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GAO

Report to the Ranking Minority Member, Subcommittee on Federal Services, Post Office, and Civil Service, Committee on Governmental Affairs, U.S. Senate
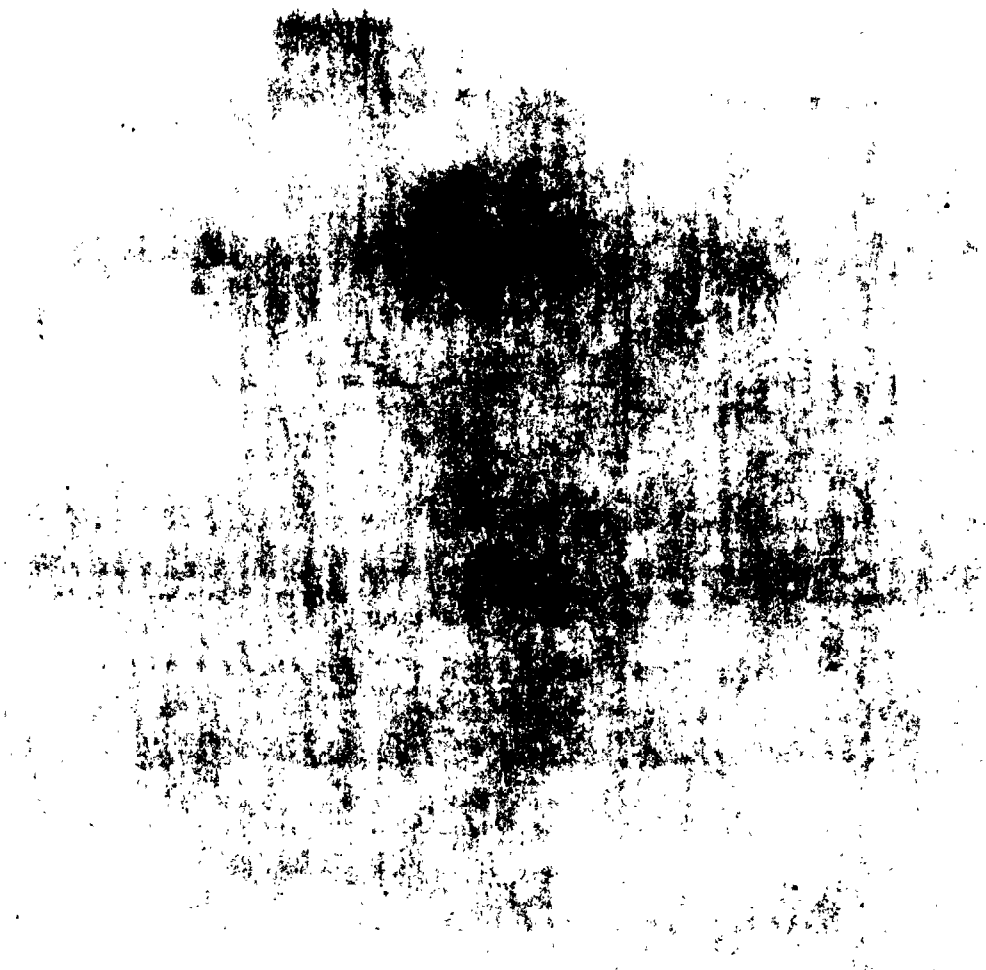
April 1988

SENIOR EXECUTIVE SERVICE

Reasons the Candidate Development Program Has Not Produced More SES Appointees

541928

GAO

General Government Division

B-222957

April 20, 1988

The Honorable Ted Stevens
Ranking Minority Member
Subcommittee on Federal Services,
   Post Office, and Civil Service
Committee on Governmental Affairs
United States Senate

Dear Senator Stevens:

This report responds to your request that we examine why the Candidate Development Program has not been a major source of appointments to the Senior Executive Service (SES). It follows our earlier report to you entitled Senior Executive Service: Agencies' Use of the Candidate Development Program (GAO/GGD-86-93, July 14, 1986), which revealed that certified candidates from the program received 13 percent of all initial SES career appointments during fiscal years 1982 to 1984.

The report is based on work at six agencies and explains how the Candidate Development Program's design conflicted with the factors that influenced most SES appointments

As arranged with the Subcommittee, we plan no further distribution of this report until 30 days after its issuance unless you publicly announce its contents earlier. At that time, we will send copies to the Director, Office of Personnel Management; the six agencies covered in this report; and other interested parties upon request.

Sincerely yours,

Richard L. Fogel
Assistant Comptroller General

Executive Summary

Purpose

In creating the Senior Executive Service (SES), the Civil Service Reform Act of 1978 required the Office of Personnel Management (OPM) to establish or require agencies to establish programs to develop future SES members. As a result, OPM established the Candidate Development Program in 1979 and expected it to become a major source for SES appointments.

A 1986 GAO report, requested by the Chairman, Subcommittee on Civil Service, Post Office, and General Services, Senate Committee on Governmental Affairs, showed that the Candidate Development Program had provided 13 percent of SES career appointments from 1982 to 1984. The Chairman asked GAO to follow up to determine why the program had not been a greater SES source. The follow-up review was conducted at six agencies that varied in the size of their SES membership and rates at which they appointed certified candidates to SES positions.

Background

The Candidate Development Program was established to identify persons with SES potential and to better prepare them for executive positions through managerial training and development. OPM's responsibilities included (1) establishing criteria for the agencies' programs, (2) assisting agencies in the implementation of their programs, and (3) overseeing and enforcing adherence to its prescribed criteria.

Candidates who enter the program are competitively selected. After completing the program, candidates whom OPM deems managerially qualified are certified as eligible for SES. Certified candidates can then be noncompetitively appointed to SES—a procedure which can significantly expedite the SES appointment process.

Results in Brief

The Candidate Development Program has not been a major source for SES appointments primarily because its candidates have not had the technical skills that SES appointing officials sought. GAO found that most agencies have not made a commitment to using the Candidate Development Program as an SES source and that OPM—the agency responsible for administering the program—has done little to encourage such a commitment.

