




The Director

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

JAN 29 2016

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

From: BETH F. COBERT
ACTING DIRECTOR 

Subject: Executive Order Guidance - Strengthening the Senior Executive Service: Implementing the Executive Rotations Requirement

The U.S. Office of Personnel Management (OPM) is issuing this guidance as required in the December 15, 2015, Executive Order (EO) -"Strengthening the Senior Executive Service" (<https://www.whitehouse.gov/the-press-office/2015/12/15/executive-order-strengthening-senior-executive-service>). The EO mandates a number of senior executive reform actions over the next three years. These actions include evaluation of the SES Qualification Review Board (QRB) process, review and simplification of the SES application process, and several improvements to SES development as they relate to executive onboarding, Executive Development Plans (EDPs), talent management and succession planning, and rotations. This guidance specifically addresses the rotations requirement of an annual Government-wide goal, beginning in FY 2017, that 15% of Federal executives will participate in rotations.

This guidance, in accordance with section 3(a)(v) of the EO, gives instruction for agencies with 20 or more SES members to "develop and submit to OPM (by May 31, 2016) a 2-year plan to increase the number of SES members who are rotating to improve talent development, mission delivery and collaboration." This guidance outlines the scope of the various requirements for rotations that will result in an agency being deemed "compliant" with section 3(a)(v) of the EO. It is intended to allow agencies the latitude to customize the program that is most appropriate for their mission and the executive's developmental needs.

In addition to this guidance, OPM will provide support through forums, development of technology to support the agency talent and succession management requirement, and other tools and resources. If you have questions about this guidance, please contact Steve Shih (Stephen.Shih@opm.gov), Julie Brill (Julie.Brill@opm.gov) or Cheryl Abram (Cheryl.Abram@opm.gov).

cc: Chief Human Capital Officers, Deputy Chief Human Capital Officers, Chief Learning Officers, Offices of Diversity of Inclusion, and the Council of the Inspectors General on Integrity and Efficiency

Attachment: Guidance for Implementing Executive Rotations

Executive Order Guidance - Strengthening the Senior Executive Service: Implementing the Executive Rotations Requirement

On December 15, 2015, the White House issued an Executive Order (EO) on *Strengthening the Senior Executive Service* which outlines a plan to enhance the recruitment, hiring, and development of the Federal Government's senior executives. The EO can be read in full at the following link: <https://www.whitehouse.gov/the-press-office/2015/12/15/executive-order-strengthening-senior-executive-service>. The U.S. Office of Personnel Management (OPM) is providing guidance in accordance with section 3(a)(v) of the order, which calls for agencies to "develop and submit to OPM a 2-year plan to increase the number of SES members who are rotating to improve talent development, mission delivery and collaboration" by May 31, 2016.

This guidance outlines the scope of the various requirements for rotations, achievement of which will permit an agency to be deemed "compliant" with section 3(a)(v) of the order. The guidance is intended to allow agencies the latitude to customize the program that is most appropriate for their missions and the executive's developmental needs. OPM will release additional guidance to assist agencies to implement the requirement for rotations, as well as other EO mandates.

INTRODUCTION

The Senior Executive Service (SES) is comprised of the top career Federal managers responsible for ensuring the continuity and success of our Government. As the keystone of the Civil Service Reform Act of 1978, the SES was established to "...ensure that the executive management of the Government of the United States is responsive to the needs, policies, and goals of the Nation and otherwise is of the highest quality." 5U.S.C. §3131 Faced with constant challenges, changing technologies, and a fluid environment, executives must continually look for ways to broaden their perspectives and sharpen their skills to meet this demanding objective. Continuous professional development is imperative to an executive's success.

The intent behind the 1978 law was to create a corps of seasoned leaders with broad and diverse experiences who can lead a variety of organizations. Rotations are an opportunity to cultivate such experiences, and to improve talent development, mission delivery, and collaboration. Research has also shown that on-the-job experiences, such as rotations, contribute to 70% of an executive's learning.¹ Rotations can deepen an executive's understanding of the impact of the agency's work on those it serves; leading to both increased engagement and improved sense of mission. In one example, Federal employees who rotated to local governments cited a more than 30% increase in job satisfaction and a better understanding of the needs of local governments -

¹ OPM Executive Development Best Practices Guide, November 2012

which can be crucial to a Federal agency's delivery of its mission.² For more information on the benefits of executive mobility, please see a report published by the Partnership for Public Service and McKinsey & Company, titled "Mission Driven Mobility: Strengthening Our Government Through a Mobile Leadership Corps":

<http://ourpublicservice.org/publications/viewcontentdetails.php?id-79>.

