



**National Advisory Council for
Environmental Policy and Technology**

February 15, 2012

The Honorable Lisa P. Jackson
Administrator
United States Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, D.C. 20460

RE: Fourth NACEPT Advice Letter on EPA Workforce Planning: *Strategies to Attract and Retain Superior Executive Leadership Talent*

Dear Administrator Jackson:

The National Advisory Council for Environmental Policy and Technology (NACEPT) is working on your charge to provide advice for development of the Agency's next Strategic Workforce Plan. The charge comprises the following topics:

1. Scientific and technical competencies needed to be prepared for tomorrow's challenges.
2. Strategies to obtain and retain scientific and technical expertise.
3. Strategies to attract and retain superior executive leadership talent.
4. Leadership capabilities and culture for "One EPA".
5. Ensuring diversity.

On January 31, 2011, NACEPT responded with an advice letter on the first charge question: scientific and technical competencies needed for the Agency to be prepared for tomorrow's challenges. This was followed by a second advice letter on July 11, 2011, summarizing NACEPT's recommendations addressing charge questions #2 (Strategies to obtain and retain scientific and technical expertise) and #4 (Leadership capabilities and culture for "One EPA"). A third advice letter addressing Topic #5 ("Ensuring diversity") was transmitted on December 22, 2011. This final advice letter focuses on Topic #3 ("Strategies to attract and retain superior executive leadership talent").

RECOMMENDATIONS AND RESPONSE TO THE THIRD QUESTION IN THE CHARGE: STRATEGIES TO ATTRACT AND RETAIN SUPERIOR EXECUTIVE LEADERSHIP TALENT

“Given the complexity of EPA’s mission, the rapid pace of scientific and technological advances, and shifts in policy, science, engineering and other technical competencies, how can EPA best attract and retain superior executive leadership talent that can effectively direct and challenge its workforce so that the Agency can maintain its position as an environmental leader? How can EPA best position its Senior Executive Service (SES) members to lead and support a highly technical and evolving workforce?”

Optimizing the effectiveness of leadership capabilities can only be achieved when the right leaders with the right skills focused on the right priorities are in place. In the next decade, a significant focus at EPA will be building the pipeline of leadership talent which must be more diverse and inclusive, with more focus on increasing the numbers of underrepresented minorities, especially Hispanic leaders, in the Agency. Additionally, if the "One EPA" objective is to be met, the organization must be more collaborative and inclusive with all stakeholder groups in its approaches to achieving these outcomes.

With government budgets shrinking and with fewer dollars to spend, leaders must focus on overall Agency efficiency and effectiveness in achieving the goals of the organization. The four critical elements of the OPM SES performance management framework for leaders, which include leading change, leading people, business acumen, building coalitions and results driven, are very consistent with the recommendations covered in this advice letter. The areas addressed in this letter include:

- Organizational Transformation
- Leadership Competencies
- Succession Planning
- External Sourcing/Recruitment
- Mobility

Organizational Transformation

Achieving the vision outlined in the FY 2011–2015 EPA Strategic Plan will require significant leadership engagement and collaboration across the Agency. Such collaboration is essential to insuring alignment among EPA political appointees and career staff members who lead the Agency at the levels of Assistant Administrator, Deputy Assistant Administrator, and Regional Administrator. By designation, EPA leaders must possess the knowledge, expertise and experience needed to meet the challenges of protecting human health and the environment, and are required to establish and direct the path to future success of the Agency. To ensure continuity of function through a corps of leaders equipped to face present and future mission and program priorities, EPA must advance its Senior Executive Service (SES) staff development consistent with the EPA Strategic Plan.

