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# A Better, More Diverse Senior Executive Service in 2050

More Representative Leadership Will Improve the Effectiveness and Efficiency of the Federal Government

Jitinder Kohli, John Gans and James Hairston September 2011



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Progress 2050, a project of the Center for American Progress, seeks to lead, broaden, and strengthen the progressive movement by working toward a more inclusive progressive agenda—one that truly reflects our nation's rich ethnic and racial diversity. By 2050 there will be no ethnic majority in our nation and to ensure that the unprecedented growth of communities of color also yields future prosperity, we work to close racial disparities across the board with innovative policies that work for all.

## doing what works

CAP's Doing What Works project promotes government reform to efficiently allocate scarce resources and achieve greater results for the American people. This project specifically has three key objectives: eliminating or redesigning misguided spending programs and tax expenditures, focused on priority areas such as health care, energy, and education; boosting government productivity by streamlining management and strengthening operations in the areas of human resources, information technology, and procurement; building a foundation for smarter decision-making by enhancing transparency and performance measurement and evaluation.

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# Introduction and Summary

From the start, the United States of America aspired to be a land of opportunity—a land where people come for a better life and where every child can dream of working their way to the top. It has always been a true melting pot, attracting the best from around the world to mix in a polyglot society to produce a sum better, more productive, and more innovative than its parts. The resulting diversity is a national asset—helping the United States become the world’s leading nation.

In this century, too, diversity will continue to power American society and the U.S. economy. By the year 2050 the U.S. Census Bureau projects a nation with no clear racial or ethnic majority. Fifty-four percent of the population will be people of color.

But what about the federal government? As the nation becomes more diverse, will the government reflect the diverse society it serves? That is the question the Center for American Progress’s Doing What Works and Progress 2050 teams seek to answer in this report. Specifically, we look at the ethnic, racial, and gender diversity<sup>1</sup> of federal government’s most senior career public officials in the civil service. The career Senior Executive Service is a corps of around 7,000 senior managers. They work for the executive branch to help run agencies such as the Treasury, Internal Revenue Service, and the Centers for Disease Control and Prevention.

The career Senior Executive Service works closely with political appointees who are also members of the Senior Executive Service, but when the White House changes hands, these senior career civil servants remain in their posts. In this report we refer only to these career Senior Executive Service members when discussing the SES.

Our study finds that the projected ethnic, racial, and gender makeup of the Senior Executive Service will not reflect that of the American workforce in 2030 and beyond. Our model works by looking at the age, gender, and race profile of the existing Senior Executive Service. As existing members age and leave the federal government, they are replaced by new people drawn either from outside govern-

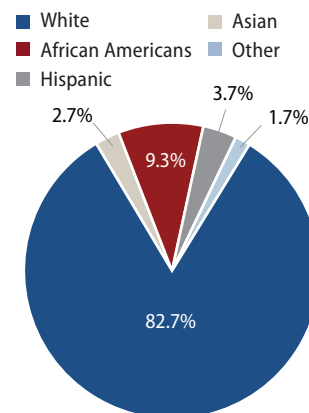
ment or from more junior grades in government. The ethnic, racial, and gender composition of joiners is different to those who leave and so the diversity of the Senior Executive Service changes over the next 20 years. We find that:

- **Hispanics will be vastly underrepresented in the Senior Executive Service.** In 2030 we project it will be 6.8 percent Hispanic—less than a third of the likely representation of Hispanics in the civilian labor force according to the Department of Labor’s Bureau of Labor Statistics, which predicts that 23 percent of the civilian labor force will be Hispanic.
- **Whites will remain significantly overrepresented.** In 2030 we project that 71 percent of the Senior Executive Service will be white compared with 57 percent of the adult workforce as projected by the BLS.<sup>2</sup>
- **Women will remain underrepresented in the career Senior Executive Service.** Women will occupy 41 percent of posts in 2030 compared with 47 percent of the projected adult workforce.
- **The career Senior Executive Service will include nearly the same percent of Asian Americans as the civilian workforce.** Six percent of the Senior Executive Service will be Asian American compared with 7 percent of the projected civilian workforce.
- **The percentages of African American members of the Senior Executive Service (14.8 percent) will likely reflect their share of the civilian labor force.**
- **Pacific Islanders and Native Americans are likely to be significantly underrepresented.** Our model predicts these groups will occupy up to 1.6 percent of SES roles, just less than half their likely representation in the labor force.

