

SES ANNUAL FORUM

DoD **21st** Century Leadership
Senior Executive Service

Management Challenge Development (Broadening)

2008

Overview

- 42% of public sector organizations identified passing on knowledge as a primary challenge (IBM Global Human Capital Study, 2008).
- Globalization, finding leaders, and maturing workforce are three challenges.

Overview

- DoD executive leaders will have a portfolio of diverse experiences to shape perspectives - an enterprise-spanning perspective - including:
 - Strategic vision and strategic thinking ability
 - Global and cultural astuteness
 - Business acumen
 - Leadership proficiency
 - Result-driven focus
 - Capability to build partnerships and communicate effectively
 - Knowledge of joint matters

Overview

- 42% of Public Sector organizations identified passing on knowledge as a primary challenge (IBM Global Human Capital Study, 2008)
- Globalization, Finding Leaders, and Maturing Workforce are three 21st century executive challenges.
- The 21st Century initiative is about finding the right talent who are culturally attuned, lead, demonstrate global best practice, and can think the big picture.

Overview

- DoD Directive 1403.03 requires:
 - Deliberate development of SES leaders – a Component responsibility.
 - Development in consultation with supervisors and mentors.
 - Structured series of well-planned developmental and educational experiences, often including reassignments to more challenging positions.

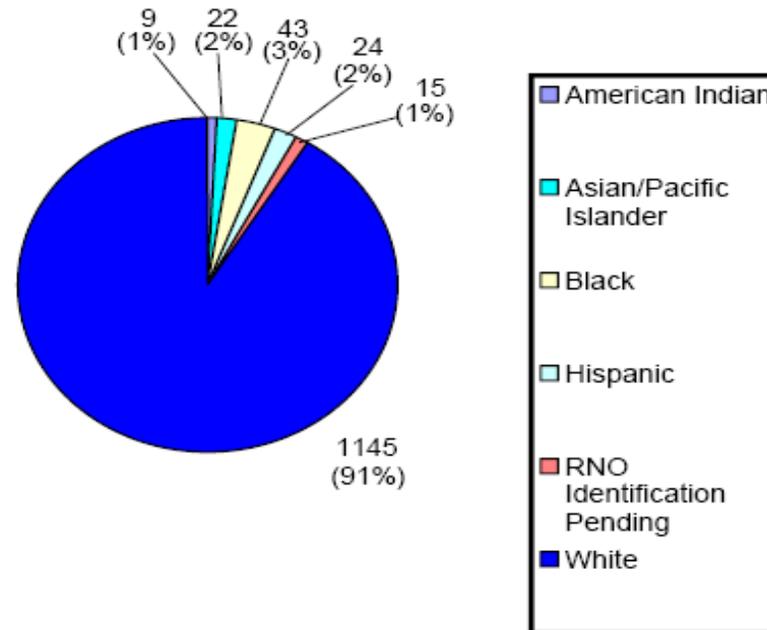
What the Data Tells Us

- The Department is piloting the use of “term limits” for some SES positions - terms generally are for 3 years, with two 1-year extensions.
 - Reemployment rights are guaranteed back to an SES position in the parent organization.
- Pilot less than a year old - only a few positions designated in the 4th Estate.

What the Data Tells Us

The largest minority representation is among Blacks - 3% (43/1258)