Over the past decade, significant progress has been made to develop and maintain superior executive leadership talent in EPA. For example, around 2009, EPA staff developed a draft strategy for executive development aimed at (i) creating a continuous pool of highly qualified candidates to move into executive leadership positions in the Agency, (ii) providing developmental activities for entry-level and mid-career SES staff to enhance their executive performance and acquire a broader perspective of the Agency and government, and (iii) recognizing and utilizing senior-level SES experiences for improving performance of entry-level and mid-career SES staff, while offering these senior-level SES staff options for post-service career path transitions. Based on the EPA Strategic Plan, a 2011 update to the draft executive development strategy proposes five leadership principles: outcome orientation, shared understanding, collaborative relationships, inclusiveness, and ownership. NACEPT considers these principles a sound foundation on which EPA could build and sustain the high quality leadership needed for future success of the Agency. NACEPT therefore advises EPA to develop and implement a strategic action plan for achieving the objectives declared in the draft executive development strategy. Two major elements of this action plan—leadership competencies and succession planning—are discussed next.

Leadership Competencies

Based on an evaluation of potential challenges for the decade ahead, NACEPT's First Advice Letter on EPA Workforce Planning identified several needed technical competencies as well as the following leadership competencies: trans-disciplinary thinking, partnership development, public outreach, and global perspective. NACEPT believes these areas of leadership expertise are relevant to the strategic goals and cross-cutting strategies set out in the Strategic Plan. These are consistent with those outlined by the Office of Personnel Management. To attract and retain SES candidates with these leadership skills, EPA should maintain a disciplined and inclusive approach that assesses mission critical skills and competencies at an organizational level. In so doing, the Agency can better understand which developmental opportunities are most appropriate to pursue with individual SES candidates. This approach should also address other organizational values, such as diversity and inclusion, which are discussed in NACEPT's Third Advice Letter on EPA Workforce Planning.

NACEPT reviewed several published results of leadership studies conducted in the public and private sectors^{1,2} and identified the following as the most important leadership competencies for organizational success: strategic thinking, participative management, outcome orientation, building relationships with diverse stakeholders, and resourcefulness. These are consistent with the competencies listed in EPA's *Guide to the SES Qualifications*, which support the Agency's executive core qualification requirements for leading change, leading people, meeting organizational goals and customer expectations, managing strategic resources, and building coalitions. EPA should review the mix of technical and management skills required by senior executive leaders to achieve the strategic objectives of the Agency. Furthermore, this review should identify gaps in leadership that may result from projected retirements and evaluate

¹ *2011/2012 Trends in Executive Development: A Benchmark Report*, Bonnie Hagemann and John Mattone, Executive Development Associates, Inc. and Pearson.

² [*Boundary Spanning Leadership: Mission Critical Perspectives from the Executive Suite*](#), Center for Creative Leadership, 2011.

alternative development activities for filling these major gaps, including formal training, focused tasking, coaching and mentoring. This review should also include an analysis of the demographics of the leadership ranks consistent with recommendations in the Diversity Letter and develop explicit strategies to close major gaps (e.g., Hispanics in leadership roles, etc.).

Succession Planning

Development of emerging leaders across EPA is an important part of the development strategy. The succession planning process is an important component of intelligent organizational transition and workforce development, as well as an effective tool for anticipating career development needs of individuals and preparing them for future leadership opportunities. In 2006, EPA developed a five-step succession management planning process comprising³ (i) strategic analysis, (ii) position and succession pool requirement definition; (iii) succession management plan development and implementation, (iv) continuous improvement using lessons learned, and (v) ongoing communication. The previous discussion on competency review aligns with steps (i) and (ii) of this succession planning process.

To gauge progress of succession planning and leadership development efforts across the Agency, an informal survey of leadership development best practices in the regions was compiled⁴. Also, NACEPT consulted with representatives from ORD who had designed and implemented an impressive Senior Leadership Development Program as part of their succession planning efforts. Benchmarking regional and office leadership programs revealed that there is significant energy, innovation, and commitment across EPA to address succession issues. However, the diversity of approaches throughout the Agency is a concern as it is counterintuitive to the “One EPA” principle of “Alignment” which encourages a shared understanding of problems with synchronized implementation efforts. While it is important that Agency succession planning accommodate unique needs in regions and offices, NACEPT recommends that EPA evaluate these succession leadership programs for alignment with the Agency’s succession plan, identify a core set of best practices and programs, and leverage and streamline these succession planning practices to accelerate their implementation across the Agency. NACEPT recommends that the Executive Management Council lead this effort as part of a formal charge to develop and drive, in consultation with all EPA SES leaders, the organizational strategic action plan mentioned above to fully implement the Executive Leadership Strategy developed in 2009.