Even by 2050 it is extremely unlikely that the nation’s most senior federal career staff will reflect the Hispanic share of the labor force. By then, 30 percent of the labor force is likely to be Hispanic, but we estimate that between 9.5 percent and 12.5 percent of the Senior Executive Service will be Hispanic.

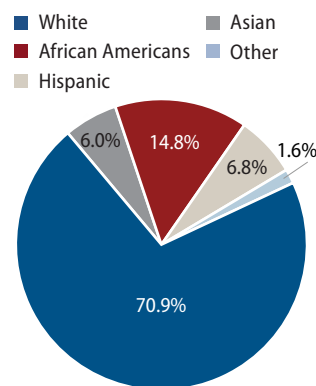
Our findings strongly suggest that there is an urgent need for action to address the diversity gap in the Senior Executive Service. Improving diversity will lead not just to a more representative senior civil service but a better government. A diverse workforce can significantly enhance organizational performance, for example by better serving customers, according to a number of studies.<sup>3</sup>

**FIGURE 1**  
**Senior Executive Service in 2010 by Race and Ethnicity**



Source: Office of Personnel Management.

**FIGURE 2**  
**Senior Executive Service in 2030 by Race and Ethnicity**



Source: CAP Projections.

Moreover, for a government to effectively represent the citizens it serves and who pay for it, the government must look like its citizens.

In short, the federal government must reaffirm its leadership in ensuring fair hiring and expanding opportunities for people of color and women. More than just the “right thing to do,” a more diverse workforce will lead to better government through greater efficiencies, more innovation, and better effectiveness.

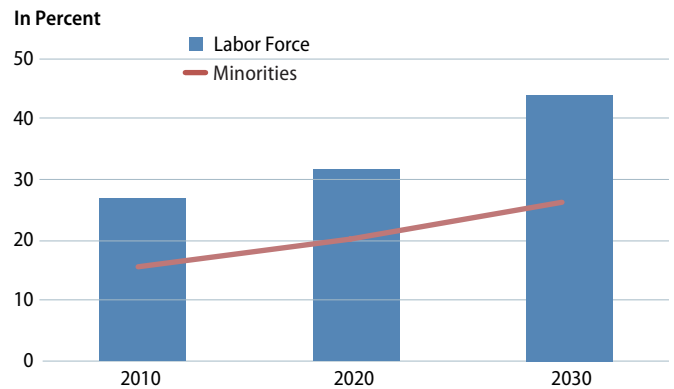
The federal government’s diversity is not a new concern. The Government Accountability Office, Office of Personnel Management, and the Equal Employment Opportunity Commission all commit significant time and resources to identifying the challenge and improving the federal government’s performance. Sen. Daniel Akaka (D-HI) and Rep. Danny Davis (D-IL) have introduced legislation to encourage improvement. And other groups, such as the National Hispanic Leadership Agenda, push for better representation at all levels of the bureaucracy.

The Obama administration has demonstrated a strong commitment to addressing diversity. A recently published executive order seeks to improve the diversity of the federal workforce.<sup>4</sup> This is a welcome step and a foundation for implementing the recommendations in this report. The executive order promises a government-wide strategic plan to promote diversity and inclusion by mid-November.

We believe that plan should place a strong emphasis on increasing the ethnic, racial, and gender diversity of the career Senior Executive Service. And given the findings of this report, the top priority should be to address Hispanic representation in the most senior ranks of federal agencies.<sup>5</sup> Specifically, the government-wide plan should:

**FIGURE 3**  
**Mind the Relentless Gap**

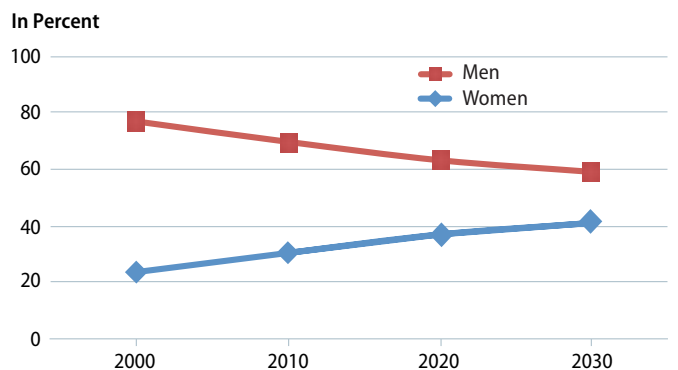
The minority percentage of the Senior Executive Service that won’t match that of the civilian labor force



