



November 27, 2015

The Honorable Shaun Donovan
Director
Office of Management and Budget
1650 Pennsylvania Avenue, NW
Washington, DC 20503

The Honorable Beth Cobert
Acting Director
Office of Personnel Management
1900 E Street, NW
Washington, DC 20415

Re: Pending Executive Order, “Strengthening the Senior Executive Service”

Dear Director Donovan and Acting Director Cobert:

As you know, the Senior Executives Association (SEA) is the exclusive non-partisan, professional association representing the interests of career federal executives in the Senior Executive Service (SES), and those in Senior Level (SL), Scientific and Professional (ST), and other equivalent Senior Professional (SP) positions. SEA seeks to help build a strong, vibrant and talented career senior management and professional corps and to enhance the effectiveness of the federal government.

For several months SEA has engaged with the White House Advisory Group and Office of Management and Budget (OMB) and Office of Personnel Management (OPM) officials in discussions on reforming and strengthening the SES, offering numerous ideas and suggestions. Despite SEA’s position as a key stakeholder, we were not given an opportunity to review and comment on the specific provisions to be implemented by the draft Presidential Executive Order on “Strengthening the SES,” that was released for interagency review and comment last week. Instead, prior to the release of the draft E.O., we were briefed and given a broad description of some of the contents of the Executive Order, an outline of anticipated implementation activities, and a list of possible ways that SEA could aid in promoting the roll-out and implementation of it. We offered several verbal comments at the time but requested more specificity on E.O. provisions and the opportunity to provide detailed comments and suggestions when the E.O. was fully drafted. Unfortunately, that opportunity was not provided.

SEA is disappointed that, despite being a major stakeholder, we were not given an opportunity by the Administration to review the specifics of the draft E.O. along with agencies and other parties. However, in recent days, SEA has been provided several unsolicited copies of the draft E.O. by non- Administration sources and we have decided to provide comments directly to you and urge they be considered prior to finalizing the document. This effort is simply too important to exclude the views of the largest and most experienced professional association concerned with strengthening the government’s senior career management system.

The title of the Executive Order is “Strengthening the SES.” SEA believes a strong SES is essential to achieving good government. The responsibilities and performance of the approximately 7,000 career members of the Senior Executive Service have a disproportionately significant impact on the efficiency and effectiveness of government operations, programs and mission accomplishment – including the

performance and achievements of the federal government's other two million employees, not to mention hundreds of thousand government contractors.

In SEA's view, several reform provisions in the draft E.O. hold the potential for advancing our mutual goal of strengthening the SES. In this regard, SEA supports:

- *The approach reflected in the draft E.O. of experimentation and adjustment based on experience that is built into the extended roll out schedule underlying the reform. By learning, adjusting, and making changes as necessary, reforms included in the E.O. can be improved over time. However, the roll-out period for CFO agencies that ends approximately three years from now seems unduly long and susceptible to being overtaken by events.*
- *Specific measures included in the draft E.O. to strengthen and standardize onboarding programs for new SES, streamline the SES hiring system, proactively recruit new SES and continually review outreach and candidate sourcing processes, establish agency talent management and succession planning programs, and put in place formal executive development processes to improve SES readiness, both for current employees and potential SES job candidates.*
- *The emphasis in the E.O. for agencies to more aggressively and strategically manage their executives resources – something that has been sorely lacking in most non-Defense agencies in recent years and which, if in place, would greatly contribute to achieving other E.O. measures.*
- *Increased mobility within the SES ranks via rotational assignments, details, executive exchanges and other means – both within and outside agencies – as long as such actions are within the context of well-planned and funded executive development programs and are clearly supportive of agencies' mission priorities and in the best interests of both executives and the government.*

However, SEA does not believe in rotation for its own sake (as implied in the E.O.) or in establishing government-wide goals/quotas that are not based on realistic employee development programs. Also, SEA is concerned that the timetable in the E.O. for agency implementation of rotational assignment programs is to begin in October 2016, at the very end of the Administration. Sending executives out of their agencies on rotational assignments (or even to different components within their agencies) during a Presidential transition could be viewed by executives as career crippling or even punitive. Moreover, during times of transition, career executives are most needed in their positions of expertise to help incoming Administrations get traction and attain results.

