

**A Report Concerning Significant Actions of the
U.S. Office of Personnel Management**

Growing Leaders

The Presidential Management Intern Program

20010920 089



**A Report to the President and the Congress of the United States
by the U.S. Merit Systems Protection Board**

REPORT DOCUMENTATION PAGE			Form Approved OMB No. 0704-0188	
Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188), Washington, DC 20503.				
1. AGENCY USE ONLY (Leave blank)		2. REPORT DATE September 2000 September 2001	3. REPORT TYPE AND DATES COVERED Final	
4. TITLE AND SUBTITLE "Growing Leaders: The Presidential Management Intern Program"			5. FUNDING NUMBERS	
6. AUTHOR(S) U. S. Merit Systems Protection Board				
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) U.S. Merit Systems Protection Board 1615 M Street, NW. Washington, DC 20419			8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING / MONITORING AGENCY NAME(S) AND ADDRESS(ES)			10. SPONSORING / MONITORING AGENCY REPORT NUMBER	
11. SUPPLEMENTARY NOTES				
12a. DISTRIBUTION / AVAILABILITY STATEMENT Approved for public release; distribution is unlimited			12b. DISTRIBUTION CODE	
13. ABSTRACT (Maximum 200 words) This report reviews the status of the Presidential Management Intern (PMI) Program and the activities of the US Office of Personnel Management in administering that program. Overall, the PMI Program has met with considerable success in attracting high quality, high potential individuals to Federal service. However, there is a lack of consensus as to the purpose of the program. More than one out of five supervisors of PMIs view the program simply as a method of hiring master's level graduates and not a method for selecting and developing individuals with management potential. The report offers several recommendations intended to ensure that the PMI Program remains an effective tool in helping the Government address its future leadership needs.				
14. SUBJECT TERMS Federal Government, human resources management, Intern program, Presidential Management Intern Program, assessment center process, training and development, selection, recruitment, advancement			15. NUMBER OF PAGES	
			16. PRICE CODE	
17. SECURITY CLASSIFICATION OF REPORT Unclassified	18. SECURITY CLASSIFICATION OF THIS PAGE Unclassified	19. SECURITY CLASSIFICATION OF ABSTRACT Unclassified	20. LIMITATION OF ABSTRACT	



U.S. MERIT SYSTEMS PROTECTION BOARD

Office of the Chairman
1615 M Street, NW

Washington, DC 20419-0002

Phone: (202) 653-6772 Ext. 1325; Fax: (202) 653-8925; E-Mail: chairman@mspb.gov

Chairman

August 2001

The President
President of the Senate
Speaker of the House of Representatives

Dear Sirs:

In accordance with the requirements of 5 U.S.C. 1204(a)(3), it is my honor to submit this Merit Systems Protection Board report "Growing Leaders: The Presidential Management Intern Program."

This report reviews the status of the Presidential Management Intern (PMI) Program and the activities of the U.S. Office of Personnel Management (OPM) in administering that program. The PMI program was created in 1977 as a means to attract to Federal service men and women of exceptional management potential. The program enables the Government to hire up to 400 of these high quality candidates per year. In light of the projected retirement of many of the Government's supervisors and managers, almost 70 percent of whom will become eligible to retire in this decade, the PMI program could become an increasingly important component of the Government's strategic response to the changing demographics of its workforce.

Overall, we found that the PMI program has met with considerable success in attracting high quality, high potential individuals to Federal service. Further, many PMI graduates have remained in the Federal service and a large percentage have risen to positions of leadership. Although the PMI program was in danger of disappearing during a period of OPM downsizing and realignment in the early 1990's, a successful revitalization effort started in 1995 has returned it to a solid foundation. One remaining concern, however, is the lack of consensus on the purpose of the PMI program. More than one out of every five supervisors of PMIs view the program simply as a method for hiring master's level graduates and not a method for selecting and developing individuals with management potential. The report concludes with several recommendations intended to ensure that the PMI program remains an effective tool in helping the Government address its future leadership needs.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth S. Slavet".

Beth S. Slavet

U.S. Merit Systems Protection Board

Beth S. Slavet, Chairman

Barbara J. Sapin, Vice Chairman

Susanne T. Marshall, Member

Office of Policy and Evaluation

Director

John M. Palguta

Project Manager

Ligaya J. Fernandez

Project Analysts

Jamie J. Carlyle, Ph.D.

Karen K. Gard

Harry C. Redd III

Paul van Rijn, Ph.D.

Table of Contents

Executive Summary	vii
Conclusions	x
Recommendations	x
Introduction and Purpose	1
The PMI Program	1
Scope and Methodology	2
OPM Response	3
Program History and Overview	5
Program Changes	5
Impact of Changes	6
Where the Program Stands Today	7
Relationship to the Federal Career Intern Program	7
Retention of PMIs	8
Quality and career advancement of PMIs	10
Recruitment	13
Marketing the Program	13
Marketing devices	13
Marketing results	14
Assessment and Selection	17
The Schools' Nominating Process	17
OPM's Screening and Assessment Process	18
The current PMI assessment center	19
Training and Development	23
OPM Orientation and Graduation Programs	24
Agencies' Training Programs	24
Career Development Groups	25
Conclusions and Recommendations	27
Appendix A. Retention and attrition rates	31
Appendix B. Percent who are supervisors	33
Appendix C. Average Grade	35
Appendix D. OPM Letter	37

Executive Summary

According to the Senate Governmental Affairs Subcommittee on Oversight of Government Management, at least 660,000 current Federal employees will have retired by 2010. Many of those retirees will be managers and supervisors who will take with them a wealth of institutional knowledge. Assuring that it can readily replace those who leave is currently one of the Government's most significant challenges. The tools used to meet this challenge need to be effective in identifying, hiring, and developing replacements for the managers expected to depart during this decade. In this context, the U.S. Merit Systems Protection Board initiated a study of the effectiveness of the Presidential Management Intern Program as a means to attract and develop the Federal sector's future managers.

To help us evaluate the program, we obtained information from OPM's Central Personnel Data File (CPDF), a computerized data bank that contains information on Federal civilian employees. We also administered surveys to presidential management interns, their supervisors, and others involved in intern selection and development. What we found was a program that has met with considerable success in attracting high quality, high potential individuals, many of whom have remained in the Federal service and have risen to positions of leadership over the years. However, we also discovered that among the users of the program (Federal agencies) and the manager of the program (OPM), a lack of focus on the program's purpose has the potential to endanger its effectiveness at a time when there is a critical need for a sound response to the civil service's looming leadership vacuum.

This report describes the Presidential Management Intern Program, its objectives, participants, and problems, and offers suggestions intended to enhance the program's effectiveness in meeting the challenges that lie ahead.

The Presidential Management Intern (PMI) Program was established in 1977 as a means of strengthening the Government's management ranks. The program was created to attract to Federal service individuals with exceptional management potential who possessed graduate degrees in public administration or public management. The intention was to develop these high-potential individuals as the Government's future leaders. A 1982 executive order broadened the program's eligibility requirements so that individuals with degrees in other fields could be recruited and selected for careers in public sector management.

Today, students who are interested in these Federal internships must be nominated by their college deans and pass OPM's screening process to be hired through the program. PMIs perform a 2-year internship in the excepted service, coming in at the GS-9 grade level, and normally being promoted to GS-11 after successful completion of their first year. PMIs who perform successfully can be given career or career-conditional appointments in the competitive service at the end of the 2-year program, and typically are, at that time, eligible for promotion to the GS-12 level.

Supervisors and managers who have hired individuals through the PMI Program view it as a success. Most supervisors (76 percent) believe that the PMIs they have hired in the last three years are of better quality than employees hired through other means for similar vacancies. Most of the supervisors we surveyed gave high marks to the abilities of the PMIs they had hired, rating them above average to outstanding on characteristics such as analytical and writing ability. Accordingly, some 79 percent of supervisors say they're very likely to use the program again. Indeed, the program is responsible for the hiring of almost 1,400 interns over the past four years, close to the maximum 1,600 permitted by executive order.

In addition to Federal supervisors' satisfaction with the PMIs they have hired, our study revealed a

number of other significant facts and circumstances:

- **More PMIs advance into management ranks than do comparable non-PMI employees.** As of March 2000, about 30 percent of the remaining PMIs hired between 1982 and 1989 had become supervisors, as opposed to 18 percent of a comparison group of non-PMIs. Further, for this same group of PMIs more than 1 in 12 had become members of the Senior Executive Service, versus only 1 out of 100 of the comparison group.
- **PMIs reflect the demographic diversity of the applicant pool.** The percentage of women in the PMI Program rose from 47 percent in 1982 to 60 percent in 1999, while the percentage of minorities increased from a low of 5 percent in 1984 to 22 percent in 1999. These data are consistent with Department of Education statistics that show steady increases in the percentage of women and minorities receiving master's degrees.
- **Although some believe that PMI turnover is high, it is actually about the same as that of other comparable Federal employees.** Most employee turnover occurs in the early years of employment. During their first 5 years of employment, PMIs leave at an overall yearly average rate of 7 percent. Non-PMIs depart at a rate of 5 percent per year for the first 3 years, and 8 percent for the fourth and fifth year. This finding has both positive and negative implications. On the negative side, one might expect that because PMIs are screened for interest and commitment (and non-PMIs are not), they would be less likely than their non-PMI counterparts to leave the Federal service. On the positive side, in a tight labor market, these superior candidates are likely to be very attractive to employers outside the Federal government, yet PMIs choose to remain at the same rate as non-PMIs. It is possible that these two factors offset each

other and contribute to the similarity in turnover rates between the two groups.

- **OPM's PMI program office has done an excellent job in revitalizing the program.** The PMI program nearly disappeared following OPM downsizing and realignments in the early and mid-1990's. Nearly all of the Washington office program staff were involuntarily separated in May 1994 and the function was relocated to Philadelphia the following year. However, the Philadelphia staff were so successful in rejuvenating the program that by 1997—despite record low unemployment and intense competition for talented graduates—the program had rebounded, with agencies hiring more PMIs than ever.
- **Consensus on program purpose is lacking.** Despite its origins as a management potential program, and subsequent executive orders that reinforced its management focus, the PMI program today is not universally viewed as a vehicle to hire and train the Government's future managers. Although the 1982 executive order that governs the program states it is to "provide for the recruitment and selection of outstanding employees in public sector management," many agencies use the program merely as one of a number of modes of entry into the Government's professional and administrative ranks rather than as a tool specifically intended to hire future public sector managers. Although OPM's position is that the PMI program is both a development and a recruiting program, neither OPM nor the agencies consistently stress its management development aspects. Only 15 percent of the supervisors we surveyed view the program primarily as a management development program, while 22 percent view it simply as a mode of entry for master's level graduates, and 63 percent believe it is both. Further, among their various reasons for hiring a PMI, "supervisory or managerial potential" was the least likely to be cited by supervisors who participated in our survey—this despite the fact that

OPM's assessment of PMI candidates is intended to identify those with management potential. These results suggest a lack of focus that may well jeopardize positive program outcomes in the years ahead, at least with respect to the development of public sector managers.

- **The number of graduate students who are nominated for the PMI program currently is several times larger than the number who can actually be hired, but some school officials have expressed concern about maintaining student interest in the program.** School officials list aggressive recruiting by the private sector and the lack of an OPM presence on campus among their concerns. In addition, school officials cite the program's inflexibility with respect to starting grade as a possible disincentive for students. The PMI Program, unlike the Government's new Federal Career Intern Program—does not allow agencies to hire PMIs at any grade other than GS-9. This is the case even though individuals with doctoral degrees qualify for the GS-11 grade level based on education alone.
- **Students who are interested in PMI internships undergo widely varying degrees of competition in order to be nominated for the PMI Program.** Schools participating in the PMI Program are required to establish competitive selection procedures to identify students to be nominated as PMIs. However, according to survey results, some schools conduct elaborate selection processes, while others hold no competition at all for would-be candidates.
- **OPM has not yet demonstrated the validity of the PMI assessment center process.** Although an assessment center has been used to evaluate PMI nominees for a number of years, studies to determine the validity and reliability of the process were not undertaken until recently. These reliability and validity studies are now underway. Also, although the assessment center is a resource-intensive element of the program, there is no objective evidence that the resources

the Government expends on it are in proportion to the value it adds to the selection process. Given the fact that PMI nominees have already completed the hurdles of undergraduate and graduate schools, and some have undergone rigorous competition to be nominated by their schools, the question arises as to how much more the PMI assessment center adds to the already exacting assessment that academic achievement and PMI nomination imply.