Source: Office of Personnel Management, Bureau of Labor Statistics, CAP Projections

**FIGURE 4**  
**A Man’s Senior Executive Service?**

Not for long, but not soon enough



Source: Office of Personnel Management, CAP Projections.

- **Set an objective to close the diversity gap for the Senior Executive Service by 2030** so that representation of women and all ethnic and racial groups reflects their likely representation in the civilian labor force. Such approaches have been successful in the private sector and abroad.
- **Set out interim milestones on the progress that should be made across executive branch agencies every four years** commencing with 2015 in terms of representation of women and different ethnic and racial groups.
- **Embark on a special initiative to increase the representation of Hispanics** in the Senior Executive Service, including by creating a database of talented Hispanics who can be headhunted into key roles in federal government.
- **Establish a new sub-committee of the President’s Management Council** chaired by a Deputy Secretary which is responsible for overseeing work on diversity.
- **Conduct a study within one year that better identifies the reasons for the diversity gap** in the Senior Executive Service by analyzing data on the application, success, and promotion rates of women and different ethnic and racial groups, and benchmarking federal government against leading private-sector employers.

In addition, the recent executive order requires the major executive branch agencies to develop agency-specific diversity and inclusion plans. These plans are due by March 2012. We recommend that they include:

- **Agency-specific objectives to close the diversity gap in the Senior Executive Service by 2030, including interim milestones for 2015 and every four years thereafter.** Each agency should set its own objectives taking account of the current level of representation, the likely turnover in its most senior ranks over the coming years, and the type of work the agency performs. Agencies should also consider setting objectives for representation in key feeder grades, as increasing diversity in these grades will be key to making progress.
- **Initiatives to strengthen the applicant pool for Senior Executive Service posts,** for example, by seeking to attract the most talented minority and women applicants from inside and outside government for SES vacancies and for key vacancies at the so-called “feeder grades” of the GS-13, GS-14, and GS-15 civil servant rankings. These initiatives should have a special focus on Hispanics.



- **Measures to identify and support emerging minority and female talent** who might form part of the Senior Executive Service of the future. Initiatives should be focused on GS-13, GS-14, and GS-15 staff and work to build a cadre of talented women and people of color who would be strong candidates for future Senior Executive Service vacancies. These initiatives should target the strongest minority and women staff in these feeder grades and offer them intensive support to maximize their career potential including mentoring, training, and networking opportunities.
- **A pilot of centralized recruitment in agencies** so that at least a third of Senior Executive Service vacancies are filled by generic recruitment to the SES rather than to a specific post. Talented minority and female applicants should be encouraged to apply from other agencies and from outside government. Some smaller agencies with few vacancies should work on joint recruitment.

As the federal government pursues this agenda, it needs to exercise care. Most importantly, it should focus on attracting the very best minorities and women into the Senior Executive Service by identifying and developing talent in the promotable ranks of the civil service below the Senior Executive Service, and by increasing the flow of skilled applicants into the career civil service. But when hiring into the Senior Executive Service, it should always look for the best people it can find regardless of ethnicity, race, or gender. The recommendations above are designed to do precisely that. Never should anyone responsible for recruitment into the Senior Executive Service feel they should offer someone a job merely because of their ethnic, racial, or gender background. Not only would that lead to a poorer-quality government but it would also undermine the confidence of all applicants, not just minority groups and women.

This is a unique moment to set the government on course for a Senior Executive Service that represents the people it serves. The Obama administration has made an excellent start by issuing an executive order on diversity and inclusion. High turnover due to baby boomer retirement is likely to continue producing opportunity in the form of job openings. And at a time of austerity and complaints over the size of government, it is important that the nation gets the most out of its tax dollars. A more diverse workforce does just that.