Notwithstanding SEA's support for most provisions in the E.O., we believe there are serious shortcomings, imbalances and omissions in the nature and range of reforms and associated guidance in the document that, if left unaddressed, will sub-optimize its impact and ultimately undermine its success. Further, given that the Administration is nearing the end of its term, there is a real risk that the initiatives in the E.O. will languish unless significant efforts and resources are expended in institutionalizing the reforms, including during and beyond a Presidential transition.

In SEA's view, strengthening the SES requires, at a fundamental level, making it truly attractive and motivating to potential candidates and current employees. The current situation involving increased turnover rates, loss of important talent and institutional capability, a "gotcha" accountability culture, and the growing reluctance of high quality GS-15s to apply for SES jobs, evidence a serious erosion of the attractiveness of the SES system. These trends are worsening and need to be addressed as part of meaningful, overarching reform of the SES – both now and in the future. Further, the underlying premise of the SES system – pay-for-performance – has been seriously compromised by ill-advised

Administration funding caps on SES performance awards and basic pay increases as well as cutbacks in Presidential Rank Awards and other meaningful forms of performance-based compensation.

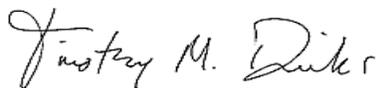
To attempt to reform the SES without addressing its underlying attractiveness, including the deteriorating balance of the rewards versus risks of being an SES, is dangerously naïve and could contribute to increased cynicism within executive ranks. To have an effective and strong SES that contributes significantly to government performance and results, requires being able to hire and retain the very best – something our current system is increasingly failing to do. With this in mind SEA offers the following summary of our recommendations for strengthening the SES beyond provisions contained in the draft E.O.

- *Use the E.O. to lift the Administration's long-standing, harmful cap on funding of performance awards for SES and SP employees which has largely negated the pay-for-performance system.*
- *Use the E.O. to strongly encourage agencies to make greater use of existing awards authorities (e.g., special act and achievement awards, honorary and other non-monetary awards, Presidential Rank Awards) to publically and meaningfully recognize the many noteworthy achievements of senior executives.*
- *Include a provision in the E.O. to ensure that those who are hired into the SES receive a meaningful pay adjustment.*
- *Ensure that the pay of SES employees is greater than the pay of those who work for them – the E.O., as written, is too weak and equivocal to bring this about in the near term.*
- *SEA supports reforms that allow resume-only applications at the initial application stage, but strongly favors retention of Executive Core Qualification (ECQ) narratives later in the application process to ensure hiring SES with necessary managerial skills. Also, narratives on technical skills are particularly useful in assessing applicants' expertise for non-generalist SES jobs.*
- *Any changes to the QRB process, as anticipated by the E.O., must preserve merit hiring and be accomplished within current statutory authorities.*
- *Nothing in the E.O. addresses funding to support the many new requirements to establish succession, rotation, development, and other programs. The E.O., or its accompanying issuing guidance, need to address Administration and agency prioritization of funding for the reforms.*

Detailed comments covering the full range of SEA's concerns and recommendations are included in the attached document.

In conclusion, SEA stands ready to assist the Administration in the shaping, roll-out, implementation and assessment of a balanced, fair and realistic set of reforms to strengthen the SES. We look forward to active collaboration and engagement on this important initiative going forward, including discussion of any of the comments, ideas and suggestions contained in this letter.

Sincerely,



Timothy M. Dirks
Interim President
Senior Executives Association

CC:

Meg McLaughlin, Deputy Assistant to the President and Deputy Director of Presidential Personnel,
Office of Presidential Personnel

Lisa Danzig, Associate Director for Personnel and Performance, OMB

Steve Shih, Deputy Assoc. Director for Senior Executive Services and Performance Management, OPM

Enclosure