- **The training and developmental activities provided to PMIs sometimes fall short of the program's objectives.** Although PMIs are supposed to receive a minimum of 80 hours of training per year, survey results reveal that in a significant minority of cases this does not occur. For example, 37 percent of PMIs hired in 1997 had received not more than half the required training by the time they had completed the program. Further, 14 percent of that group had not served a rotational assignment, although the program requires at least one such rotation.
- **Career Development Groups (CDGs) have been successful as a vehicle for networking, but less successful in helping PMIs reach other internship goals.** CDGs are groups of 20-25 interns who, guided by advisors, are supposed to engage in activities such as the study, analysis, and discussion of managerial issues, the practice of theories of organizational development and management techniques, and the strengthening of interpersonal skills. Survey results suggest that the groups are most successful at this latter activity. Both PMIs and advisors to these groups find them to be useful for building networks among peers, but many reported that the groups were ineffective as a means to develop managerial and leadership skills. The PMI program office expends considerable resources on this aspect of the program and is exploring ways to make the groups more effective.

Conclusions

The PMI Program has proven to be an extremely effective method for hiring highly qualified indi-

viduals for the Federal service. However, our study found a somewhat troubling drift away from the purpose of the program as outlined in the executive order that governs it. That executive order states explicitly that the program's purpose is to attract outstanding individuals to careers in the analysis and management of public policies and programs. Our survey results, however, indicate that some managers view the program purely as a hiring device, and not necessarily for hiring individuals with management potential. This situation may contribute to a neglect of program requirements with regard to the training and developmental assignments intended to enhance the PMI's managerial abilities. Further, the apparent inconsistency among users and managers of the program regarding its purpose raises questions about the characteristics that are being assessed in the PMI assessment center. The recent establishment of another intern hiring vehicle, the Federal Career Intern Program, may compound this confusion unless the intent and relationship of the programs are clearly understood by agency management. With these challenges in mind, we offer the following recommendations intended to ensure that the PMI Program remains an effective tool in helping the Government address its future leadership needs.

Recommendations

1. **OPM should direct agencies' and its own focus towards the stated purpose of the PMI Program so that all parties understand its special objectives of identifying future managers and providing them developmental opportunities.**

This is particularly important today, in light of the projected departure of so many Government managers and the recent establishment of another intern hiring vehicle, the Federal Career Intern Program. OPM should make it clear that the PMI Program is more than merely a convenient way for managers to hire talented individuals with graduate degrees, and that agency intern development plans are expected to conform with the program's purpose as stated in the governing executive order—to attract outstanding men and women with “an interest in, and commitment to, a career in the

analysis *and* management of public policies and programs” (emphasis added). OPM should strengthen the focus of the PMI Program as a tool for attracting graduate students with exceptional management potential and should clarify the program’s relationship to the career intern program that recently was established. Clarification of the intent and objectives of these programs will help to ensure that in the process of succession planning, agencies use the right program for the right reasons, and direct their recruiting and career development resources accordingly.

2. In collaboration with the agencies, OPM should ensure the reliability, validity, efficiency, and cost-effectiveness of its assessment center process. OPM should be able to demonstrate that the characteristics on which candidates are assessed are related to the jobs to which they’re appointed and also should be able to show that its PMI assessment center is measuring those characteristics properly, and adding value to the candidate assessment in proportion to the expense of the process. To accomplish these objectives, OPM should complete its validity and reliability studies on the PMI assessment center and should develop objective data on its cost effectiveness.

3. In recruiting for the PMI Program, OPM should ensure that prospective candidates are well informed about intern assignments and career advancement. OPM’s recruiting literature and recruiting activities should ensure that interns understand the level of the work they are likely to be assigned during and after their internships, and the extent to which they are responsible for their own advancement. Although the OPM program office asserts that they and the agencies provide PMI finalists with information on this topic, the message is not getting through in all cases. The comments provided by survey participants indicate that too many candidates expect presidential management internships to lead to assignment to high-level managerial jobs soon after graduation from the program. These unmet expectations can quick-

ly lead to disillusionment and can adversely affect retention of these high quality employees.

4. OPM should work with agencies to improve PMI training. OPM itself provides some PMI training (orientation and graduation sessions) and communicates to agencies their responsibilities for training their own PMIs. Nevertheless, not all the required training is being accomplished. OPM should hold agencies accountable for providing intern training activities by including a review of agencies’ PMI Programs during oversight reviews. Agencies that want to use the PMI Program should commit themselves to providing the type and amount of training required by the program.

5. OPM should either strengthen the Career Development Group component of the PMI Program to ensure the groups provide professional development opportunities in which interns are likely to participate, or should allow the groups to focus exclusively on networking, which is currently their primary use. The CDGs are not viewed as officially sanctioned and are not particularly effective as a management development tool. Less than half of the PMIs surveyed said the CDG helped them meet their internship goals. The value that interns place on CDGs, tends to be because of their usefulness as a means to network with peers, rather than as a vehicle to develop professionally. Neither agencies nor interns are held responsible for intern participation in CDGs, and OPM is unable to provide financial support for the groups. If it believes there is sufficient support for continuing the CDGs as vehicles for management development activities, OPM should solicit ideas from PMIs, their supervisors, and current and former CDG advisors on how to make the groups effective. If program participants remain more interested in using CDGs exclusively to facilitate networking, then that should be permitted to happen so that the resources the program office uses to establish and monitor CDGs as management development tools can be redirected.

Introduction and Purpose

The Federal workforce is aging. By some accounts, between 600,000 and 700,000 current Federal employees will have retired by the end of this decade. The scenario is even more striking for the management ranks. During the same period, almost 70 percent of the Government's managers and supervisors will become eligible to retire, and the Government faces the significant challenge of finding high quality replacements for those who retire.

With this challenge in mind, the U.S. Merit Systems Protection Board (MSPB or the Board) undertook a study of the Presidential Management Intern Program (PMIP or PMI Program). The program was born more than 20 years ago out of a growing concern that the civil service's management ranks needed to be strengthened. Today that concern is just as valid, if not more so, because of the Government's lack of a unified approach in addressing its human resource management challenges, particularly with respect to succession planning. The General Accounting Office (GAO) has noted that years of neglect have made human capital problems so pervasive that the situation might lead to programmatic problems that could threaten agency missions.¹

GAO is by no means alone in its concern about the human resources crisis the Government is fac-

ing. Senator George V. Voinovich, the ranking member of the Senate subcommittee that oversees these matters, also has expressed concern and conducted hearings on the state of the Federal workforce. At issue is the Government's preparedness in replacing the large proportion of Federal employees who are expected to retire within the next 5 years.² The Board shares Senator Voinovich's and GAO's concerns, and it is in this context that we examined the PMI Program.

The study looked at how the U.S. Office of Personnel Management has implemented and managed the PMI Program and how effective the program has been as a tool to recruit, hire, and develop individuals with managerial potential. More importantly, the study provided the opportunity to look for ways to make the program more effective in helping the Government meet some of its critical human resources challenges.

The PMI Program

The PMI Program is a mechanism for attracting outstanding men and women to the Federal service. During its more than 20 years in operation, the PMI Program has earned a reputation for being the Government's most prestigious hiring mechanism. What makes the program special is its

¹ General Accounting Office, "Major Management Challenges and Program Risks: A Governmentwide Perspective," GAO-01-241, Washington, DC, January 2001.

² Senator George V. Voinovich, "The Crisis in Human Capital," Subcommittee on Oversight of Government Management, Restructuring, and the District of Columbia, Committee on Governmental Affairs, United States Senate, December 2000.

focus on recruiting and selecting individuals with management potential who have recently earned or are about to receive a graduate-level degree. The U.S. Office of Personnel Management (OPM) administers the program for the entire Government.

It should be noted, however, that the success of the program does not depend solely on the actions of OPM. Although OPM has the regulatory responsibility for managing the program, graduate schools and Federal agencies, as well as the PMIs themselves, share the responsibility for its success. Thus, although the report focuses on the significant actions of OPM with respect to the PMI Program, we also considered the contributions and effectiveness of others who carry out certain phases of the program.

Scope and Methodology

The study examines what the PMI Program accomplished from 1982 through 1999. We gathered data and conducted our research between December 1999 and September 2000. To prepare this report, we relied on the following sources of information:

1. OPM's Central Personnel Data File.³ The CPDF, a computerized database maintained by OPM, contains personnel information on over a million Federal non-postal civilian employees in the executive branch of Government. From the CPDF, we obtained data on PMIs who were hired from 1982 to 1999. For each of these years, we calculated the number of PMIs who remained federally employed, the number at each grade level including the Senior Executive Service, and the number who were supervisors 3 years, 5 years, and 10 years after they were hired, and as of March 2000.

For comparison purposes, we also obtained data on a group of employees who closely match the characteristics of PMIs but who entered the Gov-

ernment through other hiring mechanisms. We did this for each of the 18 years under review. We used three criteria in identifying the comparison group, whom we refer to as "non-PMIs" in this report. Specifically, the non-PMIs were those who:

- Were initially hired into Government service at the GS-7 or GS-9 grade level,
- Had a graduate degree, and
- Were appointed in one of the following occupational series: program analyst, GS-345, management analyst, GS-343, budget analyst, GS-560, and economist, GS-110. These are among the most common occupations into which PMIs are appointed.

2. Surveys. To learn about the strengths and weaknesses of the program, we surveyed the following individuals who participated or have an interest in it:

- The 1,034 PMIs who were hired into the program in 1997, 1998, and 1999. A total of 866 questionnaires were deliverable; half of them were completed and returned. Of the questionnaires that were returned, a third came from participants in each of the three years covered in the survey.⁴
- The supervisors of the PMIs hired in 1997, 1998, and 1999. Some 48 percent of the 970 supervisors who received the survey returned it.
- The assessment center assessors who served in 1997, 1998, and 1999. Assessors are OPM and agency staffs trained to judge PMI candidates' performance in the assessment center, the technique OPM uses to evaluate program applicants. We surveyed all 496 assessors, 60 percent of whom returned the completed questionnaire.
- Agency PMI coordinators—coordinators are agency staffs who act as liaisons among OPM,

³ The CPDF includes data on all employees in the executive branch except the Postal Service, the intelligence agencies, and other agencies exempt from personnel reporting requirements. Thus, although these agencies may have hired PMIs, data on them is not included in this report.

⁴ The names and addresses of PMIs were provided to us by OPM. We surveyed 331 PMIs in the Class of 1997, 337 in 1998, and 366 in 1999.

PMIs, and agency supervisors. We sent surveys to all 99 agency PMI coordinators, and 47 percent returned the questionnaire.

- Career Development Group (CDG) advisors for 1998 and 1999. CDG advisors are Government officials who volunteered to facilitate the development of a group of 20 to 25 PMIs. We sent surveys to all 66 advisors, 48 percent of whom returned the questionnaire.

3. Other. We conducted two focus groups comprising current and former PMIs, and interviewed five officials from graduate schools that nominate candidates for the program.

OPM Response

The U.S. Office of Personnel Management was given an opportunity to review a draft of this report, and its comments are shown in Appendix D.

OPM and MSPB agree that since its inception in 1977, the Presidential Management Intern program has met with considerable success in bringing high quality, high potential candidates into the Federal service. We also agree that the PMI program may be a particularly important component of the Government's strategic response to the exodus of experienced managers and supervisors through retirements over the next decade. MSPB also applauds OPM's stated intent to follow through on the reliability and validity studies it has begun in order to ensure that the PMI candidate assessment process is as effective and efficient as possible.