Over the next few months, the administration will set out a detailed strategy to promote diversity and inclusion and each agency will put together its own action plan. It is essential that closing the diversity gap in the Senior Executive Service is central to those plans. In the pages that follow, we detail those gaps and the specific remedies outlined above.



# The Senior Executive Service in 2030

Before we detail the makeup of the Senior Executive Service, we need to define what it is in more detail. The federal Office of Personnel Management refers to the Senior Executive Service as “America’s National Asset.”<sup>6</sup> Established in 1978 with the Civil Service Reform Act, the Senior Executive Service was created 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.”

The Senior Executive Service is made up of around 7,000 individual executives who are classified above GS-15 in the career civil service. These are the federal government’s senior managers with the experience, the education, and the capacity to take on significant responsibility, such as directing the work of an organization or providing policy advice on complex issues. There are Senior Executive Service members in every part of federal government. They are, for example, administrators for safety and health at NASA, directors of the National Wildlife Refuge System at Interior, or senior advisors on the Middle East for the Department of the Army.

There are a further 700 members of the Senior Executive Service who are politically appointed by the president. We exclude them from our analysis in this report because they are political appointees, and refer only to career employees as members of the Senior Executive Service.

Upon signing the Civil Service Reform Act of 1978, President Jimmy Carter said the bill “goes to the very heart of what the American people are asking for: a government and a civil service that work.”<sup>7</sup> Today, at a time of increased questions about the worth and purpose of government at all levels, the nation must take steps to ensure the civil service, most particularly its Senior Executive Service, is the best it should be. To ensure this objective and establish that it is truly “America’s National Asset,” the federal government must ensure it looks more like the American people it serves.

We start then with a review of where the Senior Executive Service and its feeder grades stand today. CAP built a dynamic quantitative model to explore the projected makeup of the Senior Executive Service in 2030. (See pages 11-13 for details.)

Our findings make it clear that the projected ethnic, racial, and gender makeup of the Senior Executive Service will not reflect that of the workforce in 2030 and beyond. (see table 1) Most notably:

**Senior Executive Service and Civilian Labor Force Comparison 2000-2030**

	2000			2010			2020			2030		
	SES	Labor Force	Difference	SES	Labor Force	Difference	SES	Labor Force	Difference	SES	Labor Force	Difference
<b>Asian</b>												
Male	1.1%			1.6%	2.5%	-0.9%	2.7%	3.0%	-0.4%	3.4%	3.5%	-0.1%
Female	0.5%	<sup>1</sup>		1.1%	2.3%	-1.2%	1.8%	2.9%	-1.1%	2.6%	3.5%	-0.9%
<b>Total</b>	<b>1.6%</b>			<b>2.7%</b>	<b>4.8%</b>	<b>-2.1%</b>	<b>4.5%</b>	<b>5.9%</b>	<b>-1.5%</b>	<b>6.0%</b>	<b>7.0%</b>	<b>-1.0%</b>
<b>African American</b>												
Male	5.5%	5.5%	<b>0.0%</b>	5.3%	5.6%	-0.3%	5.3%	5.8%	-0.5%	5.3%	5.9%	-0.6%
Female	2.9%	6.2%	<b>-3.4%</b>	4.0%	6.2%	-2.2%	6.7%	6.4%	<b>0.3%</b>	9.5%	6.5%	<b>3.0%</b>
<b>Total</b>	<b>8.4%</b>	<b>11.8%</b>	<b>-3.4%</b>	<b>9.3%</b>	<b>11.7%</b>	<b>-2.5%</b>	<b>12.0%</b>	<b>12.2%</b>	<b>-0.2%</b>	<b>14.8%</b>	<b>12.4%</b>	<b>2.4%</b>
<b>Hispanic</b>												
Male	2.0%	6.3%	<b>-4.4%</b>	2.7%	8.6%	-5.9%	3.2%	10.6%	-7.5%	4.4%	12.8%	-8.4%
Female	0.7%	4.6%	<b>-3.9%</b>	1.0%	6.0%	-5.0%	1.5%	7.7%	-6.2%	2.4%	9.7%	-7.3%
<b>Total</b>	<b>2.6%</b>	<b>10.9%</b>	<b>-8.3%</b>	<b>3.7%</b>	<b>14.6%</b>	<b>-10.9%</b>	<b>4.7%</b>	<b>18.4%</b>	<b>-13.7%</b>	<b>6.8%</b>	<b>22.5%</b>	<b>-15.7%</b>
<b>Other</b>												
Male	0.87%	<sup>2</sup>		1.2%	1.3%	-0.1%	0.9%	1.5%	-0.6%	0.9%	1.8%	-0.9%
Female	0.33%			0.5%	1.2%	-0.7%	0.6%	1.4%	-0.8%	0.7%	1.6%	-0.9%
<b>Total</b>	<b>1.21%</b>			<b>1.7%</b>	<b>2.5%</b>	<b>-0.8%</b>	<b>1.5%</b>	<b>2.9%</b>	<b>-1.4%</b>	<b>1.6%</b>	<b>3.4%</b>	<b>-1.8%</b>
<b>Minority</b>												
Male	9.5%	14.4%	<b>-4.9%</b>	10.7%	18.1%	-7.3%	12.0%	21.0%	-9.0%	13.9%	24.0%	-10.1%
Female	4.4%	13.0%	<b>-8.6%</b>	6.5%	15.6%	-9.1%	10.6%	18.4%	-7.8%	15.1%	21.3%	-6.1%
<b>Total</b>	<b>13.9%</b>	<b>27.4%</b>	<b>-13.6%</b>	<b>17.3%</b>	<b>33.7%</b>	<b>-16.4%</b>	<b>22.6%</b>	<b>39.3%</b>	<b>-16.8%</b>	<b>29.1%</b>	<b>45.3%</b>	<b>-16.2%</b>
<b>White</b>												
Male	67.3%	39.3%	<b>28.0%</b>	58.9%	36.1%	22.7%	51.1%	33.6%	17.5%	45.1%	30.7%	14.4%
Female	18.7%	33.8%	<b>-15.1%</b>	23.8%	31.6%	-7.7%	26.4%	29.3%	-2.9%	25.9%	26.7%	-0.8%
<b>Total</b>	<b>86.1%</b>	<b>73.1%</b>	<b>13.0%</b>	<b>82.7%</b>	<b>67.7%</b>	<b>15.0%</b>	<b>77.4%</b>	<b>62.9%</b>	<b>14.5%</b>	<b>70.9%</b>	<b>57.4%</b>	<b>13.5%</b>
<b>Overall % Male</b>	<b>77%</b>	<b>53%</b>	<b>23%</b>	<b>70%</b>	<b>53%</b>	<b>16%</b>	<b>63%</b>	<b>53%</b>	<b>10%</b>	<b>59%</b>	<b>53%</b>	<b>6%</b>
<b>Overall % Female</b>	<b>23%</b>	<b>47%</b>	<b>-23%</b>	<b>30%</b>	<b>47%</b>	<b>-16%</b>	<b>37%</b>	<b>47%</b>	<b>-10%</b>	<b>41%</b>	<b>47%</b>	<b>-6%</b>

<sup>1</sup>Asian and "Other" data could not be disaggregated because before 2003 the Bureau of Labor Statistics calculated these groups together. See Current Population Survey technical documentation: <http://www.bls.gov/cps/rscps03.pdf>.

<sup>2</sup> Ibid.

Source: Office of Personnel Management, Bureau of Labor Statistics, CAP Projections.

- Overall, minorities will likely make up around 29 percent of the Senior Executive Service in 2030 but they will be 43 percent of the civilian labor force, according to the Bureau of Labor Statistics. Currently, communities of color occupy 17 percent of Senior Executive Service positions but make up 34 percent of the civilian labor force.
- In 2030 we project that 41 percent of the Senior Executive Service will be women compared with 47 percent of the projected civilian labor force. While this is an improvement on current figures (in 2010, 31 percent were women), even in 2030 there will remain a significant gender diversity gap.
- Hispanics will be vastly underrepresented in the Senior Executive Service. In 2030 we project that the senior ranks of the civil service will be 6.8 percent Hispanic compared to 23 percent of the civilian labor force. Hispanics currently occupy 3.7 percent of SES posts.
- Whites will remain significantly overrepresented. In 2030 we project that 71 percent of the Senior Executive Service will be white compared with 43 percent of the projected civilian labor force. At present, whites are around 83 percent of the Senior Executive Service and form 68 percent of the civilian labor force.
- The Senior Executive Service will be 6 percent Asian American in 2030 compared with 7 percent of the projected civilian workforce. This represents a doubling of their current representation in the top ranks of the civil service, driven by their significantly higher representation in the top ranks below the Senior Executive Service. While an improvement, Asian Americans will remain underrepresented.
- Pacific Islanders and Native Americans are likely to be significantly underrepresented. These groups form the vast majority of those in the “other” category in our model and in the civilian labor force comparison group. Only 1.6 percent of the SES will be “other” in 2030 as opposed to 3.4 percent of the civilian labor force.