GAO's Analysis

Conflict Between Candidate Selection and Appointment Practices

Congress viewed SES as a cadre of general managers who could fill vacancies across government. As a result, agency officials tended to select candidates for the Candidate Development Program who had a general management background. However, the officials who selected candidates were generally not the same ones who chose individuals for SES positions. Because the officials involved in the appointment process emphasized technical proficiency and experience in the agency subunit with the vacancy, they usually chose individuals for SES who had not participated in the Candidate Development Program. (See pp. 13 to 14.)

In the six agencies GAO reviewed, certified candidates received 141, or 15 percent, of the 956 career SES appointments made during fiscal years 1982 to 1986. (See p. 15.)

The conflict between candidate selection and SES appointment practices lowered the program's credibility. Since most appointments were being granted to individuals who had not participated in the Candidate Development Program, those with the highest technical skills did not view participation as necessary. Also, management did not encourage its top technical people to enter the program. (See pp. 13 to 14.)

Some Agencies Are Planning Greater Use of the Program

OPM has given the agencies a great deal of latitude in operating the Candidate Development Program and has been reluctant to issue instructions to the agencies on how it should be operated. The emphasis placed on the Candidate Development Program by the agencies GAO visited indicated that this type of management approach has been successful only in those situations where top management saw some value in the program. (See p. 17.)

Of the six agencies GAO reviewed, three were planning to make greater use of the program as an SES source. One of these agencies planned to establish a managerially based SES that primarily would be filled by appointing certified candidates. The other two agencies were planning to place more candidates with technical skills into their programs. (See pp. 17 to 18.)

A greater commitment to the Candidate Development Program had not emerged in the other three agencies as of July 1987. In fact. most government agencies have seldom used it. In surveying 52 agencies for its July 1986 report, GAO found that 30 had not selected candidates for the program since fiscal year 1982. (See p. 18.)

In February 1987, OPM established an advisory board comprised of selected members of SES to examine SES-related policies and make recommendations for OPM's consideration. However, OPM informed GAO that the board was not including the examination of any problems related to the Candidate Development Program within the scope of its work. (See p. 18.)

Recommendations

To better achieve OPM's expectations for the Candidate Development Program, GAO recommends that OPM determine what actions could be taken to enhance the use of the program. This could be done by OPM in conjunction with other federal agencies, or by the SES advisory board as part of its examination of SES-related policies. (See p. 19.)

Agency Comments

GAO obtained official oral comments from OPM. OPM expressed general agreement with the report's contents and with GAO's view that an examination of the Candidate Development Program was warranted. OPM suggested that it, rather than the SES advisory board, should be charged with conducting such an evaluation.

GAO has no preference as to whether OPM or the advisory board does the study. GAO cautions, however, that regardless of who takes the lead. care should be taken to avoid duplication between OPM's and the board's executive development activities. (See pp. 19 to 20.)

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Abbreviations

CDP	Candidate Development Program
DOI	Department of the Interior
EPA	Environmental Protection Agency
ERB	Executive Resources Board
HHS	Department of Health and Human Services
OPM	Office of Personnel Management
OSD	Office of the Secretary of Defense
QRB	Qualifications Review Board
SES	Senior Executive Service
USDA	United States Department of Agriculture
VA	Veterans Administration

Introduction

The Senior Executive Service (SES) was created by title IV of the Civil Service Reform Act of 1978 (Public Law 95-454, Oct. 13, 1978). Envisioned as a cadre of general managers capable of serving in positions across the government, Congress established SES "to ensure that the executive management of the government . . . is responsive to the needs, policies and goals of the Nation and otherwise is of the highest quality."

The Reform Act required the Office of Personnel Management (OPM) to establish programs or require agencies to establish programs for the systematic development of candidates for SES positions. If OPM chose the latter option, it was also required to (1) establish criteria for agencies' programs, (2) assist agencies in their implementation, and (3) oversee and enforce adherence to its prescribed criteria. To meet the act's mandate, OPM established the Candidate Development Program (CDP) in 1979 and required that agencies operate CDP under OPM's criteria, guidance, and oversight. The purposes of this program were to (1) identify highly competent individuals most likely to be appointed to SES and (2) prepare them through individualized training and development activities. OPM said it expected CDP to become a major source for filling career SES vacancies.

In July 1986, we issued a report on CDP at the request of the Chairman, Subcommittee on Civil Service, Post Office, and General Services, Senate Committee on Governmental Affairs.[1] Because our report showed that 13 percent of the initial career SES appointments made during fiscal years 1982 to 1984 were granted to individuals who had successfully completed CDP, the Chairman asked us to examine why CDP had not been a greater source of SES career appointments.

The Structure of SES

SES is the first tier of government management below the President, Vice President, and the political appointees who require Senate confirmation. SES covers executive branch employees who, before the formation of SES, were classified as General Schedule 16, 17, and 18 and Executive Schedule political appointees at levels IV and V who did not require Senate confirmation. SES includes executives who fill managerially oriented positions as well as executives in positions that require technical expertise.

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[1] Senior Executive Service: Agencies' Use of the Candidate Development Program (GAO GGD-86-93 July 14, 1986).

The Reform Act required the establishment of agency Executive Resources Boards (ERBs), which are comprised of top-level agency officials selected by the agency head. ERBs are responsible for the design and implementation of procedures for the competitive appointment of applicants to career SES positions in each agency. Although these procedures vary somewhat among agencies, this competitive appointment process generally includes the following:

- The agency establishes qualifications standards for the vacant position.
- The agency determines whether to consider only federal employees or all qualified applicants based on factors such as the position's complexity and the anticipated difficulty of locating qualified applicants.
- The agency issues a vacancy announcement which applicants use to submit applications based on the qualifications listed in the announcement.
- Applications are screened, based on managerial and technical qualifications, at multiple stages and are grouped into broad categories (e.g., unqualified, qualified, and best qualified).
- The selecting official receives a list of qualified and best qualified applicants along with written recommendations on each of the best qualified applicants.
- The selecting official recommends an individual for appointment and passes the written justification for the recommendation up the chain of command for approval.
- The name and qualifications of the selected individual are referred to an OPM Qualifications Review Board (QRB)[2] for certification of managerial qualifications.
- If certified, the individual receives an SES appointment.