Roughly 70% of all SES candidates are hired from internal candidates, which offers EPA the opportunity to identify leaders early in their career and provide training, mentoring, and other critical leadership opportunities known to develop essential skills that align with EPA organizational needs. The Successful Leaders and Aspiring SES programs are excellent examples of the training EPA offers its employees who desire to be leaders. However, to augment self-selected leadership training opportunities and increase the number of fully certified SES candidates, NACEPT recommends that EPA immediately recommit to and fund the formal Candidate Development Program. Additionally, the Agency should develop an effective strategy

³ EPA’s Plan for Strategic Leadership Succession 2006/2007, Prepared by the Human Capital Planning Branch, Office of Human Resources, OARM. August 2006.

⁴ [Best Practices for Leadership Development from EPA Regional Offices](#), September 2011.

for ensuring a diverse pool of internal and external SES candidates to fill identified areas of underutilization of minorities.

External Sourcing/Recruitment

In addition to the internal succession management process discussed previously, EPA can also recruit external candidates into the SES staff development program. Because of the high degree of technical expertise required of SES candidates, EPA should adopt practicable measures to identify outstanding leadership talent from external sources for consideration as potential SES candidates. In the past, EPA has implemented a special hiring authority provided under Title 42 of the United States Code. The flexibility of the Title 42 hiring program enables EPA to compete with industry and academia to fill critical research and science leadership positions. Recently, a National Research Council expert committee commended EPA for appropriately implementing its Title 42 program⁵. Although EPA cannot hire directly into the SES program under Title 42 authority, candidates being considered for Title 42 hiring may also be found to possess needed leadership competencies. In addition to Title 42, EPA may also find candidates of this caliber under consideration for other positions, such as Scientific and Professional (ST) positions and Senior-Level (SL) positions. EPA should also leverage these other hiring programs where the Agency clearly taps into external sources of potential SES candidates. Thus, NACEPT urges EPA to leverage opportunities provided by hiring programs, such as Title 42, Scientific and Professional (ST), and Senior-Level (SL), to identify potential high-level external candidates for current and future leadership positions.

Mobility

NACEPT's First Advice Letter on Workforce Planning identified that in the future there will be a need for more interdisciplinary skills and more ability to work with diverse stakeholders and communities. The SES Mobility Program implemented in the early 2000's moved 30 to 40 percent of EPA senior leadership into entirely new areas specifically to grow and challenge potential future leaders of the Agency. The mobility program succeeded in lessening the silo mentalities that could develop when staff spend extended periods in a single department or program. Also, the mobility program raised the leadership potential of that candidate class of EPA staff. The success of the mobility program hinged on the assurance that staff assignments were neither politically-motivated nor retaliatory, but aimed at evolving a transparent, fair, inclusive process for expanding staff development opportunities.⁶ There has not been continuity nor adequate diversity in the SES Mobility Program at EPA. NACEPT considers this program an internal best practice that should be reinstated with current leadership support. NACEPT also recommends that EPA understand the strengths and weaknesses of the SES Mobility Program and incorporate lessons learned into future strategies.

⁵ [*The Use of Title 42 Authority at the U.S. Environmental Protection Agency: A Letter Report*](#), Prepared by the National Research Council of the National Academies. April 2010.

⁶ NACEPT discussion with Linda Fisher, October 11, 2011.

Summary of Recommendations on Strategies to Attract and Retain Superior Executive Leadership Talent

NACEPT's Second Advice Letter on EPA Workforce Planning recommended strategies for recruiting, hiring and retaining the expertise needed to meet the Agency's future challenges. The rationale supporting those recommendations centered on establishing and maintaining direction, alignment, and commitment across multiple boundaries within the Agency, and building strong collaborations with external communities and stakeholders. NACEPT considers these leadership attributes essential to all levels of the Agency. The following additional recommendations focus on EPA's senior executive leadership ranks.