There remains an area of disagreement between MSPB and OPM. This is the question of whether the PMI program should focus exclusively on the recruitment and selection of individuals with long range management potential. In its response, OPM argues for a broader PMI program that "is not just designed to attract individuals who have management potential..." However, the purpose of the program, as consistently asserted in all the executive orders on the subject, is to focus on the long-range management needs of the Govern-

ment. Executive Order 12364, which reconstituted the PMI program in 1982, clearly states that it is "to provide for the recruitment and selection of outstanding employees for careers in public sector management." A program intended to recruit candidates for public sector management should be recruiting candidates with management potential. The human capital crisis that the Government currently faces makes hiring future leaders and managers particularly important.

The Federal Government needs to attract and select outstanding individuals with the ability to provide critical analysis of the many different policies and programs through which the Government serves its citizens. Not every such individual needs to be or should be on a management track. These views are not in question. What is in question is how many needs the PMI program should try to address and the consequences of addressing disparate needs. This is not an academic debate with little consequence. A good assessment and selection process is designed around the skills, knowledges, abilities and other characteristics needed for success in the targeted jobs. Whether or not management potential is a desired characteristic can make a real difference in which candidates are and are not selected, how interns perform in their jobs, and whether they provide the Government the long-range management resources it needs.

MSPB notes that there are a number of options other than the PMI program available to Federal agencies with an interest in selecting and developing superior policy and program analysts, such as the Federal Career Intern Program or the Student Career Experience Program (formerly known as the Co-op Program). We also note that the PMI program is currently limited to 400 hires a year into a workforce of approximately 1.7 million Federal employees. For these and other reasons outlined in this report, MSPB disagrees with OPM and recommends that the Presidential Management Intern program focus on hiring and developing outstanding individuals with management potential.

Program History and Overview

The Government depends on its employees to provide services for its citizens. How effectively and efficiently these services are delivered depends on the quality of these employees. In 1977, the Presidential Management Intern Program was established in an attempt to enhance employee quality by strengthening the management ranks throughout Government.⁵ The original purpose of the program was to "attract to Federal service men and women with exceptional management potential who have received special training in planning and managing public programs and policies."⁶ The creators of the program saw it as an "executive development program,"⁷ in which interns would be provided with "intensive on-the-job development . . . which build[s] on the interns' academic preparation to plan and manage public programs."⁸ Program participants had to have a graduate degree with a concentration in public management. The program, thus, was reputed to be a tool for "growing future leaders and managers" of the Federal Government.

Students interested in the program had to be nominated by their college deans and pass OPM's

screening process. Candidates who made it through their school's and OPM's screening processes could then apply directly to agencies for jobs in which they were interested. Those selected received a 2-year appointment in the excepted service at the GS-9 grade level. They could be promoted to GS-11 after successful completion of the first year of internship. Upon successful completion of the 2-year program, PMIs could be converted to career or career-conditional appointments in the competitive service and also would be eligible for promotion to GS-12.⁹

Program Changes

In May 1982, the program was reconstituted by Executive Order 12364, which broadened eligibility requirements. Eligibility for the program was no longer limited to high potential candidates with education in public management, but was expanded to include those who have a "clear interest in, and commitment to, a career in the analysis and management of public policies and programs," whatever their field of study. The order also reduced the number of interns who could be hired

⁵ Federal Personnel Manual (now obsolete), chap. 362, Sept. 29, 1978.

⁶ Executive Order 12008, Aug. 25, 1977.

⁷ Statement of Alan Campbell, former director of the Office of Personnel Management, in Eric Yoder's "Looking for Leaders," *Government Executive*, November 1997, p. 50.

⁸ Federal Personnel Manual, chap. 362, Sept. 29, 1978.

⁹ It is worth noting here, because it is a major source of confusion, that promotion of PMIs to GS-12 at the end of the internship is not guaranteed. Promotion to GS-12 is contingent upon whether the position into which the intern is appointed or converted has a full performance level of GS-12 or higher, the higher graded work is available, and the intern meets all qualification requirement for the GS-12. Should any of these criteria not be met, the intern still can be converted to a permanent position, but remains at the GS-11 level.

from 250 per year to 200, and allowed agencies to request OPM approval to extend internships up to 1 year to provide additional training or development. In 1988 another change raised the number of interns who could be hired from 200 to 400 per year, where it stands today.¹⁰ Presumably, OPM will periodically re-examine the number of interns allowed and make recommendations to the President for any needed adjustment based on a current needs assessment.

Impact of Changes

The 1982 changes obscured the purpose of the program somewhat because the language of the executive order seemed to put less emphasis on the management development aspects of the program (although it did state that the program was for hiring individual for “careers in public sector management”). This worried some PMI alumni, former Government officials, and academicians who had helped create the program and believed in its emphasis on developing management potential. The Public Service Consortium¹¹ called for OPM to clarify the program’s purpose: was it a management development program or a hiring mechanism for entry-level administrative or program analysts?¹² OPM responded to the Public Service Consortium’s question by asserting that the program was *both*. In other words, the PMI Program would be used to attract outstanding graduate students as well as to provide opportunities for them to develop their managerial potential.¹³

Subsequent OPM organizational changes brought operational changes to the PMI Program. With those changes, OPM appeared to de-emphasize the program’s management development aspects. In a

late 1991 memo to personnel directors, OPM described the program in terms of its superiority as a management development program for identifying and recruiting candidates “destined to be future public service managers and leaders.”¹⁴ But a year later, OPM’s references to the program no longer stressed management development. Rather, in an early 1993 memo to personnel directors soliciting agency participation in the program, OPM described the program in terms of its usefulness as a recruiting tool, calling it the “premier vehicle for outstanding graduate students who are committed to public service and who wish to enter the Federal Government.”¹⁵

Also in 1993, changes in OPM’s funding authority prompted the agency to make the PMI Program a fully reimbursable activity. That is, the program was no longer to be supported by appropriated funds, and instead had to depend on fees agencies paid for each PMI they hired. For the PMI Program to be viable, therefore, agencies had to make consistent use of it. The timing of this change was problematic. Making the program solely a reimbursable activity at a time when agencies were hiring fewer employees put it in a financially precarious position. These cuts in program support made operational changes inevitable. One change was to give agencies more responsibility for training and developing their own PMIs. Changes in OPM’s screening process also were made. These program implementation changes are discussed in more detail later in this report.

OPM’s PMI Program office was drastically affected by the agency’s downsizing in the early and mid-1990’s. Nearly all of the Washington PMI program office staff were involuntarily separated through re-

¹⁰ Executive Order 12645, dated Jul. 12, 1988.

¹¹ The Public Service Consortium, which no longer exists, was a non-profit, non-partisan organization dedicated to strengthening public service.

¹² Public Service Consortium, “The Presidential Management Internship Program: Prospects for the Future,” undated report, Washington, DC.

¹³ Memorandum signed by Dona Wolf, OPM director of Human Resources Development Group, to Sally Kraus Marshall, Executive Director of the Public Service Consortium, Nov. 27, 1991.

¹⁴ Memorandum to directors of personnel signed by Dona Wolf, OPM director of Human Resources Development Group, Nov. 15, 1991.

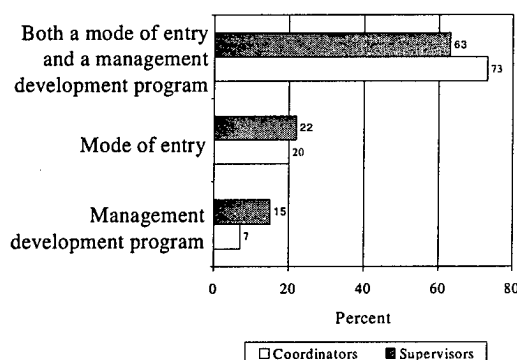
¹⁵ Memorandum to directors of personnel signed by Dona Wolf, former director of Human Resources Development Group, Jan. 5, 1993.

duction-in-force in May 1994, and OPM realigned and moved the function to the Philadelphia Service Center in August 1995. The staff cuts and the relocation were so disruptive that the program nearly disappeared. However, the Philadelphia staff were so successful in revitalizing the program that by 1997, in the face of record low unemployment rates and keen competition for talented graduates, the program had rebounded, with agencies hiring more PMIs than ever.

Where the Program Stands Today

The PMI Program is intended to focus on both managerial development and the recruitment of high potential employees. Indeed, in discussions held in connection with this study, the PMI Program office staff told us that they view the program as both a recruitment and a management development program. While this dual purpose may be OPM's intent for the program, that view is not clearly supported by OPM's PMI resource materials. For example, the Resource Manual, a guide for individuals who participate or have an interest in the PMI program, lacks definitive references to the management development aspects of the program. In fact, the manual's discussion of PMI training policy, rather than citing development of candidate's managerial capabilities as a training objective, states that the objective of the training program is to enable the PMIs to qualify for their target positions at the end of two years.¹⁶ It's not surprising, therefore, that a number of agency officials view the program as strictly a mode of entry into professional and administrative occupations (see figure 1). Agency officials—especially hiring officials—who hold this view might well neglect the training activities needed to prepare interns for advancement into management ranks. This is unfortunate in light of the challenges agencies will face if they have to replace a large proportion of their managers and supervisors in the next 5 to 10 years.

Figure 1. Supervisors and agency PMI coordinators' views about the primary purpose of the PMI Program



Source: MSPB 2000 PMI Survey

The PMI Program's usefulness and success as a recruiting and hiring tool for entry-level administrative or professional jobs is not in dispute, nor is the appropriateness of using the program as a hiring vehicle. However, if the individuals hired under the program are not assured of the opportunity to develop their management potential, the program could become just another mode of entry into the civil service. Already, more managers think of the program as a mode of entry than as a program to identify and develop management potential. If the PMI Program is not to be used as a management potential program for all of its participants, there is little, other than the academic requirement and the mechanics of the nomination and assessment processes, to distinguish it from the recently established Federal Career Intern Program, described below.

Relationship to the Federal Career Intern Program

The Federal Career Intern Program, created by executive order in July 2000, allows agencies to recruit individuals into a variety of occupations and to appoint them at the entry grade levels of GS-5, 7, or 9 (or higher with OPM approval).¹⁷ Candi-

¹⁶ U.S. Office of Personnel Management, "Presidential Management Intern Program Resource Manual, September 1999, p. 9.

¹⁷ The program was created by Executive Order 13162, Jul. 6, 2000.

dates need not have attended college but must meet established qualification requirements. The program requires a formal two-year training program, which could include rotational assignments. The Career Intern Program can be used to fill the same positions as the PMI Program.

The Career Intern program differs from the PMI Program in several ways. The Career Intern Program is administered by the agencies rather than by OPM, and it can be used any time, rather than according to a fixed schedule such as the PMI program requires. The Career Intern Program has no school nominating process, and does not require candidates to participate in an OPM-administered assessment process. In addition, while the Career Intern Program requires a formal training plan, it does not have the specific requirements for the development of management potential that the PMI Program has. Because agencies administer their own programs, the Career Intern Program gives agencies more control over the entire recruitment and assessment process. With its less stringent eligibility and assessment requirements (and the possibility of appointment at grade levels above GS-9), the Career Intern Program might well be an attractive option for applicants, too.

But the Career Intern Program lacks certain important characteristics that the PMI Program has in abundance. These are the excellent reputation and level of prestige that currently serve as important factors in recruiting outstanding candidates with high potential to become Government managers. There is real value in the Government's maintaining a program held in such high regard and a real need for programs that can be used to groom eventual replacements for the managers expected to be leaving Federal service. There is also real evidence that the program has worked well as a way to hire individuals with managerial capabilities. There is the possibility, however, of the program's reputation gradually being diminished if

OPM and Federal agencies allow the program's role as a training ground for future managers to become too unfocused. Should that happen, the PMI Program could be at risk of being supplanted by the new career intern program. Given the PMI Program's special role as a source of managerial talent, that is not a prospect we would welcome.