As explained in chapter 2, CDP provided an alternative to this process.

CDP's Purpose Is to Prepare Future SES Members

Pursuant to the general guidance issued by OPM in 1984, agencies are required to

- operate CDP under their ERB's direction and management;
- competitively select participants using a process similar to that used for filling SES positions;

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[2]Certification is awarded by a QRB, which OPM convenes. The QRB may certify potential appointees on the basis of any of three criteria: demonstrated executive experience; special or unique qualities that indicate a likelihood of executive success; or successful participation in executive development programs, such as CDP. The QRB only certifies individuals' managerial qualifications. Technical qualifications required for any SES position must be assessed by the appointing agency.

- ensure that candidates selected to CDP have individual development plans, attend an OPM-approved managerial training course, and have an SES member as their senior advisor; and
- certify, through their ERB, that a candidate's participation was successful before sending his/her name to OPM for certification.

The basic objective of CDP is to more fully develop prospective executives' managerial skills. One of its key advantages is that agencies may bypass the traditional competitive appointment process and directly grant SES appointments to individuals who are certified by OPM as managerially qualified for SES based on their successful participation in the program.

The first stage of CDP is competitive selection. Most agencies require applicants to submit paperwork that describes their experience (e.g., SF-171 Personal Qualifications Statement) and past and current performance (e.g., performance appraisals). Most also ask applicants to rate themselves against agency-defined managerial competencies and to describe any technical competencies they may possess, such as specialized knowledge and expertise in a technical subject. Agency officials then rate individual applicants, determine the best qualified, and recommend finalists to the selecting official.

After being selected to CDP, candidates participate in executive development activities, including formal training and short-term developmental assignments. These activities are scheduled over a 1- to 3-year period and may vary for individual candidates. Agencies may provide their own formal training programs, use training and development programs of other agencies, or use an OPM central training program.

After candidates finish their training and development, their managerial qualifications for SES are examined by an OPM-convened QRB. The QRB considers whether candidates are competent in the following six managerial areas:

- integration of internal and external program-policy issues (e.g., ensuring that key national and agencywide goals, priorities, values, and other issues are taken into account in carrying out the responsibilities of the immediate work unit);
- organizational representation and liaison (e.g., establishing and maintaining relationships with key individuals and groups outside the immediate work unit and serving as a spokesperson for the unit and the organization);

Agencies Were Not Committed to Using CDP as a Major Source of SES Career Appointments

Our July 1986 report showed that CDP had not served as a principal source for filling the government's SES vacancies. We reported that 87 percent (or 1,753) of the initial career SES appointments during fiscal years 1982 to 1984 were granted to individuals who had not participated in the program.

We found that CDP has not been more of a factor in the SES appointment process because agencies generally have made little commitment to using CDP as a source for future SES members. CDP participants often were not the type of individuals that appointing officials were seeking to fill their SES vacancies. Individuals enrolled in CDP tended to lack a high degree of technical skill and experience in the subunit that had the vacancy—two attributes that appointing officials preferred when filling available SES vacancies.

Although three of the six agencies that we visited have plans to more fully use CDP, the remaining three agencies had not chosen to make such a commitment. Unless these agencies—and others like them—begin to place greater reliance on the program, it is unlikely that CDP will achieve OPM's stated goal of being a major source for appointments to the SES.

Certified Candidates Often Did Not Have Technical Skills Appointing Officials Wanted

Congress envisioned SES as a cadre of general managers who could fill vacancies in and across federal agencies. Accordingly, agency officials who selected CDP candidates emphasized the selection of individuals with general management backgrounds. However, the officials who selected CDP candidates were usually not the same ones who chose individuals for SES. Officials involved in the SES appointment process believed that appointing a person with the highest technical skills from the subunit with the vacancy provided greater assurance that the appointee could handle complex issues when dealing with Congress, the public, and academia. As a result, the type of individual who was appointed to SES usually had not participated in CDP.

The conflict between CDP's design and SES appointment practices affected the credibility of CDP. Individuals who entered CDP found it difficult to receive SES appointments because they did not possess the necessary technical skills and their general management skills were not in great demand. And, since appointments were being granted to persons who had not participated in CDP, individuals with high technical skills did not consider it necessary to enter the program. In fact, agency officials in five of the six agencies we reviewed said top management did

not encourage their top technical people to enter CDP because they did not want them to leave their regular duties to participate.

CDP's credibility was further hampered by the manner in which it was operated. For example

- Officials in five agencies informed us that agencies did not regularly screen out candidates whose performance indicated a limited potential for entering SES. This contributed to agencies having some certified candidates who were not as skilled as other applicants for available SES positions.
- Officials in four agencies informed us that initial programs frustrated candidates and their supervisors by requiring certain managerial training for all candidates, even if they previously had received such training. This disrupted duties that candidates performed during CDP and limited opportunities to focus on individual needs.

Agencies Made Little Commitment to Using CDP

The conflict between CDP's goals and SES appointment practices might not have existed if agencies had placed greater emphasis on using CDP when selecting SES appointees. However, that did not occur. In fact, the only OPM guidance related to appointing certified candidates was that they should not be guaranteed SES appointments.

Our interviews with ERB members and appointed candidates in USDA, DOI, OSD, and VA showed that agencies did not envision CDP as a major source for SES (see app. II). They said that CDP served many other purposes, including

- developing managerial competencies,
- improving performance in candidates' regular duties,
- broadening candidates' understanding of the operations of their agencies and of the federal government,
- building networks to facilitate communication and work across the agency, and
- providing opportunities for career development and/or personal growth.

Table 2.1 shows the number of certified candidates appointed to SES and total SES career appointments during fiscal years 1980 through 1986 for the six agencies in our review. The data generally illustrates the lack of agency commitment to using CDP as a source for SES career appointments.

- direction and guidance of programs, projects, or policy development (e.g., establishing goals and the structure and processes necessary to carry them out);
- acquisition and administration of financial and material resources (e.g., obtaining and allocating the resources necessary to support program or policy implementation);
- utilization of human resources (e.g., ensuring that people are appropriately employed and dealt with fairly and equitably); and
- review of program implementation and results (e.g., ensuring that plans are being implemented and/or adjusted as necessary and that the appropriate results are being achieved).