IMPLEMENTING EXECUTIVE ROTATIONS AT YOUR AGENCY

For the purposes of this EO, a rotation is defined as, *"a development process, involving movement to another position or an assignment that broadens the executive's knowledge, skill and experience in order to improve talent development, mission delivery and collaboration. " A rotation must last a minimum of 120 consecutive calendar days and provide experience outside the executive 's current role.*

Examples of rotations include the following:

- Executive reassignment
- Executive transfer
- Developmental assignment internal to the agency, for example to another subcomponent, functional area, or location (e.g., acting in another executive position, field executive rotating to HQ or vice versa)
- Detail or developmental assignment external to the agency (e.g., Intergovernmental Personnel Act (IPA) program; temporary assignment/detail to another Federal agency or private sector where permitted by law)
- An assignment that includes full-time, extended service on a multi-agency or joint task force or project team that may provide employees with sufficient interagency experience to qualify as a rotation
- Sabbatical

Agencies have multiple options to help their executives obtain rotational assignments, including the use of the Intergovernmental Personnel Act (IPA) mobility program

(<https://www.opm.gov/policy-data-oversight/hiring-authorities/intergovernment-personnel-act/>).

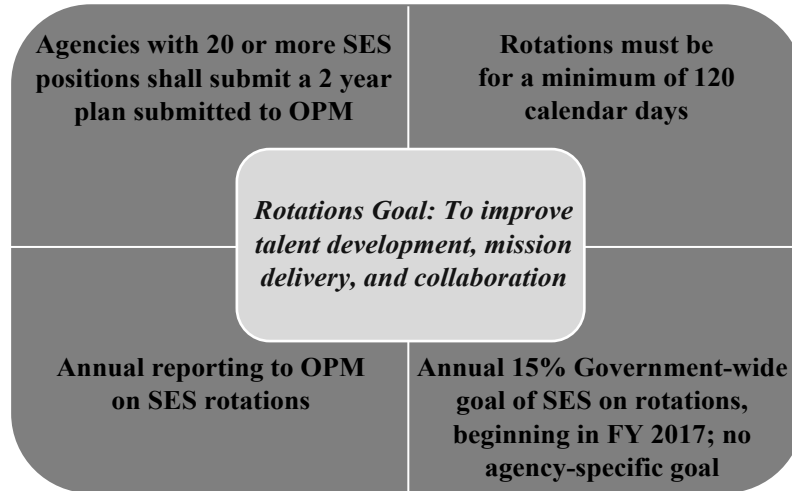
The JPA provides for the opportunity to rotate to State and local governments, colleges and universities, tribal governments, and other eligible organizations. SES members also may accomplish rotations in internal and external departments, agencies, subcomponents, functional areas, sectors, and with non-Federal partners in accordance with existing governing statutory and regulatory provisions.

The requirements (specific to the EO) that define, support, and promote executive rotations are as follows:

- Agencies with 20 or more SES positions shall develop and submit to OPM a 2-year plan to increase or sustain their number of SES on rotations and rotational experiences; it should be noted that agencies are encouraged, to implement rotational programs for their Senior Level (SL) and Scientific or Professional (ST) employees as appropriate.

² Strong Cities, Strong Communities Initiative 1" Annual Report, April 2013

- Rotations must be for a minimum period of 120 calendar days
- Annual Government-wide goal, beginning in Fiscal Year (FY) 2017, of 15% of SES members on rotations (no agency-specific goal)
- Annual reporting to OPM on SES rotations



Opportunities for rotation should be linked to individual Executive Development Plans (EDP) and the agency's overarching annual talent management and succession planning process that all agencies will create in phases as outlined in the EO. OPM has developed a sample EDP for agency use, and this EDP is available at: <https://www.opm.gov/policy-data-oversight/senior-executive-service/executive-development/edptemplate.pdf>.

CREATING A TWO YEAR EXECUTIVE ROTATIONS PLAN

Agencies with 20 or more SES positions must submit a 2-year plan to OPM outlining the rotations process, program or authorities that will accomplish the overarching goal of increasing the number of SES on rotations and improve the quality of the experience by May 31, 2016.