Retention of PMIs

Because turnover among a skilled workforce can be so costly, retention is a management issue that the Government continually must address. Retention of employees whose presence in the workforce is the result of an expensive recruitment, assessment, and training process is particularly important. In the case of the PMIs, agencies' yearly hiring and training costs can total many thousands of dollars. For example, for each PMI agencies hired in 2000, they paid OPM \$3,600 towards program administration and the orientation and graduation training programs. (The cost per intern for 2001 is \$4,800.) That sum does not include what the Government spends on training provided by the agencies or the services of agency officials who act as assessors in the PMI assessment centers. Thus, the extent to which PMIs remain in the workforce over time can be considered one measure of the program's cost effectiveness. In this regard, there have been concerns that individuals hired through the PMI Program have particularly high expectations about reaching managerial levels early in their careers. The concern is that when this doesn't happen, PMIs might be more likely than other employees to leave the Federal service.¹⁸

To determine whether this is indeed the case, we examined CPDF data on the number of PMIs who remained federally employed at specific times after they were hired. From these data, we computed the percentage of PMIs who remained (the retention rate) and who departed (the attrition rate). We also gathered turnover data for a comparable

¹⁸ See Gail Johnson's book, "Recruiting, Retaining, and Motivating the Federal Workforce," Quorum Books, Westport, CT, 1991 on why PMIs leave Federal Service.

Table 1. Percent of PMIs and non-PMIs who remained in the Federal workforce at various times after hire

Year hired	PMI				Non-PMI			
	Years after hire			As of	Years after hire			As of
	1 - 3 years	4 - 5 years	6 - 10 years	Mar. 2000	1 - 3 years	4 - 5 years	6 - 10 years	Mar. 2000
1982-1989	81	69	55	51	75	68	62	56
1990-1994	77	59		51	79	66		58
1995-1996	70			65	75			69

group of non-PMIs. Turnover data from these two groups show differences and similarities. (See appendix A for the retention and cumulative attrition rates by year of hire for PMIs and non-PMIs.)

Our data indicate that PMIs leave at a slightly lower rate than non-PMIs during the first 3 years of employment. We suspect that PMIs stay to complete their internship, after which more of them tend to leave than non-PMIs. We also found that both groups tend to leave at a higher rate during the first 5 years after employment, but after the 5th year, the attrition rate decreases. This trend is not surprising, however. It seems reasonable for employees who are contemplating quitting to do so before they have invested a great deal of time and energy in their jobs.

We also compared the interns' attrition rate with the attrition rate of all full-time permanent employees in administrative positions. We found that, overall, PMIs do not leave Federal service at significantly greater rates than other employees in administrative jobs. For example, during their first 3 years on the job, employees in administrative occupations left at an average yearly rate of 6 percent. This rate is not much different from the overall yearly attrition rate of PMIs (7 percent). By their tenth year of employment, PMIs had an annual attrition rate of 2 percent compared to 3 percent for the other administrative employees.¹⁹

Table 1 shows that the percentage of PMIs who stayed in the Federal service is slightly lower than the percentage of comparable non-PMIs who stayed. This is somewhat surprising, because the PMI assessment process identifies candidates with interest in and commitment to public service, and non-PMIs generally are not assessed for that characteristic. On the other hand, people enter Federal employment for different reasons and with different expectations. It is likely that many PMIs are attracted to the program because of the anticipated fast track to management. It is conceivable that if the expected assignments, training, or advancement do not materialize, the appeal of staying in Government may fade and the PMIs may leave, as these former PMIs told us:

I think I was considered too young to be in a managerial position. Too many people who need to retire made it hard for me to move up, so I left for a real leadership and managerial position in the private sector.

The program was a step back 8 years in my career. I had had 15 years work in the public sector (10 years as a manager/director) and the PMI program was the level of work I had done 8-10 years prior. I left after 3 months to accept a director position at a national non-profit.

I have accepted an offer to leave Federal service effective my 3-year anniversary date. Feds do not provide or encourage opportunities to ad-

¹⁹ Data on administrative employees are from the OPM's Central Personnel Data File, used to prepare MSPB report titled, "Who Is Leaving the Federal Government? An Analysis of Employee Turnover," published in August 1989. Administrative positions as applied in the report are 2-grade interval positions, i.e., grade progression is by two grades between GS-5 and GS-11, and one grade progression beyond GS-11.

vance, transfer, or be promoted sufficient to keep me.

I will likely leave the government soon, as would many PMIs in my agency. We are not given leadership development training or award opportunities.

The data in table 1 suggest that retention during the first 5 years after hire is an issue that should continue to be monitored. There is some consolation in the thought that the talents of the PMIs who leave Federal service are not entirely lost to the public sector, because some of them may go to work in state or local government. Nevertheless, agencies that hire PMIs are not doing so with the intention of developing talent for non-Federal organizations. And it is costly to agencies if PMIs leave soon after their internship, because at that point the benefits of hiring and training them have not yet been realized. Furthermore, replacing a competent worker is expensive. By some estimates the cost of replacing a competent exempt employee can range from 25 percent to almost 200 percent of annual compensation.²⁰ Another expert in human resources management calculated replacement costs to be equivalent to at least 1 year's pay and benefits for a professional or managerial position,²¹ and these costs cannot be recouped.

Obviously, it behooves the agencies to do what they can to retain their highly productive employees, whether or not they are PMIs. In the case of PMIs, the responsibility for holding onto competent employees rests primarily with their managers and supervisors. These are the individuals most directly responsible for creating a positive Government experience for the PMIs. Comments volunteered by PMIs who responded to our survey suggest that their individual job experiences played the most significant role in their decisions to stay or leave. At the same time, OPM, in its recruiting efforts, must be careful not to oversell the program

in terms of the speed of career progression and developmental activities the interns can expect.

Quality and career advancement of PMIs

Quality. As noted above, agencies reimburse OPM for each PMI they hire. The majority of agency PMI coordinators (82 percent) and supervisors (86 percent) whom we surveyed said that, based on the quality of candidates they hired, the program is worth the cost to their agency. Supervisors are so well pleased with the PMIs they have hired that 79 percent of them said that they are very likely to use the program again.

Most supervisors (76 percent) believe that the quality of the PMIs they have hired in the last 3 years is better than the quality of employees hired through other hiring methods for similar vacancies. And once PMIs are on the job, 88 percent of supervisors indicated that the PMIs' overall performance has exceeded job standards.

On specific performance factors, supervisors are equally well satisfied. When we asked them to rate the knowledge, skills, and abilities of their PMIs based on how these interns performed on the job, an overwhelming majority of supervisors rated their interns' analytical ability (89 percent) and writing ability (88 percent) as outstanding or better than average. Supervisors also complimented their interns' leadership ability (90 percent) and knowledge of public policies and programs (76 percent), rating their PMIs as outstanding or above average on these elements.

Advancement. In evaluating the PMI Program, the question of how far interns have progressed in their careers inevitably is asked. A second question often asked is whether the high regard supervisors have for PMIs is warranted. We examined these issues in terms of the percentage of PMIs who have entered the supervisory or managerial ranks and the grade levels they have achieved.

²⁰ F. Leigh Branham, "Keeping the People who keep you in Business," American Management Association, New York, 2001, p. 6.

²¹ Jac Fitz-Enz, "The ROI of Human Capital," American Management Association, New York, 2000, p. 34.

Table 2. Percent who became supervisors

Year hired	PMI Time after hire				Non-PMI Time after hire			
	1 - 3 years	4 - 5 years	6 - 10 years	As of Mar. 2000	1 - 3 years	4 - 5 years	6 - 10 years	As of Mar. 2000
1982-1989	3	11	24	30	4	8	14	18
1990-1994	1	6		15	1	2		6
1995-1996	1			2	4			1

Supervisors. Table 2 shows that over time, a significantly higher percentage of PMIs than non-PMIs are selected for supervisory positions. (See Appendix B for the percentage of PMIs who became supervisors by year of hire.) Although a slightly lower proportion of PMIs became supervisors during the first 3 years of employment, the proportion of them who became supervisors after the first 3 years is higher. As of March 2000, 30 percent of the remaining PMIs hired between 1982 and 1989 were supervisors compared to 18 percent of the non-PMIs. Also, as of March 2000, 8 percent of the remaining PMIs hired between 1982 and 1989 had entered the Senior Executive Service, compared to only 1 percent of the non-PMIs.

While the data we reviewed indicate that a relatively high percentage of PMIs became supervisors, there has been a downward trend. OPM reported in 1991 that after 6 years on the job, 40 percent of PMIs hired between 1978 and 1983 were supervisors and managers.²² However, of both the PMIs and non-PMIs hired during the 1980's, a smaller percentage became supervisors, and that percentage dropped again for those hired in the 1990's. Table 2 depicts this trend. For example, 11 percent of PMIs hired between 1982 and 1989 were supervisors 5 years after they were hired, while only 6 percent of those hired in the 1990 to 1994 time frame were supervisors after 5 years.

It is likely that the Government's conscious effort, begun in the 1990's, to eliminate layers of hierar-

chy was a significant contributor to the decrease in percentage of supervisors among the PMIs. Government layering resulted in a decrease in supervisory and managerial positions from 12.1 percent of the workforce in 1989 to 11.2 percent in 1996, so there simply were not as many supervisory and managerial opportunities.²³ The PMI Program revisions, begun in 1982, are another possible explanation for the trend. Those revisions changed how the PMI Program is viewed and used. The emphasis on the program as a way to develop managers began to decline. A decreasing focus on the management development component of the program could have contributed to hiring officials being less likely to provide their PMIs with the developmental experiences that would make them competitive for supervisory or managerial positions.

Grade progression. We also looked at the grade progression of PMIs. Table 3 shows that overall grade progression of PMIs is higher than the overall grade progression of comparable non-PMIs. (See appendix C for the average grade by each year hired.) There are several factors that may contribute to the difference, among them, the geographic location of the job. CPDF data show that about 8 of every 10 PMIs hired between 1995 and 1999 worked in Washington, D.C., compared to 6 of every 10 non-PMIs who were comparable in educational level and occupation. Positions in Washington tend to be at higher grades than those located elsewhere; as figure 2 shows, the average grade for white-collar occupations in Washington

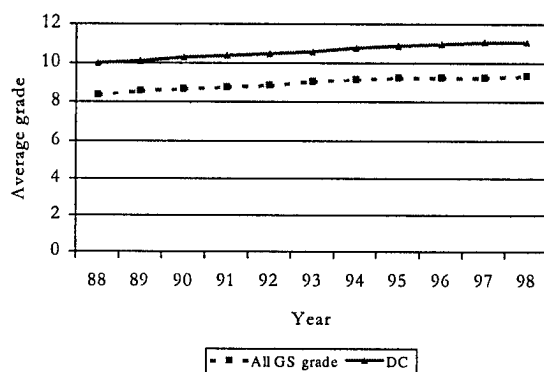
²² U.S. Office of Personnel Management, "PMI Cohort Study," Washington, DC, May 1991, p. 14.

²³ U.S. Office of Personnel Management, "The Fact Book," 1999 ed., September 1999, p.14.

Table 3. Average grade levels achieved by PMIs and non-PMIs at various times since entry

Year hired	PMI Time after hire				Non-PMI Time after hire			
	1 - 3 years	4 - 5 years	6 - 10 years	As of Mar-00	1 - 3 years	4 - 5 years	6 - 10 years	As of Mar-00
1982-1989	12.18	12.91	13.68	14.01	11.45	11.96	12.69	13.10
1990-1994	12.21	12.85		13.41	11.74	12.34		12.79
1995-1996	12.34			12.63	11.59			11.45

Figure 2. Average GS grade overall and in Washington, DC



Source: OPM 1999 Fact Book, p. 14.

is a grade higher than the average grade overall for white-collar occupations.

Table 3 also illustrates the fact that PMIs hired in the 1980's advanced about a grade higher than the non-PMIs hired during the same period. However, the grade level difference between the two groups declined in the nineties. PMIs hired between 1990 and 1994 advanced only about half a grade higher than non-PMIs hired during the same period. Why the decline in the rate of progression for PMIs hired later?

One possibility is that the removal of levels of Federal hierarchy (which began in the early 1990's) resulted in the abolishment of many jobs into which PMIs might otherwise have been promoted. Also,

as in the case of advancement to supervisory positions, the lessening of the emphasis on the management potential aspect of the program could have resulted in fewer PMIs being prepared by their agencies for supervisory and managerial jobs. And those jobs tend to have higher grades.