But there is also some good news. Our model predicts that by 2030, the percentage of African American members of the Senior Executive Service will broadly

## The most diverse and least diverse federal agencies

Some agencies are doing a better job including people of color in their Senior Executive Service posts while others are particularly deficient. Here’s the best and worst rankings as of September 2010.

### Agencies with the best Senior Executive Service minority representation

- Department of Housing and Urban Development (43 percent)
- Department of the Interior (28 percent)
- Department of Agriculture (23 percent)

### Agencies with the worst Senior Executive Service minority representation

- Department of Defense—civilian (10 percent)
- Department of the Navy—civilian (10 percent)
- Department of the Air Force—civilian (10 percent)
- Department of the Army—civilian (9 percent)
- Department of State (8 percent)

reflect the adult populations of that community. In 2030 we project the Senior Executive Service will be 14.8 percent African American compared with 12.4 percent of the civilian labor force.

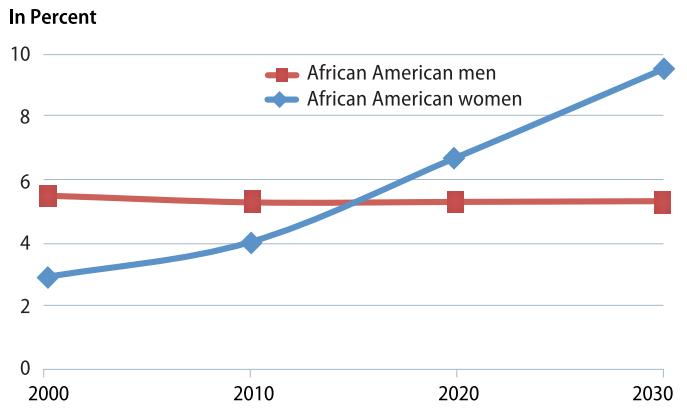
This slight overrepresentation compares to a slight underrepresentation at present (around 9 percent of the Senior Executive Service is African American at present whereas almost 12 percent of the civilian labor force is African American). Our model predicts the increased representation of African Americans is driven entirely by women, who will more than double their presence in the Senior Executive Service by 2030 to 9.4 percent while the numbers of African American men remain largely constant.

We have also looked beyond 2030 to 2050. Predictions over such a long timeframe are very hard to make, so we merely offer an indication of what might happen for Hispanics and women in the Senior Executive Service. We would expect the diversity gap for women to disappear by 2050 assuming progress continues to be made at the same pace. But for Hispanics, we think there will remain a very significant gap. We would expect Hispanics to occupy between 9.5 percent and 12.5 percent of Senior Executive Service roles by 2050—a far cry from their likely representation in the labor force of 30 percent.

The comparisons above are between the Senior Executive Service and the entire civilian labor force. But there is an argument for using a different comparison group. Members of the Senior Executive Service are highly skilled and they boast high levels of educational attainment including one or more degrees. So it might be better to benchmark them against those with a similar level of educational attainment. While there are data available on the current educational attainment levels of U.S. adults by race