These plans should be informed by:

- Agency mission and policy priorities;
- Needs identified in existing agency hiring plans and succession plans;
- Agency needs and rules in context of administration transitions;
- Recommendations from the annual talent review process (EO Section 3(b)(i));
- The development opportunities listed in individuals' EDPs; and
- The Federal Government's interest in cultivating executives with broad and diverse experiences who can lead in a variety of organizations, and at higher levels.

Below is a list of the information critical to establishing a planned, consistent, and systematic approach to executive rotation. Agencies' plans to increase the number of SES members on rotations to improve talent development, mission delivery, and collaboration must include the following information:

- Statement of objectives of the agency's rotations process;
- Description of how the executive rotations process ties to the agency's annual talent management and succession planning process, as agencies develop them (please see below for more information on the annual "Talent Management and Succession Planning Process");
- Description of the agency's executive rotations programs, including processes, use of rotational authorities, and activities to manage the rotations of executives in and out of the agency (e.g., involvement of the Executive Resources Board (ERB), agency policies, agency partnerships), specifically including:
 - o General milestones for implementation (i.e., how and when executives will be informed of the opportunity to rotate) (*See *sample milestones provided below*), and
 - o Overview of each agency's approach to facilitate the rotations process (including how the agency will announce rotations broadly among SES, as appropriate, to encourage transparency and fairness in the selection process, and subsequently identify, fill, and manage rotation positions; and how the agency will reintegrate returning executives);
 - o Description of what factors will be used to select executives for rotations;
- Description of how the agency will evaluate the success of the rotations program, including metrics indicating how the agency will determine the degree to which these rotation assignments achieve the desired goals for the individual and agency (e.g. number of executives rotating, retention rates, Federal Employee Viewpoint Survey scores, executive satisfaction). See *Training Evaluation Field Guide for instruction on evaluating programs*. (https://www.opm.gov/policy-data-oversight/training-and-development/reference-materials/training_evaluation.pdf.) As a reminder, agencies are required by 5 CFR 410.202 to evaluate their training programs annually. Agencies should include costs as one of the metrics for evaluating rotations;
- Description of the roles and responsibilities of individuals and organizations relating to the agency's rotations process/program (e.g., Agency Head, ERB, Executive Resources office, Chief Human Capital Officer (CHCO));
- Agency Point of Contact (name, email address and telephone number); and
- Signature of agency Senior Accountability Officer (SAO) and Deputy Secretary, or their designee, for the implementation of the Executive Order on "Strengthening the Senior Executive Service" (including date of signature and the official's title, email address and telephone number).

The plan must be signed and dated by the agency's Senior Accountability Officer and Deputy Secretary, or their designee, to ensure the implementation of the rotation strategy, as well as tracking and reporting of rotations to OPM. All agencies with 20 or more executives must send by e-mail scanned copies of their plans to SESDevelopment@opm.gov, by May 31, 2016, and indicate "EO Rotations Plan" in the subject line.

FIFTEEN PERCENT (15%) GOVERNMENT-WIDE ROTATION GOAL

The EO set an annual Government-wide goal of 15 percent of executives on rotations lasting a minimum of 120 calendar days, with no agency-specific goal. It is expected some agencies may rotate more than 15 percent annually, and others may rotate less than 15 percent to achieve the Government-wide goal.

The frequency of SES rotations in any specific agency will depend on agency and individual needs. Not every executive in an agency is *required* to rotate; however, each agency should implement a systematic process to assess the development needs of each executive and the needs of the agency, enabling the agency to make strategic decisions on rotations and other types of development (see below for information on the annual Talent Management and Succession Planning Process).

SAMPLE AGENCY TIMELINE

A sample timeline of activities is provided below to help Departments and agencies develop and implement executive rotations programs. Agencies will differ in their approaches and processes based on each agency's individual and unique situations and needs.