From table 3, we also see that both groups advanced at a faster rate during the first 5 years of employment. The faster rate during this earlier period could have been the result of career-ladder promotions.²⁴ Generally, once both groups attained their full-performance level grade, it took much longer to advance to higher grades, possibly because once they had reached their target grades, they had to compete with others for a limited number of higher-graded vacant positions. (In 1999, there were 319,974 positions at the GS 13-15 grade levels in the Federal Government out of more than 1.3 million white-collar positions.²⁵)

In general, graduates of the PMI Program have done very well, and have made more progress than employees in similar jobs who were not PMIs. PMIs have outstripped their non-PMI counterparts, both in terms of supervisory positions held and grade levels achieved. That is why the decline in advancement experienced by PMIs who graduated in the 1990's versus those who completed the program in the 1980's is a cause for concern. In the interest of maintaining the levels of success achieved by PMI graduates in the past, OPM should continue to monitor these trends.

²⁴ Career-ladder promotions are non-competitive promotions. That is, employees who are appointed at the lower grade level than the full-performance level grade of their position may be promoted to the next higher grade without further competition until the full-performance level grade is reached.

²⁵ U.S. Office of Personnel Management, "The Fact Book," 2000 edition, October 2000, p. 28.

Recruitment

Marketing the Program

PMI recruitment is centrally managed by OPM, but agencies select and place the interns. Students are eligible to apply to the program only during the academic year in which they receive or expect to receive their graduate degree. Because applications must be submitted by the end of October, most of OPM's recruitment efforts start at the beginning of the school year (see table 4 for a typical calendar of events). Selections by agencies and subsequent placement occur soon after the candidates have been screened by OPM, and must be completed—for the applicable group of PMI finalists—by December 31st. Most PMIs are placed between May and September.

Table 4. PMI calendar of events for 2000

October 31, 1999	Postmark deadline for completed applications
January to February 2000	Assessment center evaluations
Late March 2000	Notify finalists; begin placement
April 2000	PMI job fair
August 31, 2000	Completion of all academic requirements
December 31, 2000	Completion of placement

Marketing devices

OPM is responsible for marketing the PMI Program to both the nominating schools and the hir-

ing agencies. The primary method OPM uses to sell the program to schools and students is to mail recruitment information and PMI application packages to the schools. In the early 1990's, OPM sent materials to about 400 accredited graduate schools.²⁶ By 1999, that number had swelled to almost 2,000 schools and organizations across the U.S. and its territories. Although a number of individuals associated with the program are unaware of its marketing activities (25 percent of PMIs and 43 percent of agencies coordinators reported that they don't know how OPM markets the program), the large number of schools OPM reaches appears to assure a more-than-sufficient number of candidates.

OPM's approach to obtaining agency support for the PMI program is similar to the technique used to stimulate student interest. Some 89 percent of the agency PMI coordinators we surveyed said that OPM's most common device for marketing the program to agencies is to send them memoranda or notices. Half of the coordinators (51 percent) also indicated that OPM sends brochures and pamphlets to agencies which the agency can, in turn, distribute to interested managers or students. Some 32 percent of PMI coordinators said that when invited, OPM provides staff to make presentations about the program at conferences.

To widen its reach, OPM has deployed a PMI web site for both agencies and prospective PMI candi-

²⁶ Office of Personnel Management, "Presidential Management Intern Program Evaluation," Washington, DC, May 1991, p. 3.

dates. The site includes information such as program policies, memos to agencies, instructions on how to apply, lists of rotational opportunities, and other information. Perhaps because the web site is new, only about 2 percent of the PMIs we surveyed first learned about the program from it. However, we believe that the utility of the web site as a marketing tool will increase as more people learn of its existence and OPM implements planned improvements to the site. The PMI web site is at <http://www.pmi.opm.gov>.

Marketing results

Because of the PMI Program's history and reputation as an elite program, it is attracting graduate students who would otherwise not have considered working for the Federal Government. Sixty-two percent of PMIs who responded to our survey said that they would not have entered Federal service if not for the PMI Program. Some schools promote the program on their web sites, describing it as "prestigious" and "highly competitive," implying that only the best can get in. One graduate school of public policy described the PMI Program as a way to "prepare Finalists for careers as upper-level managers in . . . the Federal Government" Other schools describe the PMI Program as a means of entry to a Federal career, without stressing its management potential aspects. The universities undoubtedly market the program to their student bodies in whatever fashion they believe will stimulate interest, and OPM understandably supports logical differences in the way the program is advertised. However, it would not be unreasonable for OPM to make some attempt to control the way the program is portrayed during the marketing phase—perhaps simply through requests or instructions to the universities—so that the program is not mischaracterized, so that what students can expect from the program is not exaggerated, and so that the program's emphasis on management potential is not obscured.

Candidate strengths. In our survey of supervisors who had hired PMIs we addressed the issue of

Table 5. Reasons for hiring PMIs

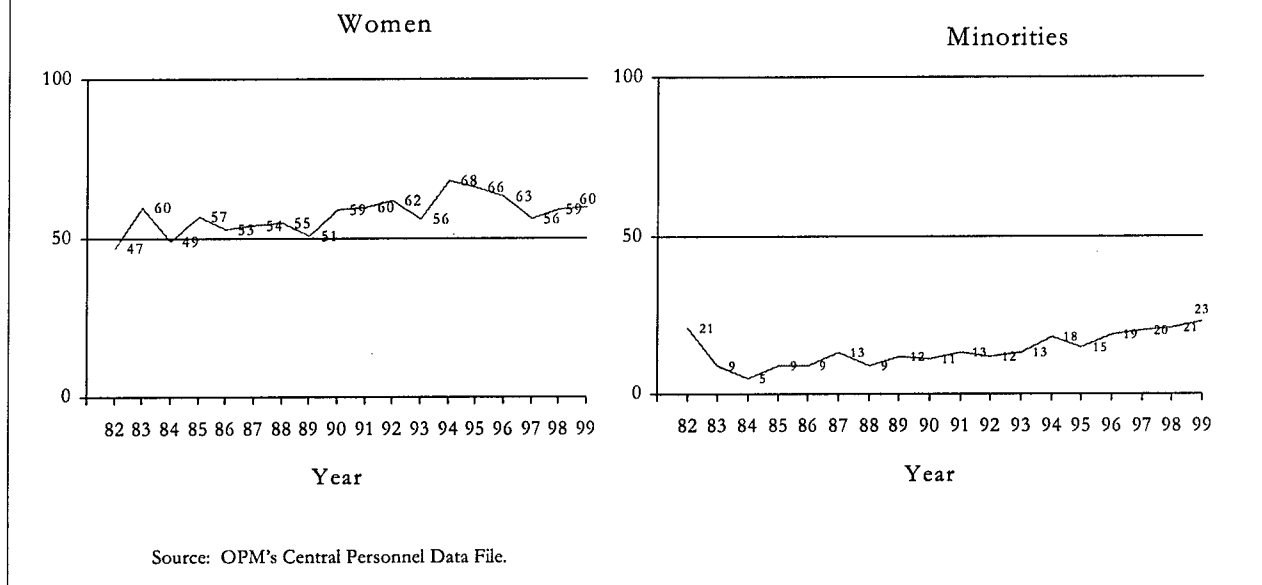
Reasons	Percent of supervisors choosing this reason
Analytical ability	53
Ease in getting PMI on board	37
Writing ability	27
Educational level attained	27
Prior experience supervising a PMI	25
Leadership potential	23
Technical expertise	18
Commitment to public service	18
Interpersonal skills	16
Oral skills	14
Interest in public service	13
Supervisory or managerial potential	11

what qualities supervisors were looking for in PMI candidates. We found that supervisors are likely to hire PMIs for their analytical and writing abilities, and for the ease with which PMIs can be brought on board (see table 5). The perception of ease is, no doubt, due to the fact that agencies—specifically hiring supervisors—are not involved in the laborious process of recruiting and screening the candidates (described later in this report), and do not really get involved in the mechanics of the program until they are ready to make a selection.

Supervisors are less likely to hire PMIs for their supervisory or managerial potential, interest in public service, or their oral skills, three competencies for which the PMIs are screened and assessed.

Program diversity. OPM's effort to increase the diversity of the applicant pool by sending information and application packages to schools with a large proportion of minorities in their student bodies appears to have paid off. Based on CPDF data, the percentage of women and minorities in the PMI Program has been increasing (see figure 3). Since 1982, the proportion of minorities hired has shown an upward trend from a low of 5 percent in 1984 to a high of 23 percent in 1999. This is also reflective of the increase in the percentage of minorities receiving graduate degrees. In 1981, the percentage of minorities receiving master's degrees was about 11 percent; by 1996, the percentage of

Figure 3. Percent of women and minorities hired in 1982 to 1999



minorities receiving master's degrees was up to 17 percent.²⁷

The percentage of women hired in the program has risen from 47 percent in 1982 to 60 percent in 1999. While these numbers might suggest that the program favors women, it actually reflects the representation of women in graduate schools. Based on Department of Education data, 50 percent of those who received master's degrees in any field in 1983 were women. In 1995, the number of women receiving master's degrees had increased to 55 percent, and this trend is expected to continue.²⁸ Looking at the number of students receiving master's of public administration degrees, a degree that 41 percent of PMI survey respondents received, we found that women are predominant in this field. The National Association of Schools of Public Affairs and Administration reported that of those who received master's degrees from its member schools in 1998, 62 percent were women.²⁹

Number of applicants. Reaching out to more schools has resulted in an overall increase in the number of applicants to the PMI Program. Starting in 1988, OPM expanded its outreach to more schools while former PMIs engaged in outreach at their alma maters.³⁰ The collective marketing efforts by OPM and PMI alumni started to bear fruit in the early 1990's when the number of nominees increased. In fact, in some years the number of nominees was three times as large as the maximum number that actually could be hired through the program. The number of nominees increased through 1994, dropping to its lowest levels in 1995 and 1996. This sudden dip occurred during OPM's downsizing, the restructuring of the PMI Program Office, and that office's relocation from Washington, DC, to Philadelphia. Soon after the move, however, the efforts of the Philadelphia staff resulted in the resumption of that upward trend which continues today.

²⁷ U.S. Census Bureau, "Statistical Abstract of the United States," 1999 edition, table 334, p. 206.

²⁸ <http://nces.ed.gov/pubs98/pj2008/p98c04.html>, Aug. 31, 2000.

²⁹ http://www.naspa.org/sur98_3.htm, Jan. 12, 2000.

³⁰ U.S. Office of Personnel Management, "Report on the Presidential Management Intern Program, 1978-1987," Washington, DC, September 1989, p. 1.

Comments from some graduate school officials raise a concern about the continuation of this trend, especially in times of competitive employment markets. School officials informed us that their students were less interested in the program because private sector companies were aggressively recruiting their students. The lack of an OPM presence on their campuses does not help the situation, according to these officials. Another problem that school officials mentioned was the program's inflexibility with respect to the grade or pay

rate for which PMIs can be hired. Although individuals with doctoral degrees can qualify for the GS-11 grade level based on education alone, and those with sufficient prior work experience can be hired at a grade higher than GS-9 outside the program, the PMI Program—unlike the Federal Career Intern Program—does not give agencies the flexibility to hire interns at any grade other than GS-9. Nevertheless, if OPM continues to solicit nominations from more schools, the number of nominees should remain high.

Assessment and Selection

The executive order and regulations governing the PMI Program require OPM to develop appropriate procedures for the nomination, screening, and placement of PMIs. OPM requires schools participating in the program to establish competitive selection procedures to ensure that all applicants receive careful and thorough review. The schools' nominees are further screened through an OPM-administered assessment center process. Those who successfully complete the assessment center become program finalists, that is, they may be considered for selection by agencies. Agencies generally conduct further assessments—mostly through resume reviews and interviews—of the finalists whom they consider hiring.