**Race/National Origin
Executive Service and Executive Pay**

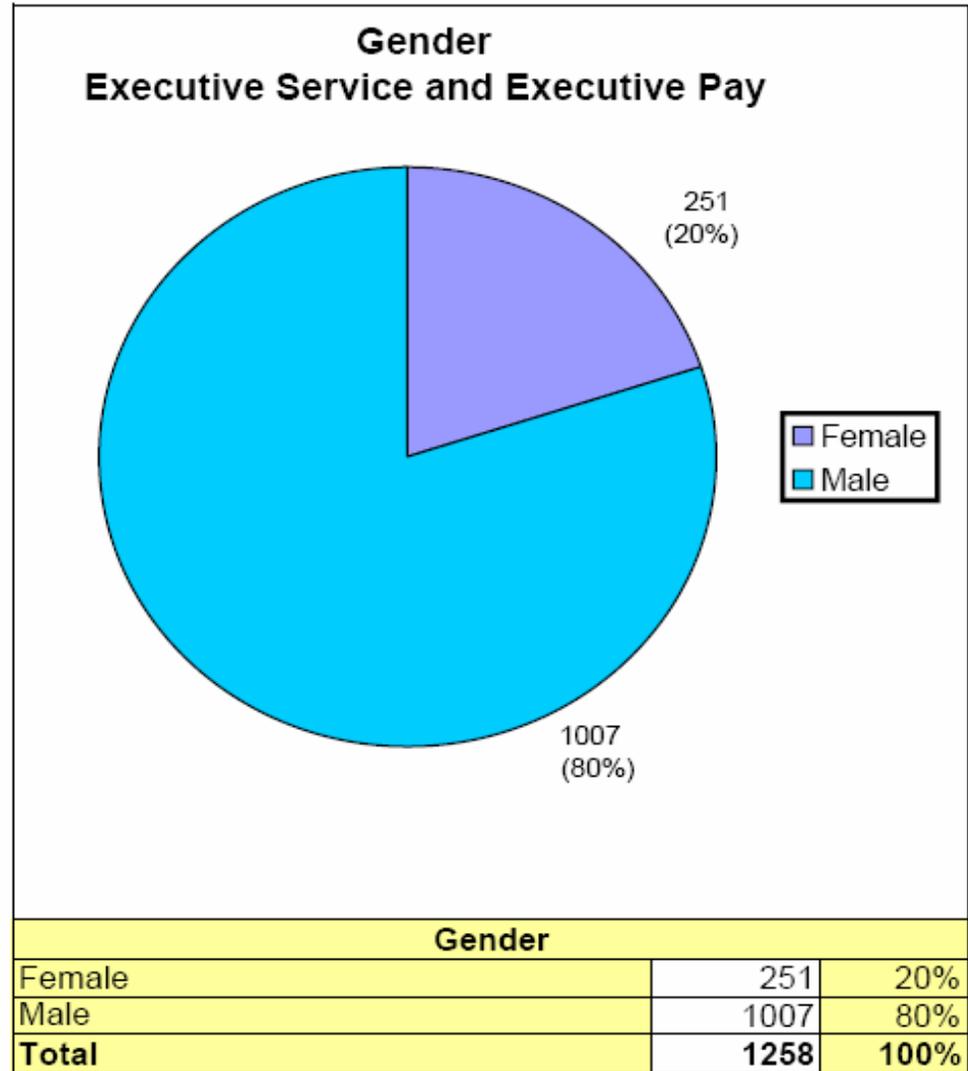


Race and National Origin Designation

American Indian	9	1%
Asian/Pacific Islander	22	2%
Black	43	3%
Hispanic	24	2%
RNO Identification Pending	15	1%
White	1145	91%
Total	1258	100%