Key Milestones to Consider in Developing a Rotations Program Plan

Phase 1: Collect Data	Phase 2: Strategy Planning	Phase 3: Development	Phase 4: Implementation & Monitoring
Examine agency data related to executive turnover, engagement, talent management, and resources; review current baseline rotation data, which SES are on rotations, and how rotations are defined; review data on number of executives with EDPs.	Convene: stakeholders with diverse departmental representatives to discuss data, and to review options for policies, resources and gaining buy-in from executives.	Present rotations strategy to Senior Accountability Officer and appropriate senior leaders and departments to gain approvals and buy-in.	Inform executive supervisors and executives about rotation and reassignment opportunities to include clear guidance on how executives will be appropriately assigned, commensurate with new experience, upon return from a rotation when they are not returning to their original position.
Identify existing processes related to executive rotations and authorities used (e.g., IPA).	Establish a mechanism for gathering baseline data that could be used as a comparison for tracking rotation success.	Assign a task force to begin program development.	Communicate with stakeholders regarding the impact of the rotations.
Identify executive needs and organizational constraints related to rotations (either through an assessment or conversation with executives and their supervisors).	Develop a communications roll-out plan.	Begin development of an organization-wide rotations policy/process/program.	Collect and review metrics periodically to track the potential impact of the rotations.
		Plan a coordinated approach to announce and promote executive rotations.	
		Establish a feedback system for executives, department heads, senior leaders, supervisors and other employees to gain ongoing input into streamlining the rotations process.	

ROTATIONS AND THE ANNUAL TALENT MANAGEMENT AND SUCCESSION PLANNING PROCESS

In addition to the executive rotations requirement, the EO includes other actions for phased implementation including an *"annual talent management and succession planning process to assess the development needs of all SES members, and SL and ST employees as appropriate, to inform readiness decisions about hiring, career development, and executive reassignments and rotations. These assessments shall include input from each executive, as well as the executive's supervisor, and shall be used to recommend development activities and inform the organization's succession planning, decisions about duty assignments, and agency hiring plans."*

Select agencies will phase this annual process in over the period of 3 years, with program development starting with the release of the EO, and final implementation beginning by October 2016. OPM recommends every agency participating in executive rotations (agencies with 20 or more SES positions) establish and implement this or a similar process, to inform selection of executives for rotation or reassignment, as soon as possible.

The annual talent management and succession planning process should take into consideration the capacity, potential, and career development needs of an executive before recommending development activities (e.g. reassignment, detail, coaching). The process is a series of structured, facilitated meetings involving the review of each executive's key strengths, career goals, stage of readiness, and areas for development. The agency Executive Resources Board (ERB), or a Board delegated and overseen by the ERB, and the executive's supervisor should participate in the meeting. The information from these meetings is used to inform the executive's formal development activities for the year. The information should also be captured on a summary spreadsheet (or an alternative appropriate method) and used as a working tool for managing talent. It is important to note that the talent review process is meant to be a regular, ongoing process. Organizational goals and career plans change over both the short- and long-term and it is essential to keep the information current.

Keep in mind the Talent Management and Succession Planning is not just about individual development but it is also about ensuring the agency has a slate of individuals ready to assume the next leadership level should someone retire, etc. It is about strategically developing and managing talent.

ANNUAL REPORTING TO OPM

In addition to the internal agency monitoring and evaluation activities outlined in your plan, the EO requires "regular reporting on the status of each agency's implementation of the provisions of the order." OPM will report to the President annually on the status of agency rotations and accomplishment of the annual fifteen percent (15%) Government-wide goal. To facilitate this requirement, agencies will need to:

- (1) Establish a reliable internal executive rotations tracking process, and

(2) Accurately report this data to OPM on an annual basis.

While agencies should track and measure data to determine the effectiveness of rotations, agencies must also track and submit the following data to OPM:

- Total# of executives broken out by SES, SL, and ST who have served on a rotational assignment a minimum of 120 calendar days during that FY
- Total# of agency executives broken out by SES, SL, and ST during that FY.
- # of each type of rotation (developmental assignment, detail, sabbatical, reassignment, transfer, acting in another executive position, IPA)
- # of internal agency rotations
- # of rotations to another Federal agency
- # of rotations outside the Federal Government, indicating specific categories where appropriate (i.e., State government, local government, non-profit, private sector)

Note: In the case of transfers, the gaining agency will track and report the transfer as a rotation.

Note: In the case of a detail or developmental assignment external to the agency, the home agency will track and report the assignment as a rotation.

Note: SL and ST do not count toward the Government-wide 15% target. Agencies are encouraged to implement rotational programs for their SL and ST employees as appropriate.

Along with this information, OPM may also gather additional data, for reporting purposes, through interviews and focus groups with agency executives and those responsible for implementing the rotations process in the agency.