The Schools' Nominating Process

Participants must first be nominated by their dean, chairperson, or academic program director. School officials nominate their students through completion of the PMI application form. Results of the survey we sent to PMIs indicate that the selection process schools used to identify their nominees varied widely—from noncompetitive to extensive. At schools that do screen potential nominees, not all screening processes are viewed as competitive by PMIs (see figure 4). In order of reported frequency, survey respondents said that their schools used the following criteria to judge potential nominees:

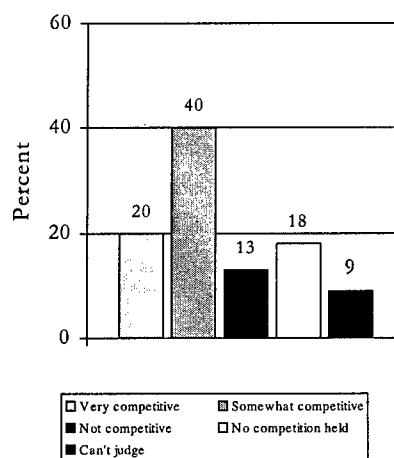
- Graduate school grades
- Recommendations from professors

- Essays
- Oral presentations

PMIs who completed the less frequently used essays and oral presentations generally regarded them as competitive. Of those who had to write essays to be nominated, 44 percent said that that process was very competitive; half of those who made oral presentations considered them very competitive.

Proportionately fewer PMIs thought that basing nominations on their grades or professors' recommendations was competitive. Thirty-five percent

Figure 4. PMIs rate their schools' nomination processes.



Source: MSPB 2000 PMI Survey.

of those who were nominated based on grades thought this was a very competitive process, while a quarter thought the same about their professors' recommendations. The relatively lower regard PMIs seem to have for grades as a factor in the nomination process may be the result of typical graduate schools' grading practices, which require that students earn a B or better to pass a graduate course. This, plus the fact that the students are already a select group (having competed to enter graduate school programs), tends to greatly reduce the variation in graduate students' grade point averages compared to those of undergraduates. And, as we have noted in earlier studies, because the value of grades varies from school to school, and from professor to professor, grades are generally not a useful predictor of future job performance. Professors' recommendations are considered competitive by a minority of PMIs because—as PMIs told us in written comments and focus groups—candidates tend to approach professors only if they are likely to agree to write a positive recommendation. If every student who asks for a recommendation gets one, the value of the recommendations is certainly diminished. Thus, the notion that professors are selecting the best candidates to recommend may not be wholly credible.

OPM's Screening and Assessment Process

The "Assessor's Guide" for the 1999-2000 PMI assessment center notes that the PMI Program "provides a continuing source of trained men and women to meet the challenges of public management." The guide describes the assessment center method as "a valuable way to select people who have managerial potential." In keeping with those goals, OPM uses a rigorous screening process so

that "candidates whose management skill levels are highest can be distinguished from otherwise qualified applicants for the PMI Program."³¹

OPM's screening process has undergone dramatic changes over the life of the PMI Program. Before 1994, OPM conducted a screening process consisting of intensive application review, a regional assessment center, and, finally, a writing sample review. The regional assessment center included participation in an individual exercise and a group exercise. A panel of academics and Government officials reviewed the applications, while a panel composed primarily of Federal managers conducted the individual and group exercises. The writing samples were evaluated later by a separate review panel composed of graduate school administrators, Government officials, and former PMIs.³² Any one of these phases could potentially screen out a candidate.

In a 1990 study of this three-phase screening process, OPM found that 76 percent of the candidates did well enough in the application review to be invited to the regional assessment center. Almost all (94 percent) of those who participated in the oral individual and group exercise phase of the assessment center received a "satisfactory" or higher rating which made them eligible for further consideration. The writing sample exercise was the most difficult part of the selection process for the nominees, with 71 percent of the scores falling at or below the midpoint of the rating scale.³³ Those who scored one point below, at, or above the midpoint were considered further. Scores for each of the three phases were combined to identify the group of finalists from whom agencies would make selections.

³¹ U.S. Office of Personnel Management, "1999-2000 Presidential Management Intern (PMI) Program Assessment Center Assessor's Guide," Washington, DC, page iv.

³² Tressie W. Muldrow, "Presidential Management Intern Program Evaluation: Summary Report," Office of Personnel Management, Career Entry Group, Personnel Research and Development, Washington, DC, May 1991.

³³ Thomas J. Lyons, "Characteristics of Nominees for the 1990 Presidential Management Intern Class," Office of Personnel Management, Career Entry Group, Personnel Research and Development, Washington, DC, May 1991, pp. 19-20.

OPM made a series of changes to this process from 1994 through 1999. For example, OPM did not conduct the regional assessment centers in 1995 and 1996. During this period, OPM relied on the application review to identify PMI finalists. A streamlined automated application, which included a questionnaire to evaluate candidates' leadership and managerial potential, was introduced in the fall of 1996. In concert with this automated application, OPM introduced the current version of the regional assessment center in 1997. At the time of our review, OPM was relying solely on the regional assessment centers to identify PMI finalists, having discontinued the questionnaire in 1999. Our review of the design and implementation of the current PMI assessment center process raises some questions and concerns about how well it identifies PMI finalists. These are discussed below.

The current PMI assessment center

Assessment centers are conducted at 23 locations nationwide. During calendar year 2001, about two-thirds of the approximately 1,800 PMI nominees were eliminated from further consideration based on the assessment center process. It is important to ensure that they were eliminated based on a valid, job-related assessment of their relative ability, knowledge, and skills.

The current assessment center process consists of several "situational tests to observe specific behaviors of the participants."³⁴ Candidates' competencies are evaluated based on their performance on three exercises: an oral individual presentation, a group discussion, and a written exercise. These tests are intended to measure specific knowledge, skills, abilities, and other characteristics that OPM deems necessary for success in the internship. Five

of the eight competencies measured in the assessment center are drawn from OPM's Leadership Effectiveness Framework (LEF).³⁵ These are: analytical thinking, demonstrated leadership, interpersonal and team skills, oral communication, and written expression. The LEF was developed by OPM and describes more than 20 competencies that first-level and higher-level managers in the Federal Government need in order to be successful. The three remaining dimensions of the assessment center were added based on input from agency officials knowledgeable about the PMI Program. Those dimensions are: interest in Government service, breadth and quality of accomplishments, and knowledge of policies and programs.

Compliance with regulatory policies and requirements. As a measurement instrument, the assessment center is an employment practice as defined in the OPM regulations that deal with employment.³⁶ Those regulations require that employment practices (1) be practical in character and as far as possible relate to matters that fairly test the relative capacity and fitness of candidates for the jobs to be filled; (2) result in selection from among the best qualified candidates; and (3) be developed and used without prohibited discrimination on nonmerit grounds.³⁷ Furthermore, OPM regulations require that an employment practice be based on a job analysis to identify the basic duties and responsibilities of the position to which the practice (or instrument) applies; the knowledges, skills, and abilities to perform those duties and responsibilities; and the factors that are important in evaluating candidates. OPM also requires that the practice be relevant, i.e., there must be a rational relationship between performance in the position to be filled (or the target position, as in the case of the PMI Program) and the practice

³⁴ George C. Thornton III, "Assessment Centers in Human Resource Management," Addison-Wesley Publishing Company, Inc., 1992, p. 2.

³⁵ U.S. Office of Personnel Management, "1999-2000 Presidential Management Intern (PMI) Program Assessment Center Assessor's Guide," Employment Services, Washington, DC, pp. 1-2.

³⁶ See 5 C.F.R. 300.101 for the definition of "employment practices."

³⁷ 5 C.F.R. 300.102.

(or instrument). The demonstration of rational relationship must include evidence that the employment practice (or instrument) was professionally developed.³⁸

OPM has an obligation to show that the PMI assessment center complies with its own regulatory requirements, but we have found no formal documentation to show that it has done so. Five of the eight candidate characteristics or dimensions measured in the assessment center were derived from the LEF, an instrument based on comprehensive studies of successful Federal supervisors and managers. While it is highly likely that these five dimensions are also applicable to the PMI program, as yet no validity study has been completed to link the five dimensions—or the other three dimensions used—to the work of PMIs.

OPM has informed us that they began conducting a job analysis in 1999 and are about to conclude the data collection portion of the analysis. Such an analysis will help to demonstrate the extent to which the assessment center process is job related and content valid. However, such a study will not address the issue of the extent to which the assessment center adds practical value to the total assessment process. To address that issue, OPM would have to do two things:

(1) Ensure the ratings that assessors assign in the assessment center are reliable (that is, the rating scales must be used consistently among assessors and each assessor must apply the rating scales consistently to each candidate rated).

(2) Demonstrate that the dimensions being measured in the assessment center and the way they are scored actually predict who will and will not succeed as a Federal manager.

According to PMI Program Office officials, a study is underway to assess the reliability of the ratings assigned in the assessment center. This, in addition to the job analysis, is a step in the right

direction, and we believe such studies should be completed without delay. A study to demonstrate the practical value of the assessment center process may take several years to complete. However, given the PMI Program's importance and high visibility, it needs to be initiated as soon as possible.

In the meantime, there remain several specific concerns about the PMI assessment center process. These are discussed below.

Assessment center concerns. When asked whether they were generally well prepared to be assessors, an overwhelming majority (94 percent) of assessors said that they were. While this information is encouraging, other survey results suggest that this may be an overly optimistic view. The assessors we surveyed about their PMI assessment center experiences reported difficulties in observing the behaviors associated with some of the dimensions for which they were required to evaluate the candidates (see table 6).

Table 6. Percent of assessors rating the eight dimensions difficult to observe and rate

Dimensions	Difficult to Observe	Difficult to Rate
<i>Oral exercises</i>		
Oral communication	1	1
Interpersonal and team skills	2	1
Demonstrated leadership	10	12
Analytical thinking	11	14
Policies & programs	39	41
<i>Written exercises</i>		
Written expression	0	3
Breadth and quality of accomplishments	14	9
Interest in Government service	20	17

Difficult dimensions. The difficulty in assessing applicants' knowledge of policies and programs, interest in public service, and breadth and quality of accomplishments may lie in the appropriateness of the tool used to assess the competencies. Generally, competencies can be evaluated in the assessment center if they can be observed. This being the case, one cause of the difficulties reported in rating "policies and programs," for example, may be that

³⁸ 5 C.F.R. 300.103.

oral exercises do not lend themselves to a demonstration of that competency. That dimension might be more effectively measured via a writing exercise or a knowledge test. "Interest in Government service" is another competency that may not be amenable to behavioral assessment. Similarly, the difficulty in evaluating "breadth and quality of accomplishments" may lie in the fact that it is not a knowledge, skill, ability, or attribute.

Our observations of the assessment center process and our discussions with assessors also led us to question whether assessors are being overwhelmed with the tasks at hand. It is possible (and even likely) that an individual assessor may be asked to observe—and record behaviors for—as many as four different candidates on five separate dimensions—all during a 20-minute exercise. Our concerns about their ability to accurately perform such tasks could be eased by studies of the reliability of ratings, such as we mentioned above.

Rating against standards. Although OPM assured us that candidates are rated against established standards (i.e., the rating guide benchmarks) and not against one another, candidates obviously believe otherwise. And there is basis for this belief, especially as it relates to the group exercise. For example, the performance of an individual in a group situation is influenced by the dynamics of that group. An assertive, well-trained speaker could easily dominate the group early in the discussion, thus giving the rest of the group little opportunity to contribute. Given some of the comments volunteered by the assessors who participated in our survey, it appears that some ratings are influenced

by the variations assessors see among the particular set of candidates they are rating at each assessment center. This tendency is very likely to exist in the group exercise, where it's extremely difficult not to compare candidates with one another.

Compounding this problem is the fact that some assessors, by their own admission, lowered the ratings of candidates who displayed behavior thought to be obviously rehearsed. Whether assessors can tell that a behavior is rehearsed is open to debate, but the fact is, assessors are not rigorously following established rating guides, which cannot help but affect the consistency of the rating process.

Perceived fairness. Schools of public administration that traditionally have participated in the PMI program heavily coach and prepare their students for the assessment center process. In written comments and in focus groups, uncoached PMIs expressed the belief that they had been put at an unfair disadvantage. Others admitted selecting particular assessment center locations where they thought the candidate pool would be less competitive, or less "coached" in order to increase their chances of success.