What the Data Tells Us

- 8% of SES Corps is diverse
- 20% are women





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What the Data Tells Us

- Movement within the SES

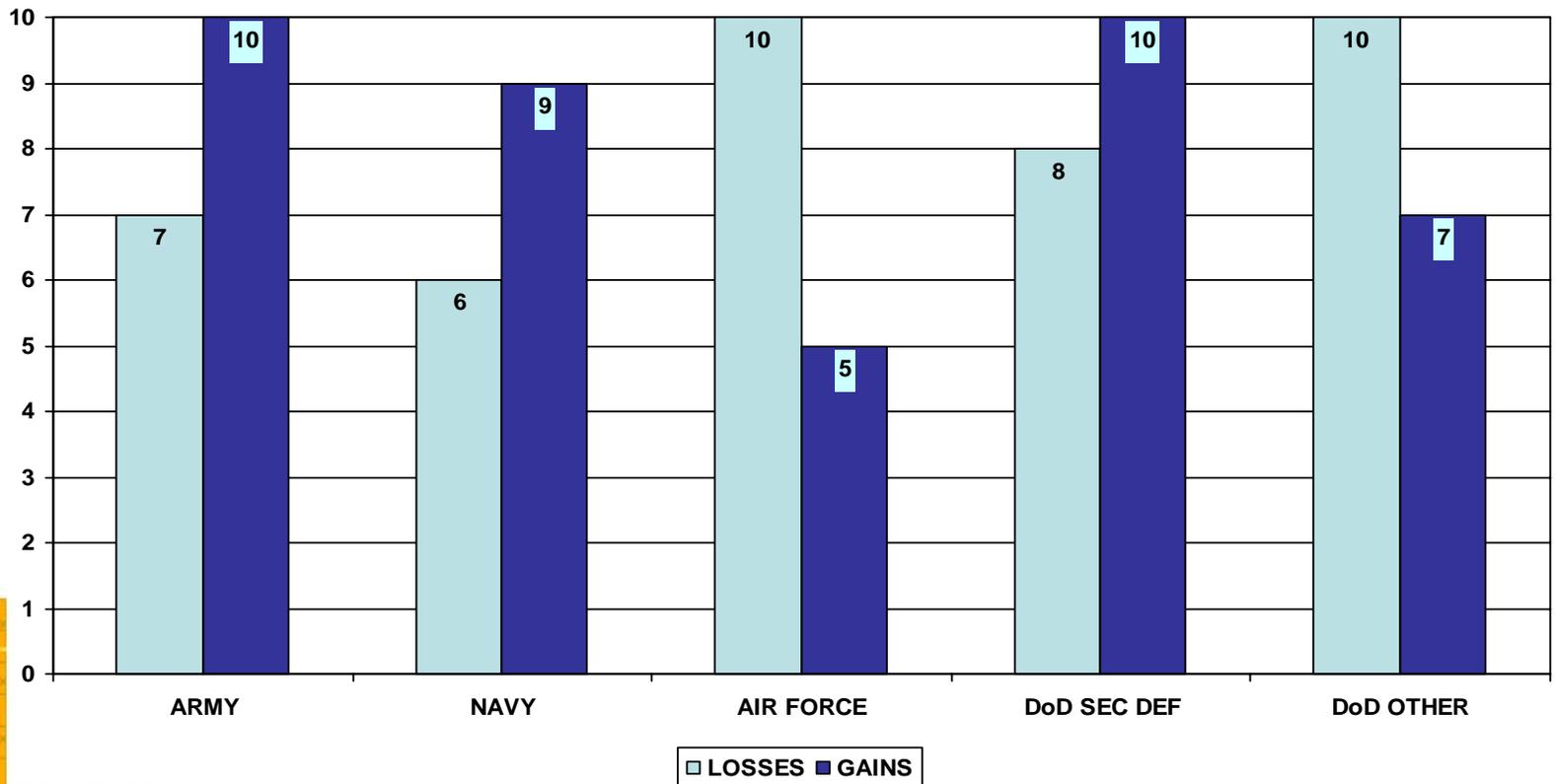


2008

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What the Data Tells Us

FY2007 Movement by SES within DoD (41 SES Assignments)

