should clearly reflect mission outcomes and enterprise objectives.	

	Time Period			Organizational Responsibility				
	Transition Period	First 6-12 Months	Longer-Term	Transition Team	PPO	OPM	OMB	Dept/Agency
	•	•	•	•	•	•	•	•
		•	•				•	•
	•	•	•	•	•		•	•
		•	•		•		•	•
		•	•		•	•	•	•
	•	•		•	•		•	
	•	•	•	•	•			
		•	•		•		•	•
	•	•	•	•	•		•	•
	•	•				•	•	•
		•	•			•	•	•
		•	•				•	•



**PARTNERSHIP
FOR PUBLIC SERVICE**

1100 New York Avenue NW
Suite 200 East
Washington DC 20005

(202) 775-9111
ourpublicservice.org
CFC# 12110



IBM Center for
The Business of Government

600 14th Street NW
Second Floor
Washington DC 20005

(202) 551-9342
businessofgovernment.org