Some of our concerns about the assessment center process are likely to be addressed by the studies currently underway within OPM. For now, our concerns about the process's job-relatedness and reliability remain, as does our concern that OPM has not developed objective data to show how the time-consuming and costly assessment center process adds value to PMI assessment.

Training and Development

Training and development are a fundamental part of the PMI Program and its most attractive component for many graduate students. There are, however, some aspects of the PMI training effort that appear to be falling short of the program's objectives.

Prior to OPM's downsizing and restructuring in the mid-1990's, OPM had put into place dual-track training and developmental activities for PMIs. OPM handled the "managerial track," which focused on developing managerial competencies identified as communications, interpersonal skill, group behavior, and planning and organizational culture. Agencies were responsible for the "technical track," i.e., knowledge of agency-specific programs, procurement, budget, human resources management, program analysis, and information management.³⁹

This dual-track approach to developing PMIs was discontinued during OPM's downsizing in the first half of the 1990's. Agencies whose budgets had been cut found it too expensive to continue to pay OPM's annual recruiting, assessment, and managerial training charges which ran, by some accounts, upwards of \$5,000 per PMI. Agencies viewed those costs as excessive, in part because they had to expend additional funds for the technical training, which was their responsibility. Agencies also be-

lieved that they could do a better job than OPM of tailoring, delivering, and controlling training to fit their own PMIs' needs. In response, OPM reduced its fees and focused on providing the orientation and graduation programs (which satisfy 40 hours of the required PMI training), while agencies agreed to provide the rest of the training.

Currently, the PMI Program requires that interns receive at least 80 hours of formal training per year as well as job assignments that provide career development activities. At least one job rotation, either within or outside the employing agency, is to be included in each intern's assignments.

As program administrator, OPM acts as a facilitator, encouraging PMIs to take charge of their own careers and fully participate in their own development. OPM also passes along to agencies information from various training vendors from whom agencies may buy services, but does not evaluate or approve vendors or their products for agencies. Although OPM plays an active role in providing a substantial amount of PMI training through its orientation and graduation programs, it has not been active in enforcing agencies' obligation to provide the other training and on-the-job developmental experiences that are required to fulfill program objectives.

³⁹ Beth Elliott, "New Career Development Component Unveiled for the PMI Program," as it appeared in OPM's newsletter PMInformer, Fall, 1989, p.4.

OPM Orientation and Graduation Programs

As noted above, OPM conducts an intern orientation for new interns as well as a graduation program. The orientation accounts for 24 hours of the required 80 hours of formal training in the PMI's first year, while the graduation fulfills 16 of the 80 hours of training required in the second year. Both the orientation and graduation programs include workshops and seminars geared towards developing the PMI's leadership and managerial potential.

Both the PMIs and the agency PMI coordinators indicated to us that OPM did a good job managing the orientation and graduation components of the PMI training. Unfortunately, more than one out of three PMIs question the value of the orientation. While 64 percent said the orientation was useful, 36 percent said it was not useful at all in their career development. Some of the problems they identified were sessions that were impractical and lacking in depth, OPM orientation that was duplicative of the agencies' orientations; and too much time spent in forming the career development groups (CDGs) and in discussing communication and personality styles. (Sessions on personality styles were found to be interesting but not really useful on the job.) Here's what some of the PMIs told us:

I am an older college graduate with years of work experience. I find the activities not very useful for my skill/knowledge level.

The training provided during the OPM orientation has not been even remotely useful in my job.

Most of the orientation was so below most of my graduate courses it made me hostile that I was held hostage.

Orientation was overall quite positive for my career development but I suggest getting more recognized speakers or presenters to lead some of the

workshops... Some [speakers] presented concepts that were not practical or well established for us to base our career development plans on.

At the time of our survey of PMIs, only those hired in 1997 had "graduated" from the program. Of those hired in 1997, 40 percent did not offer an opinion about the utility of the graduation program for their career development. Of those who had an opinion, 77 percent said the graduation program was useful while 23 percent said it was not useful.⁴⁰ As with the orientation, some PMIs questioned the value and practicality of the sessions.

Agencies' Training Programs

Agencies have great flexibility when it comes to the training types and topics they provide for their PMIs. Most of the supervisors who responded to our survey (83 percent) said that their PMIs have attended seminars and conferences on a variety of subjects. The most common topics involved congressional processes, the use of office technology, program-related laws and regulations, and leadership training. At least a third of the PMIs we surveyed had received training in one or more of these topics. Most who received the training found it useful, especially the training in congressional processes.

Table 7. Percent of PMIs who received training

	Hours of formal training			
	<40	40-80	81-160	161+
1997	15	22	33	30
1998	12	39	32	17
1999	25	41	22	12

The majority of PMIs received the required 80 hours of training and one or more rotational assignments during their 2-year internship (see tables 7 and 8). While this is a positive finding, a significant minority of PMIs still are not provided the training experiences that agencies are expected to give them. For example, 15 percent of those hired in 1997 received less than 40 hours of train-

⁴⁰ The 1997 PMIs comprised a third of all PMIs who responded to our survey.

ing during their internship. Similarly, 14 percent of PMIs hired in 1997 who had "graduated" by the time of our survey, had not experienced a developmental rotation. And, although the program strongly encourages the establishment of an individual development plan (IDP) within the first 3 months of the internship, about half the PMIs (46 percent) said that they were without an IDP 6 months after entry.

Table 8. Percent of PMIs who had rotational assignments

Year hired	Number of rotational assignments			
	None	1	2	3+
1997	14	26	18	42
1998	17	30	26	27
1999	37	31	18	14

Career Development Groups

In addition to training classes, conferences, and rotations, there is a component of the PMI program that provides a less formal type of developmental activity. Career development groups (CDGs) were conceived as a medium through which PMIs could practice and develop their leadership and managerial skills. Unfortunately, except for enabling PMIs to build networks among their peers, the CDG is not particularly effective in helping interns develop their careers, according to many CDG advisors who volunteered to assist PMIs hired in 1998 and 1999 (see table 9). PMIs share this view. Only 2 percent of PMIs said the CDG helped them meet their internship goals or objectives to a great extent, while a majority (54 percent) said the CDG did not help them at all; the rest (40 percent) said the CDG helped to a moderate extent. The following are some factors that contribute to the CDGs' lack of success:

- **The guidance OPM provides doesn't do much to help CDGs function effectively.** Thirty-six percent of CDG advisors who responded to our survey thought the resource manual that serves as a guide to PMIs and other program participants was somewhat useful, and

Table 9. Percent of CDG advisors who think the following CDG objectives were met to a "great extent" or "moderate extent" through group-initiated activities

Objective	Percent
Build a network among peers	65
Increase awareness of critical career and work decisions they face and will face	47
Stimulate commitment to continued personal and professional development	44
Develop and strengthen interpersonal skills	44
Opportunity to practice team building and decision-making skills	41
Develop a forum where ideas and opinions are freely exchanged	41
Build a network with Government officials	39
Allow to study, analyze, and discuss managerial issues	34

another 26 percent thought it was not useful at all. A third did not know it existed. In addition, CDG participants were not widely aware of an OPM web site set up specifically for the PMI Program. OPM requires each CDG to submit an agenda covering the 2-year internship, which OPM posts on the PMI web site. But some 39 percent of CDG advisors we surveyed were not aware of the web site. Of those who knew about the web site, 53 percent did not think it was useful.

- **The role of the CDG advisor is not clear.** Running the CDG is the responsibility of the PMI members themselves through their elected group leaders. The success of the CDGs depends on the dedication, leadership, and commitment of the group leaders. Although conceptually sound, this arrangement is open to problems. Group leaders are PMIs who have many demands on their time at work and whose focus is success on the job. Organizing and managing a group takes a lot of time, which many may not have. Group leaders have no clear accountability for their groups' success, and some PMIs commented that they had not heard from their group leaders. This situation puts many CDG advisors in an awkward posi-

tion because even if they believe that the group lacks direction, they are not supposed to direct the group themselves.

- **PMIs don't participate in CDG activities.** At the time of our survey, 13 percent of the CDG advisors indicated that their group had not yet met.⁴¹ A third of the advisors said that their group had met once or twice, while others indicated their group had met three times or more. Unfortunately, CDG meetings are difficult to sustain throughout the 2-year internship. Generally, only about a quarter of the members attended meetings, and usually the same people went each time. There are various reasons for the lack of PMI participation:

- ✓ Most PMIs did not think the CDG activities helped them develop their potential to succeed as managers/supervisors (55 percent), program analysts/specialists (56 percent), or leaders (48 percent).
- ✓ Others said that the activities planned for the CDG meetings were not of interest to them, or they had no means of getting to where the activities were held. Most of the activities planned by the CDGs occur after office hours. For many, this is inconvenient. They have families and other commitments that come first, and are not inclined to extend their working hours into the evening. Because nonparticipation in the activity does not adversely affect their standing at work or the successful completion of the program,

they do not find attendance to be particularly important.

The majority of the CDG advisors (66 percent) did not know whether the activities the group initiated were linked to the members' IDP or specific competencies that the interns needed to develop. Both the advisors and the PMIs generally viewed the CDG activities as a means to socialize rather than a means to develop professionally. Although the CDGs can offer the opportunity for social interaction that could benefit members' careers in the long run, not all group members saw it this way. Some asserted that they did not need the CDG to socialize.

- **Agencies provide limited support and OPM no longer funds CDGs.** According to some PMIs, their supervisors were reluctant to let them attend CDG activities during office hours or provide the resources, such as travel money, so that they could meet with their groups. Some advisors lamented the fact that OPM does not provide financial support to CDGs as it did in the past. Previously, OPM provided \$4,000 to each CDG, but this was discontinued in 1993. OPM, meanwhile, is unable to provide financial support because the fees it receives from agencies for the PMI Program do not cover CDG expenses. These circumstances, coupled with the PMIs' relatively negative views about its usefulness, raise serious questions about whether this particular training component should be continued.

⁴¹ At the time of our survey in the summer of 2000, those hired in 1998 were almost at the end of their 2-year internship and officially "graduated" in December 2000. All those hired in 1999 had completed, at the time of the survey, at least 6 months of their first year of internship.

Conclusions and Recommendations

The purpose of the PMI Program, to select and develop high potential individuals for public sector management, is as relevant today as it was when the program began 24 years ago. The program has enjoyed a fine reputation among Federal officials and among graduate schools of public administration, and has been the point of entry for many of today's talented Government leaders. It remains an excellent tool for succession planning, and should continue to be an effective hiring and candidate development option. However, in the interests of preventing a decline in the program's excellence, it is important to understand several weaknesses and potential problems that need to be monitored or mended:

- Programmatic changes intended to make the program accessible to more graduate students and operational changes designed to cope with resource reductions have led to a decreased focus on the purpose of the program as an identifier and developer of individuals with management potential. This situation sometimes results in neglect of program objectives, particularly with respect to training and development of interns. The recent establishment of a new Government intern program could add to the confusion.
- The variations are enormous in the form and the quality of the process that graduate schools use to decide whom they will nominate to the PMI Program. It's possible for these variations to be reflected in the quality of the nominees the schools refer to the Government.
- The Government as an employer has little or no presence on most campuses, and therefore cannot nurture a widespread interest in public service among students contemplating their careers, or generate interest among faculty and academic leaders. The Government's absence from campuses means that the PMI Program is less likely to be recommended to students or endorsed by faculty. The program continues to attract a more-than-sufficient number of applicants for the PMI positions available by contacting more schools each year, but maintaining interest in Federal service among the schools' very best graduates will remain a challenge.
- The PMI Program's assessment center process has been in operation for a number of years without documentation regarding its validity, reliability, and cost effectiveness. (Studies are underway to address some of this issues.)