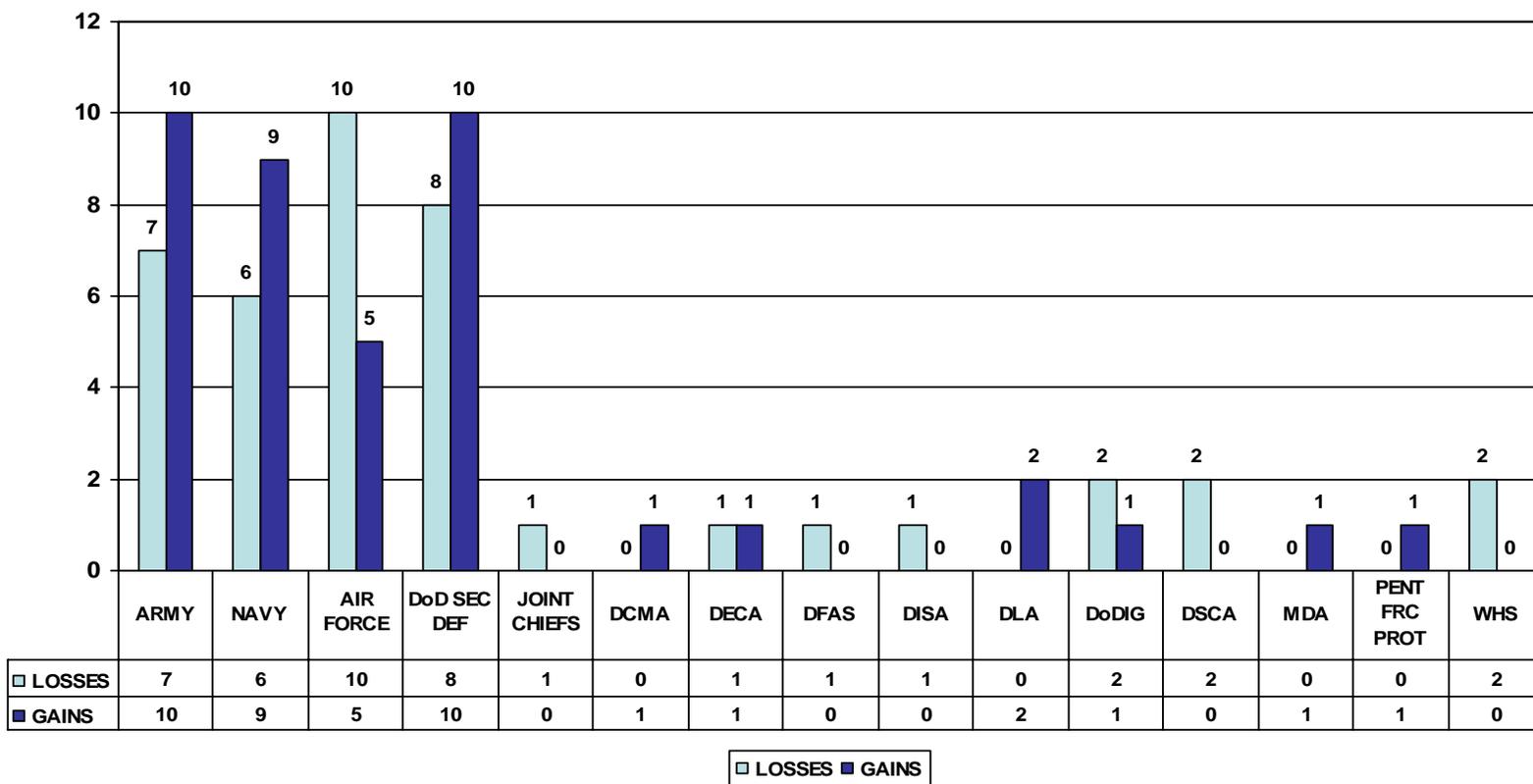


SES employees who had a new
Assignment to an Agency in FY2007

10

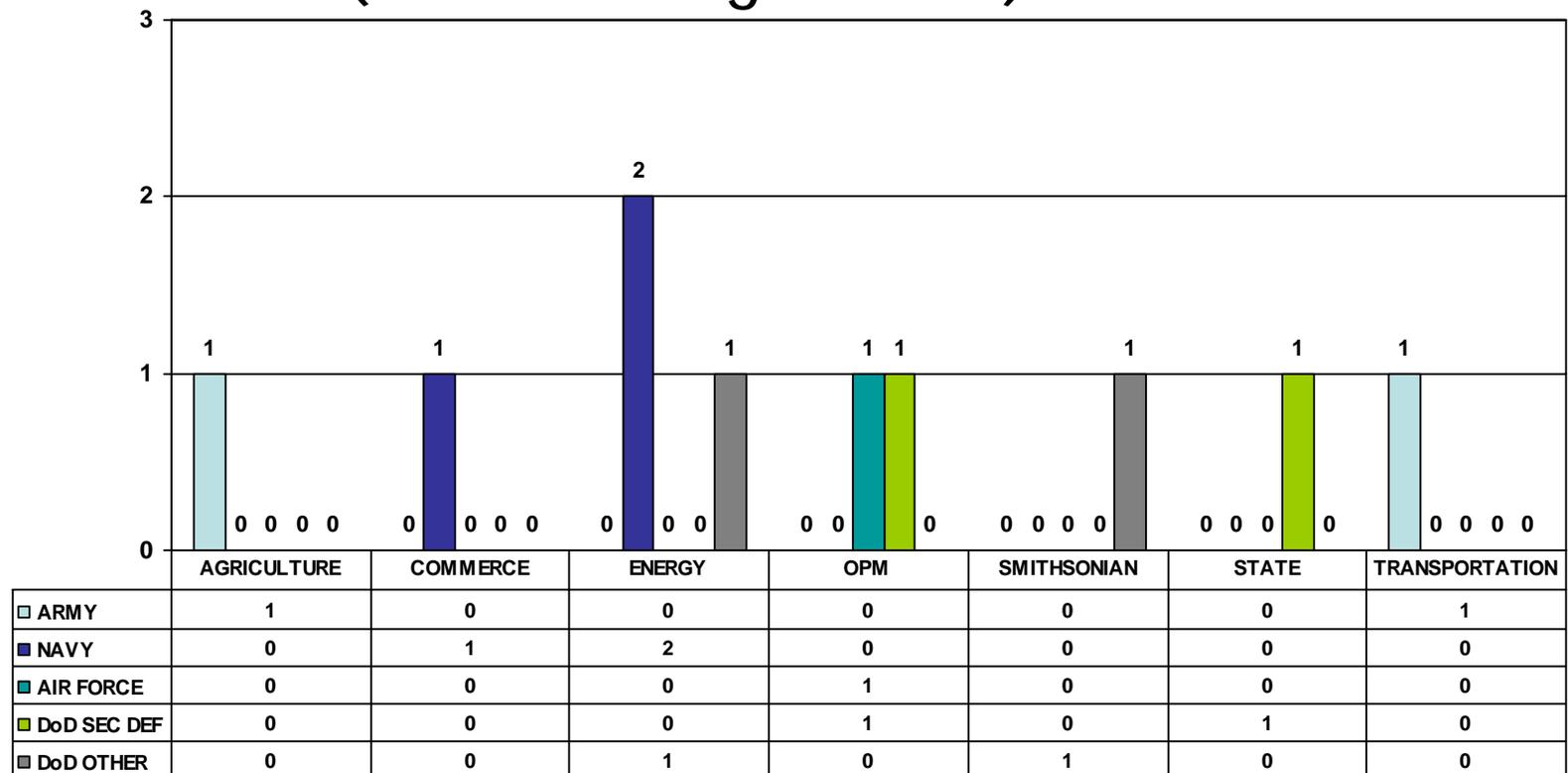
What the Data Tells Us

FY2007 Movement by SES within DoD (41 SES Assignments)



What the Data Tells Us

FY2007 SES from Other Federal Agencies (10 SES Assignments)