Candidates certified as managerially competent by the QRB enter the pool of certified SES candidates where they remain until they are either appointed to SES positions or their certification expires. OPM initially stipulated that candidate certification would expire after 5 years. However, concern about the growing number of certified candidates who had not been appointed to SES prompted OPM to reduce this period to 3 years for candidates selected after July 1984. OPM believed that a shorter period would make agencies more careful in selecting candidates and more assertive in appointing them to SES positions. At the 3- or 5-year expiration, candidates must be recertified by OPM's QRB before they are eligible to receive an SES appointment.

Objective, Scope, and Methodology

As agreed with the Subcommittee, our objective was to examine why more SES appointments were not awarded to certified CDP candidates. As part of this effort, we examined the objectives, costs, and benefits of CDP and the relationship between CDP selection and SES appointment practices at each of the agencies we visited.

We did our review at the Washington, D.C., headquarters of OPM and six agencies. After first pretesting our methodology at the Environmental Protection Agency (EPA) and the Department of Health and Human Services (HHS), we expanded our review to include the Departments of Agriculture (USDA) and the Interior (DOI), the Office of the Secretary of Defense (OSD), and the Veterans Administration (VA). The agencies were selected judgmentally to include agencies that varied in the size of their SES membership and the rates at which they appointed certified candidates to SES positions. We also wanted to include a mix of agencies with civilian and military functions. Appendix I shows the number of established SES positions at the end of fiscal years 1980, 1983, and 1986 and CDP candidates, as of March 31, 1985, in these six agencies.

We met with officials in OPM's Office of Training and Development to discuss OPM's actions and future plans concerning SES and CDP. We also reviewed OPM's guidance to agencies on CDP and data on SES appointments and candidates' status. At our request, each agency in our review updated and verified the data that OPM provided on candidates' status.

We interviewed the officials responsible for executive development at the six agencies to obtain their views on the role of CDP and determine the policies, procedures, and practices used to develop SES candidates. We reviewed applicable laws, agency regulations on SES appointments and CDP, executive development plans, cost data, and SES/CDP selection criteria.

At USDA, DOI, OSD, and VA,[3] we interviewed 36 of the 69 CDP candidates who had been appointed to SES positions in those agencies by October 1986 and 26 of their 36 ERB members in order to obtain the interviewees' perceptions of their agency's use of CDP. We weighted these interviews so that the results could be considered representative of the views of all the ERB members and appointed candidates in each agency. The methodology used to select these interviewees and weight their responses is discussed in appendix I.

Our work, which was done between April 1986 and July 1987, was done in accordance with generally accepted government auditing standards.

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[3]Similar interviews were held at EPA and HHS during the pretest of our interview instrument. However, because the pretest included slightly different questions, we did not include the EPA and HHS responses in our analysis of SES appointees' and ERB members' perceptions of CDP

Table 2.1: Number of CDP Candidates Appointed to SES Compared to All Career SES Appointments in Six Agencies, Fiscal Years 1980 to 1986ª

Fiscal year	Candidates appointed	SES appointmentsᵇ
1980	7	147
1981	5	105
1982	25	158
1983	20	122
1984	30	156
1985	23	123
1986	31	145
Total	**141**	**956**

ªExcludes OSD before 1984 because its total number of SES appointments from 1980 to 1984 was unavailable. Before 1984 OSD appointed 11 CDP candidates to SES

ᵇExcludes an agency's SES appointments before the year of its first CDP (e g , EPA's CDP began in 1983)

Appendix III provides more information on the number of candidates selected for CDP, certified by OPM's QRB, and appointed to SES for each of these agencies.

Agencies Have Not Taken Advantage of the Expedited Appointment Process for Certified CDP Candidates

Certified CDP candidates may be appointed to SES without further competition. This process takes significantly less time than the traditional competitive appointment process which is described in chapter 1. At DOI, for example, competitively filling an SES vacancy required 4 to 6 months, whereas appointing a certified candidate to an SES position averaged 1 to 3 weeks. At VA, officials said that appointing a certified CDP participant generally took a few days, but that competitive appointments took at least 2 months. They also said that in a few cases, the competitive process lasted well over a year.

Placing greater reliance on CDP as a source of SES appointments would have reduced the time that SES positions were left vacant. At each of the six agencies we visited, using CDP would have also saved agencies from processing many applications to competitively fill each SES vacancy. For example

- During fiscal years 1985 and 1986, EPA processed 881 applications in filling 26 SES positions.
- From 1984 through April 1986, VA processed 479 applications in filling 24 SES positions.
- From 1984 through March 1987, OSD processed 1,217 applications in filling 64 SES positions.

Regardless of the potential savings, agencies preferred the traditional process. Our interviewees said that agencies did not rely on CDP to expedite the appointment process because of a perceived lack of control and flexibility. They explained that although agencies competitively selected candidates for CDP, they did not want to be locked into a competition that had occurred 1 to 2 years before the SES position became vacant.

It should be recognized, however, that because agencies did not rely on CDP, little incentive existed for them to determine the types of skills that would be needed to fill future vacancies and to ensure that CDP candidates possessed them. Thus, agencies may have continued to use the traditional approach not because it ensured the best competition, but rather, because it was the only way to appoint persons to SES positions who had the technical skills they desired.

Agencies Have Done Little to Help Unappointed Candidates

In our July 1986 report, we pointed out that as of March 1985, 400 of the 739 individuals who had successfully completed CDP and been certified for SES had not been appointed to SES positions. Of these 400, 88 percent had been unappointed for 1 year or longer and 52 percent had been in that status for 2 years or longer. Table 2.2 shows the average number of months that certified candidates who were still at the six agencies as of March 1987 had remained unappointed.