OPM has done an excellent job rejuvenating a program that was very nearly eliminated during OPM's restructuring and realignment. Its efforts to re-institutionalize the program, to deploy a PMI web site, and to recruit from more schools are commendable. But there are areas of implementation that OPM needs to strengthen. Our review of the current PMI assessment center process raises questions and concerns about its effectiveness in identifying PMI finalists. Fortunately, because candidates of the PMI Program are already part of a highly select group of people, the quality of PMIs

remains high. But competition for prospective PMIs will become more intense and costly, especially for those whose talents are highly valued by both the Government and the private sector. To ensure that the Government successfully attracts its share of these highly talented candidates, and develops them accordingly, we recommend the following actions:

1. OPM should direct agencies' and its own focus towards the stated purpose of the PMI Program so that all parties understand its special objectives of identifying future managers and providing them developmental opportunities. This is particularly important today, in light of the projected departure of so many Government managers and the recent establishment of another intern hiring vehicle, the Federal Career Intern Program. OPM should make it clear that the PMI Program is more than merely a convenient way for managers to hire talented individuals with graduate degrees, and that agency intern development plans are expected to conform with the program's purpose as stated in the governing executive order—to attract outstanding men and women with “an interest in, and commitment to, a career in the analysis *and* management of public policies and programs” (emphasis added). OPM should strengthen the focus of the PMI Program as a tool for attracting graduate students with exceptional management potential and should clarify the program's relationship to the career intern program that recently was established. Clarification of the intent and objectives of these programs will help to ensure that in the process of succession planning, agencies use the right program for the right reasons, and direct their recruiting and career development resources accordingly.

2. In collaboration with the agencies, OPM should ensure the reliability, validity, efficiency, and cost-effectiveness of its assessment center process. OPM should be able to demonstrate that the characteristics on which candidates are assessed are related to the jobs to which they're appointed and also should be able to show that its PMI as-

essment center is measuring those characteristics properly, and adding value to the candidate assessment in proportion to the expense of the process. To accomplish these objectives, OPM should complete its validity and reliability studies on the PMI assessment center and should develop objective data on its cost effectiveness.

3. In recruiting for the PMI Program, OPM should ensure that prospective candidates are well informed about intern assignments and career advancement. OPM's recruiting literature and recruiting activities should ensure that interns understand the level of the work they are likely to be assigned during and after their internships, and the extent to which they are responsible for their own advancement. Although the OPM program office asserts that they and the agencies provide PMI finalists with information on this topic, the message is not getting through in all cases. The comments provided by survey participants indicate that too many candidates expect presidential management internships to lead to assignment to high-level managerial jobs soon after graduation from the program. These unmet expectations can quickly lead to disillusionment and can adversely affect retention of these high quality employees.

4. OPM should work with agencies to improve PMI training. OPM itself provides some PMI training (orientation and graduation sessions) and communicates to agencies their responsibilities for training their own PMIs. Nevertheless, not all the required training is being accomplished. OPM should hold agencies accountable for providing intern training activities by including a review of agencies' PMI Programs during oversight reviews. Agencies that want to use the PMI Program should commit themselves to providing the type and amount of training required by the program.

5. OPM should either strengthen the Career Development Group component of the PMI Program to ensure the groups provide professional development opportunities in which interns are likely to participate, or should allow

the groups to focus exclusively on networking, which is currently their primary use. The CDGs are not viewed as officially sanctioned and are not particularly effective as a management development tool. Less than half of the PMIs surveyed said the CDG helped them meet their internship goals. The value that interns do place on CDGs, tends to be because of their usefulness as a means to network with peers, rather than as a vehicle to develop professionally. Neither agencies nor interns are held responsible for intern participation in CDGs, and OPM is unable to provide financial

support for the groups. If it believes there is sufficient support for continuing the CDGs as vehicles for management development activities, OPM should solicit ideas from PMIs, their supervisors, and current and former CDG advisors on how to make the groups effective. If program participants remain more interested in using CDGs exclusively to facilitate networking, then that should be permitted to happen so that the resources the program office uses to establish and monitor CDGs as management development tools can be redirected.

Appendix A. Retention and attrition rates

Presidential Management Interns

Year hired	Retention rate			As of Mar 2000	Cumulative attrition rate			As of Mar 2000
	1-3 years	4-5 years	6-10 years		1-3 years	4-5 years	6-10 years	
1982	98	80	65	59	2	20	35	41
1983	83	66	54	46	17	34	46	54
1984	80	74	48	41	20	26	52	59
1985	81	71	61	56	19	29	39	44
1986	75	62	53	50	25	38	47	50
1987	82	69	55	52	18	31	45	48
1988	73	66	50	48	27	34	50	52
1989	81	71	58	57	19	29	42	43
1990	81	67		53	19	33		47
1991	77	56		49	23	44		51
1992	83	63		55	17	37		45
1993	74	57		51	26	43		49
1994	65	48		47	35	52		53
1995	76			64	24			36
1996	69			66	31			34
1997				84				16
1998				93				7
1999				98				2

Comparison Group/Non-PMI

Year hired	Retention rate			As of Mar 2000	Cumulative attrition rate			As of Mar 2000
	1-3 years	4-5 years	6-10 years		1-3 years	4-5 years	6-10 years	
1982	82	73	70	54	18	27	30	46
1983	71	66	62	51	29	34	38	49
1984	75	70	64	61	25	30	36	39
1985	73	66	63	55	27	34	37	45
1986	81	72	67	59	19	28	33	41
1987	69	58	51	50	31	42	49	50
1988	76	65	57	57	24	35	43	43
1989	76	73	63	63	24	27	37	37
1990	81	71		64	19	29		36
1991	77	67		53	23	33		47
1992	80	64		58	20	36		42
1993	81	69		69	19	31		31
1994	77	59		57	23	41		43
1995	75			68	25			32
1996	75			70	25			30
1997				77				23
1998				83				17
1999				93				7

Appendix B. Percent who are supervisors

Presidential Management Interns

Year hired	1-3 years	4-5 years	6-10 years	As of Mar 2000
1982	1	14	41	43
1983	11	15	42	54
1984	5	19	35	38
1985	4	14	22	31
1986	4	13	24	29
1987	2	10	19	28
1988	1	3	14	21
1989	1	4	13	15
1990	2	6		19
1991	1	6		18
1992	1	3		12
1993	2	8		11
1994	0	7		11
1995	1			2
1996	1			1
1997				1
1998				0
1999				0

Comparison Group/Non-PMI

Year hired	1-3 years	4-5 years	6-10 years	As of Mar 2000
1982	4	10	10	43
1983	7	11	28	34
1984	4	13	23	25
1985	3	11	9	12
1986	4	4	15	12
1987	5	4	0	7
1988	4	3	12	14
1989	4	6	9	9
1990	4	2		7
1991	0	1		8
1992	0	2		8
1993	0	7		7
1994	0	0		2
1995	2			0
1996	7			3
1997				1
1998				0
1999				0

Appendix C. Average Grade

Presidential Management Interns

Year hired	1-3 years	4-5 years	6-10 years	As of Mar 2000
1982	12.03	12.91	13.86	14.39
1983	12.28	13.08	13.88	14.46
1984	12.17	12.99	13.84	14.45
1985	12.20	13.10	13.81	14.32
1986	12.31	12.97	13.62	13.89
1987	12.19	12.95	13.57	13.87
1988	12.06	12.68	13.52	13.70
1989	12.23	12.78	13.56	13.58
1990	12.18	12.73		13.58
1991	12.10	12.83		13.48
1992	12.22	12.85		13.31
1993	12.26	12.95		13.38
1994	12.44	13.05		13.14
1995	12.32			12.73
1996	12.37			12.50
1997				11.92
1998				10.92
1999				9.25

Comparison Group/Non-PMI

Year hired	1-3 years	4-5 years	6-10 years	As of Mar 2000
1982	11.30	12.07	12.92	13.73
1983	11.36	11.84	12.66	13.34
1984	11.31	11.93	12.84	13.52
1985	11.37	11.85	12.43	12.88
1986	11.50	12.00	12.83	13.03
1987	11.31	11.72	12.14	12.60
1988	11.74	12.16	12.86	12.98
1989	11.65	12.13	12.83	12.91
1990	11.91	12.30		12.82
1991	11.77	12.33		13.00
1992	11.65	12.27		12.66
1993	11.53	12.36		12.76
1994	11.70	12.48		12.57
1995	11.68			12.17
1996	11.71			11.64
1997				11.46
1998				10.39
1999				8.88

Appendix D. OPM Letter



OFFICE OF THE DIRECTOR

UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
WASHINGTON, DC 20415-0001

MAY 31 2001

Honorable Beth S. Slavet
Chairman
U.S. Merit Systems Protection Board
Washington, D.C. 20419

Dear Ms. Slavet:

The Office of Personnel Management (OPM) is honored to have had the responsibility for the past 23 years to manage and administer the Presidential Management Intern (PMI) Program. We are proud of the Program's accomplishments and appreciate your study's recognition of the considerable success the Program has had in attracting and retaining many who have assumed Federal leadership positions over the years.

The draft report provides several recommendations for ways that MSPB believes the PMI Program could be strengthened. For the most part we are in agreement with the suggestions made for clarifying those parts of the Program that may be unclear to either applicants or Federal hiring officials. We also agree that candidate assessment processes should be efficient and cost effective, recruiting information should be accurate, and PMI training opportunities should be available across all agencies. We also support the recommendation that we determine the true value of the Career Development Group component of the Program. In working to accomplish these improvements, however, we would like to take this opportunity to describe how our views of these matters differ from the manner in which they are portrayed in the draft report, which may result in the changes we make being different from what the report envisions.

As the report acknowledges, the Federal workforce is aging and there will no doubt be an exodus of senior employees at all levels, not only managers and supervisors, but also senior policy evaluators and analysts. The PMI Program, as it is currently administered in accordance with the intent of the President's 1982 Executive Order that reconstituted the original Program, is ideally positioned to meet this full range of needs. The purpose of today's Program "is to attract to the Federal service outstanding men and women from a variety of academic disciplines who have a clear interest in, and commitment to a career in the analysis and management of public policies and programs." Consequently, the Program is not just designed to attract individuals who have management potential, but instead is designed to also attract individuals from a wide variety of academic and social backgrounds who can do the critical analysis of policies and programs that is needed for Government to serve its citizens. We will make sure that Federal agencies understand this purpose.

The assessment methodology that OPM has chosen for the PMI Program is designed to reflect research that has shown that performance in an assessment center is a valid predictor of job

Honorable Beth S. Slavet

performance, particularly for professional and managerial jobs. The assessment center method offers a number of strengths, including the opportunity to observe applicant behavior in multiple, job-relevant situations; the use of standardized criteria to evaluate the performance of all candidates; and the use of multiple assessors to evaluate every applicant on each dimension. This last aspect in particular is intended to offset individual biases and/or observational or rating errors. Because we recognize the need to generate reliable ratings and assure that the dimensions chosen for evaluation reflect the competencies most critical for success as a PMI, we are conducting an inter-rater reliability study and completing job analysis studies. We will modify the assessment center based on the results of these studies. Also, we anticipate that study results may provide invaluable information to lessen the resources required for the PMI assessment center process.


Our current recruitment materials are designed to attract individuals to a possible career in the analysis and management of public policies and programs. It has been our deliberate intent to not raise false expectations about career advancement or responsibilities, and we have worked with agencies in this same regard involving their own PMI recruitment efforts. We are currently in the process of developing new recruitment materials that will reflect the kinds of responsibilities found in positions held by PMIs as well as provide examples of advancement opportunities following the PMI internship. We will take great care to reflect the reality of the PMI Program and avoid the kind of unmet expectations pointed out in the report.

We worked closely with several key agencies to develop the current PMI training policy. Agencies have consistently been complimentary regarding the work we have done with our orientation and graduation training sessions to set the stage for further agency-specific training. We recognize that some agencies have been more vigilant than others in fulfilling their training obligations to their PMIs. We intend to continue to work with all agencies to strengthen their commitment and to assure more overall consistency in this aspect of the Program.

We have been assessing how the Career Development Group (CDG) process has impacted the last two classes of PMIs and will be making a decision on its overall effectiveness to determine if it has a continuing place in the career development component of the PMI Program. We have involved various constituencies in this decision-making process and will consider the information from the report in our final decision.

Thank you for the opportunity to comment on the draft report. It has identified many areas that we are already assessing in our efforts to continually improve the PMI Program. We plan to use the report to help us strengthen the PMI Program and to enhance its usefulness to agencies as an effective tool for agency succession planning efforts.

Sincerely,



Steven R. Cohen
Acting Director