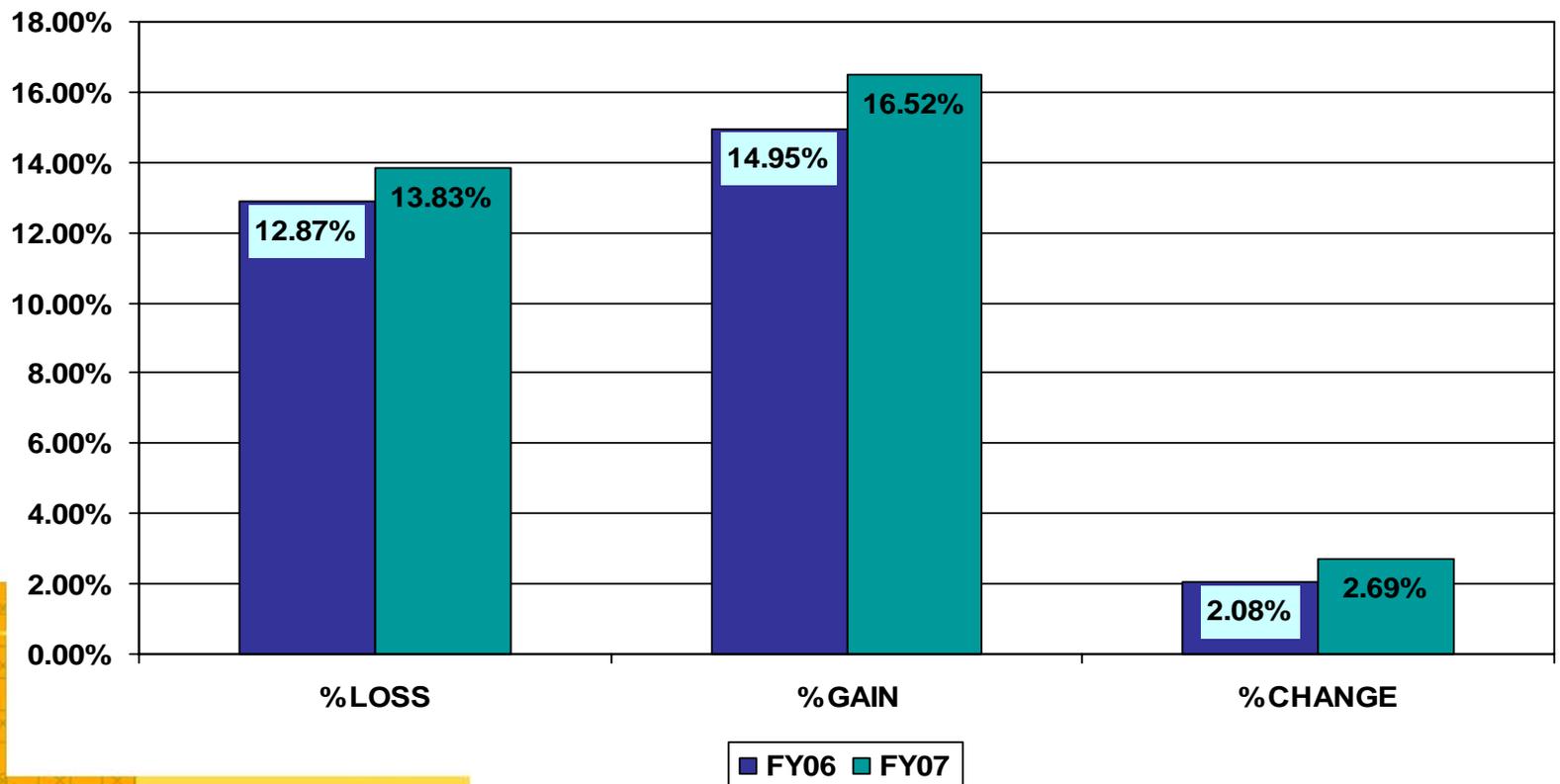


ARMY NAVY AIR FORCE DoD SEC DEF DoD OTHER

SES employees who had a new Assignment to an Agency in FY2007

What the Data Tells Us

SES Percent Losses and Gains in FY06 and FY07



What the Data Tells Us

- Age and retirement eligibility
 - Fy2007 Pipeline and SES

What the Data Tells Us

FY2007 Pipeline & SES Retirement Eligibility and Age

PIPELINE DATA				
Eligible to Retire	Avg. Age	Avg. Years to Retirement	Count	%
N	49.09	10.52	58,892	82.4%
Y	61.26	-3.79	12,605	17.6%
Total	51.24	7.99	71,497	100%

SES DATA				
Eligible to Retire	Avg. Age	Avg. Years to Retirement	Count	%
N	51.7	8.19	943	74.6%
Y	61.78	-4.11	321	25.4%
Total	54.24	5.07	1,264	100%

What the Data Tells Us

- **FY2007 Pipeline & SES Retirement Eligibility and Age**
 - 17.6% of Pipeline Employees are eligible to retire. Currently staying an average of 3.79 years past retirement eligibility.
 - 82.4% of Pipeline Employees are not eligible to retire and have on the average 10.52 years until they are eligible.
 - 25.4% of the SES Employees are eligible to retire. They are currently staying on an average of 4.11 years past retirement eligibility.
 - 74.6% of SES Employees are not eligible to retire and have on the average 8.19 years until they are eligible.