Table 2.2: Average Months Certified Candidates Remained Unappointed as of March 1987, by Agency

Agency	Number	Average months
Agriculture	38	43.4
Environmental Protection Agency	7	23.6
Health and Human Services	28	21.9
Interior	17	45.0
Office of the Secretary of Defense	13	28.6
Veterans Administration	14	27.0

Although about 85 percent of our 62 interviewees at USDA, DOI, OSD, and VA believed, to a moderate extent or greater, that these unappointed candidates were qualified to become future SES members, the agencies took few actions to enhance their SES appointment opportunities. (See app. I for discussion of sampling methodology.) None of our interviewees identified actions that would have greatly increased these opportunities, such as giving preference to certified candidates when filling SES vacancies or requiring appointing officials to interview qualified unappointed

candidates before starting the appointment process. Table 2.3 shows the interviewees' perceptions of the actions.

Table 2.3: Interviewees' Perceptions of Agency Actions to Enhance Candidates' SES Entry[a]

	Percent citing actions[b]	
Actions	Appointed candidates'	ERB members
Inform appointing officials of candidates' qualifications/availability	46	23
Assign candidates to key jobs	29	8
Review candidates' qualifications before starting the appointment process	25	46
Invite candidates to key events	21	8
Circulate a list of vacancies among certified candidates	13	0
Target candidates for specific positions	4	0
List candidates in a directory	0	31

[a]Percentages represent the views of 24 appointed candidates and 13 ERB members who said their agency tried to enhance entry.

[b]The respondents were asked to list the actions that show how their agencies enhanced appointed candidates SES entry and we then categorized them for presentation in the report

Although Some Agencies Have Made Plans to Make Greater Use of CDP as an SES Source, Others Have Not

OPM has given the agencies a great deal of latitude in operating CDP and has been reluctant to issue instructions to the agencies on how it should be operated. The emphasis placed on CDP by the agencies we visited indicates that this type of management approach has been successful only in those situations where top management saw some value in the program.

Of the six agencies we reviewed, three—USDA, DOI, and EPA—are planning to make greater use of CDP as a source for SES career appointments. EPA, for example, has moved toward a managerially based SES and plans to make CDP its source for identifying and preparing such executives To fill SES vacancies, EPA said it would seek appointees who have broader perspectives, better managerial skills, and more mobility and would use CDP to enhance these attributes. To accomplish this, EPA began centrally selecting and overseeing the development of its candidates to better ensure their managerial potential and development. Also, EPA said it will require appointing officials to extensively justify the appointment of individuals who have not participated in CDP. Because EPA selected its first class of candidates under this new approach during the fall of 1986, it is too early to tell whether its efforts will be successful. However, at a January 1988 meeting to discuss the results of our review, an

EPA official informed us that as of December 1987, CDP participants received 11, or 39 percent, of EPA's 28 SES appointments.

USDA and DOI are also making greater commitments to using CDP. CDP has been growing as an SES source in each agency and agency officials estimated that CDP soon will provide over half of their SES appointees. Rather than changing their SES philosophy, these agencies are changing the CDP selection process so that CDP will include more of the technically-oriented individuals who have historically been appointed to SES. Unlike EPA, these agencies are decentralizing CDP selection because of a belief that subunits best know their needs and are more likely to appoint persons whose CDP selection they endorsed. In both agencies, officials said that subunits are now requesting more candidates for CDP because they saw how CDP (1) expedited SES appointments, (2) prepared individuals for SES, and/or (3) allowed more certainty in appointment decisions by testing SES potential.

They viewed these factors as particularly important in view of the fact that about half of the SES members in each agency were eligible for retirement.

A greater commitment to CDP had not emerged in the other three agencies we visited and, in fact, our previous report showed that most government agencies have seldom used CDP. In surveying 51 agencies on their use of CDP for our July 1986 report, we found 27 agencies had selected one class of candidates for CDP and 30 agencies had not selected a class since fiscal year 1982. Also, we found that in some cases, reliance on CDP within an agency depended on how top management viewed the program. We noted cases when the concept of using CDP as a major SES source was supported by one agency head, but when this agency head was replaced, the level of support decreased.

In February 1987, OPM established an advisory board comprised of selected members of SES to examine SES-related policies and develop recommendations for OPM's consideration. In March 1988, OPM informed us that the SES advisory board was not including an examination of any problems related to CDP within the scope of its work.

Conclusions

Although we found some agencies changing their attitudes, there generally has not been a strong commitment to using CDP. As a result, candidates who participated in the program have not had the same skills appointing officials were seeking to fill their SES positions.

The lack of commitment to CDP has affected its credibility and meant that agencies were not emphasizing the appointment to SES of individuals who possessed the managerial skills that CDP is designed to develop and enhance.

Recommendation

To better achieve OPM's expectations for CDP, we recommend that the Director of OPM determine what actions OPM could take to enhance the use of CDP. This could be done by OPM in conjunction with other federal agencies or by the SES advisory board as a part of its examination of SES-related policies.

The low utilization of CDP is one issue that might be addressed. Among other things, suggestions could be made on how participation in the program could be increased and on the role that OPM could play in helping to generate an interest in CDP. Also, in view of the differing approaches taken by the agencies that are beginning to use CDP, the question of whether additional policy guidance is needed on how to best structure a CDP program could also be addressed.

Agency Comments and Our Evaluation

In a draft of this report, we proposed that the Director of OPM direct the SES advisory board to include in the scope of its study the work necessary to make recommendations on actions OPM could take to enhance the use of CDP.

In January 1988, we met with OPM officials to obtain their official oral comments on a draft of this report. OPM expressed general agreement with the report's contents and with our view that an examination of CDP was warranted. The officials expressed concern, however, about the SES advisory board being the organization charged with conducting CDP's evaluation. They suggested that this task might best be carried out by OPM in conjunction with other government agencies.

We initially proposed that the SES advisory board conduct the evaluation because the board was established to develop SES-related recommendations for OPM's consideration and because OPM informed us that the board was planning to address the issue of executive development. We have no preference, however, regarding who takes the lead in examining CDP and have modified our proposed recommendation accordingly. Regardless of who takes the lead, care should be taken to avoid duplication between OPM's and the advisory board's activities.

OPM officials said that one of the questions that needed to be addressed is whether there is a need for CDP as it is presently structured. We have no objection to this question being included in an evaluation.

Interview Methodology

We pretested our interview methodology at EPA and HHS. We interviewed a judgmental sample of ERB members and appointed and unappointed certified candidates. In these two agencies, we conducted 64 interviews among these three groups. We used these interviews both to collect data and to test our data collection instrument.