**FIGURE 5**  
**Mixed Picture**

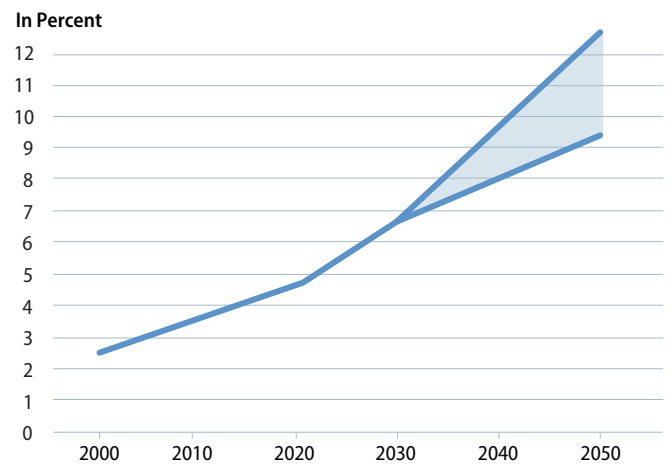
African American women see Senior Executive Service gains while men don't



Source: CAP Programs.

**FIGURE 6**  
**Hispanic Senior Executive Service Gains Remain Modest**

The most optimistic projections for 2040 and 2050 lag far behind the civilian labor force



Source: Office of Personnel Management, CAP Projections.

and ethnicity, we were unable to find long-term projections of the number of graduates in the labor force by race or ethnicity.

In 2010, however, around 33 percent of whites over the age of 25 had a bachelor's degree but around 20 percent of African Americans and 14 percent of Hispanics did. Asian Americans that year were most likely to have a degree, with around 52 percent of Asian Americans over 25 holding a degree.<sup>8</sup> Unless the situation improves significantly over time, it would be unfair to draw comparisons between the composition of the Senior Executive Service and the civilian labor force in 2030 based on these 2010 data as some communities of color today disproportionately have poorer educational qualifications.

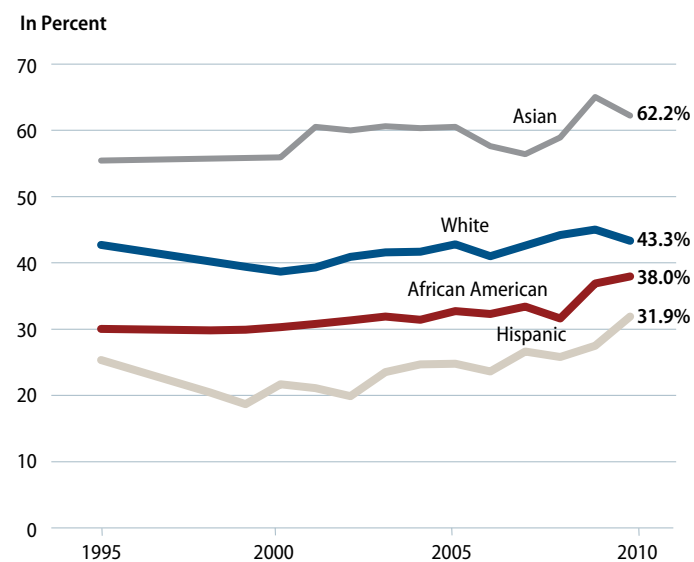
But there is evidence to suggest the education levels of people of color will improve in coming years. Data on those enrolled in college show that the diversity gap is narrowing, according to the Pew Hispanic Center.<sup>9</sup> Fifteen percent of those enrolled in college are Hispanic, and this number will grow as college enrollment rates rise and the proportion of young people who are Hispanic grows. Even though degree completion rates are lower for Hispanics, it seems inevitable that they will make up a larger proportion of the graduate population over the coming decades.

The probable result: By 2050, people of color will be more likely to hold a college degree than they are now. In the absence of any data projecting the graduate-degree population over the next 20 to 40 years, we had little choice but to use the civilian labor force as our comparison group. But there is also an ethical reason to increase the diversity of the Senior Executive Service—government is meant to represent the people, so it should make a special effort to reflect that in its most senior staff.

Even if we were able to find reliable data predicting the share of graduates over the coming decades and used that as a benchmark, our main conclusions are unlikely to be very different. Hispanics will remain underrepresented in the Senior Executive Service as we project numbers in 2030 and 2050 that are below present-

**FIGURE 7**  
**Narrowing College Enrollment Gaps**

Percent of 18- to 24-year-olds in college by race and ethnicity, 1995–2010



Source: Pew Hispanic Center.

day college enrollment. Whites will remain overrepresented. The most notable differences would relate to African Americans and Asian Americans, where a graduate population benchmark would likely show that African Americans were significantly overrepresented and Asian Americans significantly underrepresented.