1. Accelerate Organizational Transformation by Developing an Agency Action Plan Focused on Executive Development and Strengthening the Leadership Competencies of Current SES Staff and Emerging Leaders. EPA should charge its Executive Management Council to develop and implement a strategic action plan for achieving the objectives declared in the draft executive development strategy. As part of this action plan, EPA should continue to promote SES leadership competencies to meet the challenges posed by a constantly changing environmental, technological, and socio-political landscape. Care should be given to ensure a diverse pool of talent in the pipeline and to strengthen leadership competencies in the area of inclusion. Based on published results of leadership studies conducted in the public and private sectors, the following five competencies currently deserve special focus at EPA: strategic thinking, participative management, outcome orientation, building relationships with diverse stakeholders, and resourcefulness. Although, these competencies are consistent with the leadership principles described in EPA's Leadership Development Strategy, we recommend that EPA re-evaluate these competencies annually, with a 3 to 5 year outlook, to identify and fill possible gaps early.

2. Strengthen Basic Leadership Skills in SES Candidates and Fund the formal Candidate Development Program. EPA should guide individual leadership development by looking specifically at the pipeline for leadership and evaluating potential candidates for inclusive leadership skills and behaviors. EPA should incorporate appropriate developmental opportunities for members of the class. This can be developed with cross-functional assignments, career development planning that incorporates diversity of experience, project team leadership assignments, specific inclusive leadership education, and engagement with stakeholders. This approach must be augmented by a fully funded formal Candidate Development Program to ensure EPA has a strong pipeline to meet the urgent need for qualified SES candidates.

3. Ensure Effective Succession Planning and External Hiring for Departments. EPA program managers should consult annually with the Office of Human Resources to identify candidates for leadership succession within their departments and across the Agency. Evaluation of these candidates should focus on competency, readiness at present and in the near future, and any existing skills gaps. Results of this evaluation should be used to inform individual career development plans by identifying opportunities for focused tasking, training, and mentoring. This succession planning approach should not guarantee a path to SES status for any individual potential candidate, but rather, should ensure departments are prepared for future attrition within

the SES ranks and that a diverse pool of SES candidates exists. In addition, top-notch external candidates being considered under hiring programs such as Title 42, Scientific and Professional (ST), and Senior-Level (SL), may be also considered for possible recruitment into the SES program.

4. Enhance Career Management Planning to Encourage Mobility. EPA should reinstate the SES Mobility Program or develop a strategy that would encourage SES candidates to strive to achieve cross-functional, cross-program and cross-geography leadership experiences. Such opportunities should also be extended to mid-career SES aspirants. By ensuring a diverse pool and supporting staff in gaining a diversity of experiences, the Mobility Program can facilitate interdisciplinary and personnel leadership skills development at the individual level, while advancing the “One EPA” goal at the organizational level.

CONCLUSION

EPA political and career staff administrators must lead by demonstrating commitment through personal action, effectively communicating organizational goals and priorities to employees at all levels of the Agency, by fostering an inclusive work environment, and building strong collaborations both within the Agency and with external communities and stakeholders. NACEPT believes the recommendations in this Advice Letter cannot happen without strong leadership direction and support for a more diverse and inclusive organization. Additionally, these actions must be closely aligned with the strategic direction of the Agency going forward.

We appreciate the opportunity to work on this important topic and offer any additional advice that you may require in the future.

Sincerely,

/Signed/

Dr. James H. Johnson, Jr.
Chair

/Signed/

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Attachment: Sources and Acknowledgments

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Interviews and Consultations

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NOTICE

This letter is the product of the National Advisory Council for Environmental Policy and Technology (NACEPT), an advisory committee created under the Federal Advisory Committee Act. NACEPT provides independent advice and recommendations on environmental policy, technology, and management issues to the Administrator and other officials of the U.S. Environmental Protection Agency (EPA). The recommendations in this letter reflect the opinions and views of NACEPT, and not necessarily the views or opinions of the U.S. EPA.

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