We conducted additional interviews at USDA, DOI, OSD, and VA. After deter mining an appropriate representative sample size for the universe of appointed candidates and ERB members in the Washington, D.C., area (see table I.1), the interviewees were randomly selected. We interviewed ERB members and candidates appointed as of October 1986 to learn their perceptions of CDP and how it should be used in filling career SES positions. We did not conduct interviews with unappointed certified candidates in these four agencies in order to expedite and better focus our work.

All interviews in the four agencies were conducted in the Washington, D.C., area between November 1986 and January 1987. We analyzed responses received from interviewees for completeness, logic, and internal consistency and then weighted them to represent the universe of ERB members and appointed candidates in the four agencies. Because we changed our data collection instrument based on our interviews in EPA and HHS, we did not include the responses from these two agencies in our analysis of interviewee perceptions of CDP. However, it should be noted that the perceptions of the interviewees at these two agencies were essentially similar to the perceptions expressed, as shown in appendix II, in the other four agencies we visited.

Table I.1 illustrates our weighting methodology. USDA had 23 appointed candidates from which we took a sample of 17. We calculated the weighting factor by dividing the stratum universe size by the sample size (23/17=1.35). Therefore, any response from appointed candidates in USDA could be projected to 1.35 members in the universe.

Table I.1: Sampled and Interviewed ERB Members and Appointed CDP Candidates

Agency	Universe	Sample	Interviews[a]
ERB members			
Agriculture	9	9	9
Interior	4	4	3
Office of the Secretary of Defense	6	6	5
Veterans Administration	17	12	9
Total	**36**	**31**	**26**
Appointed CDP candidates			
Agriculture	23	17	12
Interior	23	15	12
Office of the Secretary of Defense	13	11	7
Veterans Administration	10	7	5
Total	**69**	**50**	**36**

[a]We did not interview all members of the samples because of interviewees' unavailability or unwillingness to be interviewed when we conducted the interviews.

Sampling Methodology

Statistical sampling enables us to draw conclusions about the universe on the basis of information from a sample of that universe. The results from a statistical sample are always subject to some uncertainty or sampling error because only a portion of the universe has been selected for analysis. We adopted a simple approach for calculating the upper and lower limits of the interval encompassing the range. First, we assumed that the observed cases in the sample possessing the attribute were all of the instances in the universe; this yields the lower limit. Then we assumed that all of the cases that were not selected in the sample possessed the attribute in question. This gives the upper limit for the range of possible values.

To illustrate the procedure, consider the row labeled "technical ability" in table II.1 under the category "appointed candidates." The weighted estimate of the candidates answering that technical ability is "important" or "very important" was 88 percent. Thirty-two candidates out of 49 appointed SES candidates actually fell into one of these two categories. Not fewer than 32 out of 49, or 65 percent, could fall into this classification. This is the lower limit of possible values for the percent of candidates who could possibly have responded in this manner. On the other hand, 13 of the 49 candidates were not sampled. No more than 32 plus 13, or 45 candidates, out of 49 candidates could have fallen into this classification. This gives an upper limit of 92 percent. The range of 65 percent to 92 percent must contain the actual percentage of candidates who would be classified as selecting either "important" or "very

important." All the intervals in the tables in appendix II were calculated in this manner.

Tables I.2 and I.3 provide perspective on the agencies that we included in our review. Table I.2 shows the number of established SES positions in the six agencies and overall in the executive branch at the end of fiscal years 1980, 1983, and 1986. Table I.3 shows the numbers of CDP candidates selected in the six agencies and the executive branch as of March 1985, the most recent data available.

Table I.2: Total Established SES Positions at the End of Fiscal Years 1980, 1983, and 1986 in Six Agencies and the Executive Branch

	Total established SES positions[a] at the end of fiscal years		
	1980	**1983**	**1986**
Executive branch	**8210**	**7800**	**7643**
Agriculture	384	371	35C
Environmental Protection Agency	282	258	248
Health and Human Services	613	630	58C
Interior	297	291	282
Office of the Secretary of Defense	385	423	445
Veterans Administration	279	152[b]	152
Total	**2240**	**2125**	**2057**
Percent	27 3%	27 2%	26 9

[a]Agencies establish SES positions after OPM allocates a quota to each agency

[b]Does not include Medical Center Directors who were members of SES until fiscal year 1981 when they left to serve in VA's Health Services Executive System

Table I.3: Number of Candidates Selected for CDP in Six Agencies and the Executive Branch as of March 31, 1985

	Number selected through March 1985
Executive Branch	**1,119**
Agriculture	93
Environmental Protection Agency	12
Health and Human Service	70
Interior	63
Office of the Secretary of Defense	26
Veterans Administration	7:
Total	**33f**
Percent	30 C

Interviewees' Perceptions of CDP

In general, the appointed candidates and ERB members at the Departments of Agriculture and the Interior, and at the Office of the Secretary of Defense and Veterans Administration[1] perceived that

- Many of the key factors, such as having technical competence and being from the subunit with the vacancy, that influence SES career appointments conflicted with CDP's centralized, general manager design. (See table II.1.)
- Although most SES members seemed to be more technically competent than managerially competent, SES members need managerial competencies more to succeed in SES. Even when seeking technical experts, agencies generally want SES members to possess some managerial ability and a broader perspective than a technical one. (See table II.2.)
- The most frequent reason why CDP has not become a principal SES source was that certified candidates have not been the most technically competent of the potential appointees. As a result certified candidates have, at best, a moderate priority when SES vacancies are filled. (See tables II.3 and II.4.)
- Agencies' CDP objectives have been diverse and not focused on the needs of SES. (See table II.5.)
- CDP's benefits to SES have been limited. While a more developed, motivated, and broader candidate can benefit SES, CDP does not provide most SES career appointees. (See table II.6.)
- The costs of CDP were moderate and mainly included the costs of training classes and rotating candidates to other jobs for purposes of development. (See table II.7.)
- Overall, the benefits of CDP have outweighed its costs and CDP should be continued. (See tables II.8 and II.9.)