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What the Data Tells Us

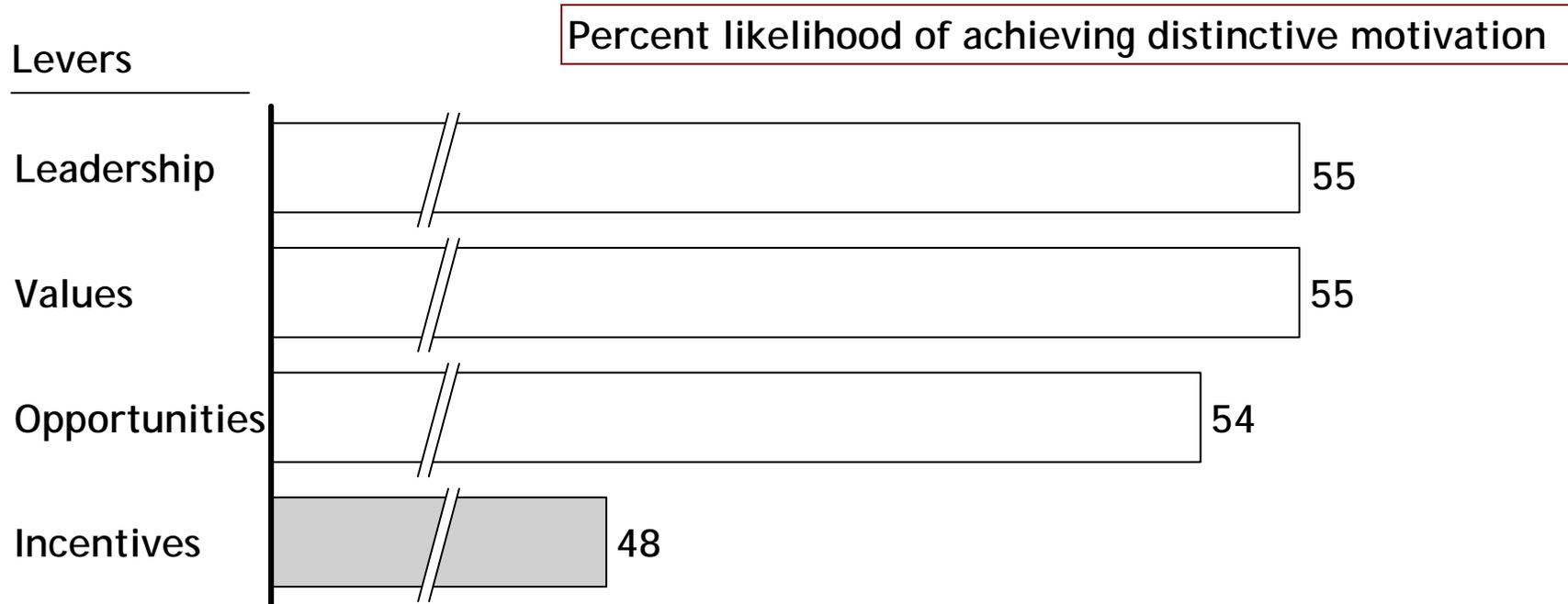
- Motivation



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...But incentives are not the most powerful lever for driving motivation...



Definitions

Motivation: Employees feel committed, inspired and encouraged to perform at the highest possible levels

Leaders: Inspirational and charismatic leadership

Values: Compelling culture and common set of values

Opportunities: Meaningful work and attractive career opportunities

Incentives: Financial rewards and recognition

* Likelihood of being top quartile in motivation outcomes given that the individual motivation practice is top quartile relative to database benchmarks

What do You Think About...

1. How do we build and support a continuous learning culture that encourages executives to take risks and assume new and challenging assignments in other Components and in other functional areas for short-term assignments (3 yrs +1 yr+ 1 yr)?
 - Consider some of the challenges:
 - Work and reputation are known among parent organization PRBs—why take the risk?
 - Achieving breakthrough results and receiving Level 4 and 5 performance ratings at parent organization. Why take the risk?
 - Organizations may not have adequate financial or personnel resources to support developmental assignments? There may be an inadequate talent bench to assume critical assignments during the absence of an executive.