The first request for data will occur at the end of FY 2017. At that time, OPM will contact each agency's responsible executive, identified in the 2-year plan (i.e., SAO), with detailed information about data submission.

A COMMITMENT TO MOBILITY

Rotational assignments often provide executives with extremely valuable experiential learning opportunities; however, even private-sector organizations experience cultural resistance to the use of such developmental opportunities. For example, supervisors and managers may be reluctant to allow their high-performing employees to participate in a rotational assignment because they will be losing a valuable resource for a significant period of time. It can take organizations several years to overcome such hurdles and cultural resistance. To facilitate change, organizations should consider creating a program where employees are exchanged, and no office is left without a resource. Ultimately, rotations are beneficial because they enable individuals to broaden their perspectives and networks, become more effective leaders, and help their organizations better meet their mission needs.

Agencies that are implementing systematic talent management and succession planning processes for the first time should ensure due attention to change management considerations, as agency organizations, leaders, and rotation participants become familiar with the process. Agencies with a newly instituted, as well as mature talent management and succession planning process should continue to emphasize proactive and regular communication to update their workforce on the rotations program and its progress. As talent management and the rotational assignments are implemented, agencies will be able to measure the effectiveness of the programs and continue building and communicating the business case and value of the programs.

OPM recognizes the complexity of coordinating an effective and sustainable Talent Management and Succession Planning process and encourages agencies to leverage resources from multiple agency functions including, but not limited to, Executive Resources, Human Resources, Training and Development, etc.

EXECUTIVE ORDER MILESTONES RELATED TO EXECUTIVE DEVELOPMENT

Date	Deliverable/ Action
February - May	All Agency SES Rotations Program Planning Process [3(a)(v)]
May 31, 2016	2017-2018 All Agency SES Rotations Program Plans' Due to OPM
February - September	Phase 1 Agency Planning Process for sections 3(b)(i)-(iv)
October 1, 2016	All Agencies with more than 20 SES begin Executive Rotations; Phase 1 agencies are implementing 3(b)(i)-(iv) including the talent and succession management processes
October 1, 2016- February 1, 2017	Phase 1 Agencies begin Pilot Interagency SES Rotations Program to gain commitment, refine program design, and develop best practices
By October 1, 2017	OPM releases additional guidance with lessons learned from rotations and Phase 1 (3(b))
October 1, 2017	Phase 2 agencies are implementing 3(b)(i)-(iv) including the talent and succession management processes
By October 1, 2018	OPM releases additional guidance with lessons learned from Phase 2 and any adjustments to the reforms (3(b))
October 1, 2018	Phase 3 agencies are implementing 3(b)(i)-(iv) including the talent and succession management processes; OPM evaluates and issues additional guidance, as needed, reflecting lessons learned
By October 1, 2019	OPM releases additional guidance with lessons learned from Phase 3 and any adjustments to the reforms (3(b))

Note: The EO further mandates executive development in several other areas in a phased approach:

- (i) Establish an annual talent management and succession planning process to assess the development needs of all SES members, and SL and ST employees as appropriate;*
- (ii) Proactively recruit individuals for vacant SES positions;*
- (iii) Require supervisors of executives to work with their subordinate executives to update Executive Development Plan (EDPs) (OPM has developed a sample EDP for agency use, and this EDP is available at: <https://www.opm.gov/policy-data-oversight/senior-executive-service/executive-development/edptemplate.pdf>; EDPs will include at least one developmental activity annually and at least one leadership assessment involving employee feedback every three years;*
- (iv) Establish a formal Executive Onboarding Program informed by OPM's Enhanced Executive Onboarding Model and Framework*

Agencies in the first phase must have their implementation plans in place and be conducting these activities by September 30, 2016. Agencies in the second phase must do the same by September 30, 2017. The remaining agencies must meet these requirements by September 30, 2018. Below is a table that lists the agencies in each of the three phases.

Phase 1 (FY16)	Phase 2 (FY17)	Phase 3 (FY18)
HHS	EPA	Commerce
HUD	Education	State
Energy	USDA	DHS
VA	NASA	Treasury
GSA	Transportation	DOI
OPM	Labor	DOJ
DOD	SBA	NSF
SSA *		USAID
		OMB

* SSA is not listed in the ED because they are an independent agency but they have requested to implement in phase 1.