Tables II.1 to II.9 summarize interviewees' perceptions of CDP.

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[1] Responses by HHS and EPA interviewees are not included in these tables. Because we were pretesting our interview instrument with them, we asked them slightly different questions

Table II.1: Interviewees' Perceptions of Factors Influencing SES Career Appointments[a]

	Percent responding "important" or "very important"[b]					
	Appointed candidates			ERB members		
Factors[c]	Estimate	Low	High	Estimate	Low	High
Technical ability	88	65	92	97	83	97
Reputation/visibility	88	65	92	75	63	77
Management ability	87	63	90	93	80	93
Subunit experience	81	59	86	85	73	87
Education	67	49	86	82	70	83
Agency experience	38	29	55	39	33	47
CDP	28	20	47	8	7	20
Time-in-grade	25	18	45	29	23	37
Outside agency experience	12	8	35	46	40	53

[a]Percentages represent the views of 49 appointed candidates and 30 ERB members

[b]Interviewees rated the nine possible factors along a scale of very important, important, neither important nor unimportant, unimportant, and very unimportant. The actual percent of candidates and members responding 'important' and 'very important' fell within the ranges shown. For example the percentage for 'technical ability' among all appointed candidates was estimated to be 88 percent and fell between 65 percent and 92 percent.

[c]After rating the importance of each factor, interviewees identified the main factor. Among 42 appointed candidates identifying a main factor, 29 percent cited reputation/visibility, 20 percent cited management ability, 20 percent cited technical ability, 20 percent cited subunit experience, and the rest cited other factors. Among 24 ERB members, 52 percent cited management ability, 22 percent cited technical ability, 17 percent cited reputation/visibility, and the rest cited subunit experience

Table II.2: Interviewees' Perceptions of SES Managerial and Technical Competencies[a]

	Percent responding "great" or "very great" extent[b]					
	Appointed candidates			ERB members		
Views	Estimate	Low	High	Estimate	Low	High
Extent career SES members are managerially competent	57	43	69	62	53	67
Extent career SES members are technically competent	85	63	90	92	80	93
Extent technical competencies are necessary in SES to successfully perform the job	50	37	63	62	53	67
Extent managerial competencie are necessary in SES to successfully perform the job	95	69	96	83	70	83

[a]Percentages represent the views of 49 appointed candidates and 30 ERB members

[b]Interviewees responded along a 5-point scale ranging from a very great extent to little or no extent. The actual percent of all candidates and members responding "great" and "very great" fell within the ranges shown. For example, the percentage for "extent career SES members are managerially competent" among appointed candidates was estimated to be 57 percent and fell between 43 percent and 69 percent.

Table II.3: Interviewees' Perceptions of Why CDP Has Not Been a Major Source of SES Appointees[a]

Reasons[c]	Percent citing reasons[b]	
	Appointed candidates	ERB members
None/surprised it is not	2	12
CDP has not		
been the only source	24	23
been intended as a major source	10	4
had enough candidates	24	27
been supported by management	33	38
been viewed as a credible source	29	19
Appointing officials favored		
the regular appointment process	19	8
appointing from within the subunit	31	23
Candidates have not		
always accepted appointments	17	4
been in the "network"	10	4
had the highest SES potential	40	27
been the most technically qualified	55	42
always sold themselves for SES	0	4
Those with the highest potential have not applied to CDP	31	19
Planned SES needs have		
changed	5	0
been done poorly	14	12

[a]Percentages represent the views of 42 appointed candidates and 26 ERB members who thought CDP was not a major source.

[b]The respondents were asked to list the reasons why CDP is not a major source for filling career SES vacancies and we then categorized them for presentation in the report

[c]We asked interviewees to offer reasons and then to identify the main reason. Among 35 appointed candidates who cited a main reason, 23 percent cited appointing from the subunit, 17 percent cited CDP having too few candidates, 14 percent cited inadequate technical qualifications, and the rest cited six other reasons. Among 20 ERB members, 35 percent cited inadequate technical qualifications 20 percent cited low management support, and the rest cited four other reasons.

Table II.4: Interviewees' Perceptions of the Priority Given Unappointed Certified Candidates for SES Vacancies[a]

	Percent[b]					
	Appointed candidates			ERB members		
Priority	Estimate	Low	High	Estimate	Low	High
Very high	5	4	31	7	7	20
High	33	22	49	13	13	27
Moderate	37	27	53	52	43	57
Low	13	10	37	10	10	23
Very low	12	10	37	18	13	27
Total	**100**			**100**		

[a]Percentages represent the views of 49 appointed candidates and 30 ERB members

[b]The actual percent of all candidates and members fell within the ranges shown. For example the percentage for "very high" among appointed candidates was estimated to be 5 percent and fell between 4 percent and 31 percent

Table II.5: Interviewees' Perceptions of CDP's Objectives[a]

	Percent[b]					
	Appointed candidates			ERB members[c]		
Objectives	Estimate	Low	High	Estimate	Low	High
Serve as main SES source	3	2	29	5	4	15
Expedite SES appointments	32	22	49	29	26	37
Prepare one for SES	33	25	51	13	11	22
Identify SES potential	46	33	59	25	22	33
Broaden candidates' skills	24	16	43	15	15	26
Develop management abilities	49	35	61	4	4	15
Meet Civil Service Reform Act	10	8	35	10	7	19
Create opportunity to enter SES	3	2	29	0	0	11
Develop general managers for SES	11	8	35	0	0	11
Test SES potential	9	6	33	0	0	11
Make candidates visible	5	4	33	0	0	11
Recognize/reward top performers	6	4	33	0	0	11
Foster human resources management	2	2	29	0	0	11

[a]Percentages represent the views of 49 appointed candidates and 27 ERB members

[b]The actual percent of all candidates and members fell within the ranges shown. For example the percentage for "serve as main SES source" among appointed candidates was estimated to be 3 percent and fell between 2 percent and 29 percent.