What do You Think About...

1. Continued:

- The new challenges may be in lower-tiered positions? (*Note: The draft policy provides in such circumstances for no diminution in pay, performance payouts to be made as if in higher tier, and retention of higher tier protocol code.*)
- What are your thoughts on whether executives on developmental assignments of one to three years (and any approved extensions) should be included in their parent organization's PRB or the gaining organization's PRB?

What do You Think About...

2. When executives return to their “parent” organization, how do we ensure that the executives enhanced capabilities and experiences are valued, respected and utilized at a broader level within the organization, Component, and/or across the Department?

What do You Think About...

3. How do we break the paradigm in selection that places more value and emphasis on domain knowledge (a specific field/discipline/function) than on general executive-type leadership?
 - If we do not break this paradigm, how can executives acquire experience in functional areas in which they have an interest in developing a deeper understanding and/or that may be critical to building their executive portfolio?

What do You Think About...

3. Continued:

- Should executive positions be identified as either General Executive (where domain knowledge is less critical than general executive leadership) or Technical Executive (where technical leadership is more critical than general executive leadership)?
- Should senior executive positions have any technical qualification requirements?

Summary of Thoughts on Broadening

Philosophy must:

1. Recognize and balance the value of different kinds of positions:
 - Generalist (executive) and Specialist (domain expert)
 - Joint and Service specific
2. Recognize the value to DoD of each and not dictate absolutes.
3. Recognize that training, education and experience are all part of development.

Summary of Thoughts on Broadening

4. Developmental assignments in themselves are not the goal; succession planning needs to drive the assignment. The goal should not be to return to the “same job.” There may be value in returning to the parent organization and/or the Component in an expanded capacity but this is not the only requirement.

Summary of Thoughts on Broadening

5. Hurdles include:

- Service “jealousy” over star players/reluctance to ‘take” talent
- Visibility of what is available to individuals
- Management of the process (centralized framework/decentralized execution)
- Incentives for those who do move (financial, career advancement, etc.)
- Transition management to minimize disruption and maximize individual member preparation
- Ownership of the position when a person rotates to a new position in another component (Pay Pools, salary, etc.)

Summary of Thoughts on Broadening

6. The time for talking is over. The time for doing is now. "Doing this" will require DoD to:
 - Manage expectations of SES members in current job and in career.
 - Identify "broadening" positions and path to achieve the next level.
 - Ensure these positions are viewed as "broadening" (similar to GO process) and establish a term on assignments (1-3 years)
 - Ensure that Self selection is inherent in the process.
 - Facilitate Individual goal setting with corporate guidance and continuous expectation setting/mentoring by supervisors of SES members.
 - Create incentives for movement within SES (financial, career enhancements).
 - Resource it properly (can't be unfunded mandate)
 - Benchmark best practices and apply enterprise-wide.

Recommendations

1. Establish a centralized framework to manage development among SES:
 1. Managed by career SES with representation across components (DEAB?).
 2. Cascades through components for execution.
 3. Articulated at top level (Directive 1404.03).
2. Ensure that expectations are communicated consistently across Department:
 1. Manage careers of individual in terms of Department wide framework for development and succession planning.
3. Ensure that there is a single POC for management of the process.

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The DEAB

2008

Overview

- The Defense Executive Advisory Board (DEAB) is being established.
- The DEAB will:
 - Ensure continuity of the highest caliber of SES leadership.
 - Define the core precepts for the lifecycle management decisions.
 - Recommend a list of Enterprise SES positions for the Deputy Secretary of Defense.
 - Validate the processes used for selecting individuals for Enterprise SES positions.
 - Analyze trends in career selections and assignments to inform policy decisions and ensure compliance with DoD Directive 1403.03.

Overview

- The Deputy Secretary of Defense will establish and appoint members to the DEAB.
- Members will represent SES leaders, G/FOs from across the Components.