[c]ERB members were asked to state the main objective of CDP

Table II.6: Interviewees' Perceptions of CDP's Benefits[a]

Benefits[c]	Appointed candidates			ERB members		
	Estimate	Low	High	Estimate	Low	High
Prepare one for SES	31	22	49	28	27	40
Create opportunity to enter SES	5	4	31	8	7	20
Expedite SES appointments	53	39	65	51	47	60
Identify best potential candidates	31	22	49	40	37	50
Challenge candidates before appointment	9	6	33	17	17	30
Improve SES planning	12	8	35	7	7	20
Develop management ability	62	46	71	38	33	47
Broaden perspectives	50	35	61	28	27	40
Create networks across the agency	15	10	37	7	7	20
Improve unappointed candidates' performance	14	10	37	12	10	23
Break routines and try new things	3	2	29	0	0	13
Increase morale/visibility	33	25	51	32	30	43
Foster individual growth	16	12	39	5	3	17
Foster career planning	8	6	33	0	0	13
Develop candidates' subordinates who fill their bosses' positions during rotations	6	4	31	0	0	13
Increase the efficiency of expenditures for executive development	5	4	31	7	7	20
Retain top employees	3	2	29	5	3	17
Train those who need it	0	0	27	5	3	17
Foster mobility	12	8	35	0	0	13
Communicate agency values	3	2	29	0	0	13
Measure interest in SES	3	2	29	3	3	17
None	2	2	29	5	3	17

[a]Percentages represent the views of 49 appointed candidates and 30 ERB members

[b]The actual percent of all candidates and members fell within the ranges shown. For example, the percentage for "prepare one for SES" among appointed candidates was estimated to be 31 percent and fell between 22 percent and 49 percent

[c]We also asked interviewees to identify the main benefit of CDP. Among 41 appointed candidates who gave a main benefit, 34 percent cited expedited appointments, 22 percent cited broader perspectives, and the rest cited eight other benefits. Among 20 ERB members, 40 percent cited expedited appointments, 20 percent cited identify SES potential, and the rest cited five other benefits

Table II.7: Interviewees' Perceptions of CDP's Costs[a]

| Costs[c] | Percent[b] | | | | | |
| | Appointed candidates | | | ERB members | | |
	Estimate	Low	High	Estimate	Low	High
Stress on candidates	11	8	35	0	0	13
Rotation's disruption of regular duties	63	45	71	48	43	57
Waste of time and money on those lacking SES potential	10	8	35	12	10	23
Waste of the development by not appointing candidates	0	0	27	5	3	13
Reduced morale	14	10	37	26	23	37
Training costs	68	49	76	59	53	67
Travel costs	44	31	57	13	13	27
Candidates' salaries	20	14	41	0	0	13
Executive development staff salaries	25	18	65	16	13	27
ERB members' time	3	2	29	7	7	20
Mentors' time with candidates	3	2	29	0	0	13
Loss of experienced staff	5	4	31	0	0	13
Costs are not major	51	37	63	51	43	57

[a]Percentages represent the views of 49 appointed candidates and 30 ERB members

[b]The actual percent of all candidates and members fell within the ranges shown. For example, the percentage for "stress on candidates" among appointed candidates was estimated to be 11 percent and fell between 8 percent and 35 percent.

[c]We also asked interviewees to identify the main cost of CDP. Among 28 appointed candidates who provided a main cost, 36 percent cited rotation, 21 percent cited reduced morale, and the rest cited four other costs. Among 11 ERB members, 64 percent cited rotation, 18 percent cited reduced morale, and 9 percent cited travel costs.

Table II.8: Interviewees' Perceptions of the Comparative Benefits and Costs of CDP[a]

| Categories | Percent[b] | | | | | |
| | Appointed candidates | | | ERB members | | |
	Estimate	Low	High	Estimate	Low	High
Benefits greatly exceed costs	44	31	58	20	19	30
Benefits exceed costs	34	25	52	52	48	59
Benefits equal costs	9	6	33	4	4	15
Costs exceed benefits	13	10	38	19	15	26
Costs greatly exceed benefits	0	0	27	5	4	15
Total	**100**			**100**		

[a]Percentages represent the views of 48 appointed candidates and 27 ERB members

[b]The actual percent of all candidates and members fell within the ranges shown. For example, the percentage for "benefits greatly exceed costs" among appointed candidates was estimated to be 43 percent and fell between 31 percent and 56 percent.

Table II.9: Interviewees' Perceptions on Continuing or Discontinuing CDP[a]

| Categories | Percent[b] | | | | | |
| | Appointed candidates | | | ERB members | | |
	Estimate	Low	High	Estimate	Low	High
CDP should be continued	64	46	73	51	47	60
CDP should be continued with modifications	31	23	50	31	27	40
CDP should be discontinued	3	2	29	13	10	23
Unsure/do not know	2	2	29	5	3	17
Total	**100**			**100**		

[a]Percentages represent the views of 48 appointed candidates and 30 ERB members

[b]The actual percent of all candidates and members fell within the ranges shown. For example the percentage for "CDP should be continued" among appointed candidates was estimated to be 63 percent and fell between 46 percent and 71 percent

Status of Candidates and CDP Classes in the Six Agencies GAO Reviewed

Tables III.1 and III.2 show, as of March 1987, in each of the six agencies the number of (1) candidates selected for CDP, certified as managerially qualified for SES, and appointed to SES, and (2) CDP classes, along with the dates of their first and most recent CDP classes.

Table III.1: Number of Candidates Selected, Certified, and Appointed in Six Agencies as of March 1987

Agency	Number of candidates		
	Selected	Certified	Appointed
USDA	131	105	54
EPA	37	13	6
HHS	70	58	26
DOI	85	60	39
OSD	28	25	17
VA[a]	53	44	30
Total	**404**	**305**	**172**

[a]VA selected another 58 CDP candidates who are slated for its non-SES executive system and have not accepted SES positions. Of these, 35 were appointed to the non-SES system

Table III.2: Number and Dates of CDP Classes in Six Agencies as of March 1987

Agency	Number of classes	Dates of the:	
		First class	Most recent class[a]
USDA	4	4/80	11/85
EPA	2	6/83	9/86
HHS	3	10/80	4/83
DOI	4	4/80	6/86
OSD	1	5/81	5/81
VA	4	10/80	6/86

[a]Except for OSD, these agencies are selecting or have plans to select another CDP class

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