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## Our dynamic model

Our 2030 projections on the makeup of the Senior Executive Service are the result of a dynamic model created by the Center for American Progress.

Our model works by looking at the age, gender, and race profile of the existing Senior Executive Service. As existing members age and leave the federal government, they are replaced by new people drawn either from outside government or from more junior grades in government. The ethnic, racial, and gender composition of joiners is different to those who leave, so the diversity of the Senior Executive Service changes. The model worked its way through two “generations of promotions” by aging the population, allowing for people who leave, and allowing for joiners. The result is the composition of the Senior Executive Service and its feeder grades in 2020, and again to get to the 2030 projections.

In developing our model, we have tried to be realistic in our assumptions, but where necessary, we have chosen assumptions that are generous. As a result, we think we are slightly more likely to overstate the extent of likely improvement in diversity than we are to understate it.

In terms of data, we relied upon the Office of Personnel Management’s FedScope system, which allows the public access to complex data about the composition of the federal workforce. The data did not allow gender and race analysis to be conducted at the same time, so we asked OPM to share with us data that would. Our model uses data from FedScope and these new data that OPM provided us. For workforce projections, we utilized those prepared by the Bureau of Labor Statistics.

Any model, of course, requires assumptions. The following guide our model:

- The size of the Senior Executive Service will remain static. This assumption was also made by the Government Accountability Office, which created a model in 2003 to predict the likely diversity of the Senior Executive Service by 2010. In doing so, they assumed its members would remain static. But the Senior

Executive Service has grown 11 percent since 2000, and if growth were to continue at this pace, our model would likely show a slightly greater pace of change over the coming years. But such growth is unsustainable. It is unlikely that the Senior Executive Service will continue to grow at this rate through 2030, especially given the likely pressure on agency budgets in the coming decades. Assuming the size of the Senior Executive Service remains static adds some realism to the model and protects it from unrestrained growth.

- OPM shared with us data that show Senior Executive Service hires are split relatively evenly between those in the key feeder grade, GS-15, and those with no federal service. We assume that those drawn from outside government are likely to have the same gender, ethnic, and racial profile as existing GS-15s. This assumption is somewhat generous as data on recent external hires into the Senior Executive Service imply they are less diverse than those hired from within the federal government. In 2010, for example, while 22 percent of the GS-15 pool was from communities of color—same proportion of internal recruits into the Senior Executive Service—only 10 percent of external recruits were from communities of color.
- Our model assumes that promotion rates do not vary by gender, ethnic or racial group. Instead, it is representation at feeder grades that determines the likelihood of reaching the next level. Data on promotion rates are not easily accessible. OPM does not publish data by ethnic or racial group, and data are only available for a year at a time. OPM shared with us data for 2010 that suggested that the chances of being promoted from within the federal workforce do not vary by ethnic group once representation at feeder grades is controlled for. That is the basis of our assumption, but more detailed historic data on promotion rates may well show that there is a lower promotion rate for GS-15 minorities or women. If it does, then our model will predict a faster rate of improvement than is likely.
- Our model assumes GS-15s are recruited in a similar way, about half from the grades directly below within the career civil service (GS-13 and GS-14) and the rest from outside. Again, we assume that the demographic characteristics of new recruits are similar to those of feeder grades and that minority and women GS-13s and GS-14s have the same chances of promotion as those who are white men. There are no publicly available data on this, so this assumption may well be generous. If it is, our model will overpredict the likely improvement in diversity.



- We exclude political appointees and focus instead on the career ranks of the Senior Executive Service. While political appointees do tend to be more diverse than the larger Senior Executive Service population, we decided to exclude them as their connection with government is short (the average tenure for the past two completed administrations was 2.5 years).<sup>10</sup>
- Members of the Senior Executive Service between the ages of 35 and 50 have the highest chance of remaining for 10 years, and as they near the federal retirement age, the vast majority of serving civil servants decide to retire. We assume retention rates are determined by age rather than ethnicity, race, or gender. There are little data available on long-term retention rates but there are data on leavers and joiners by year, broken down by age and gender. We used these data to underpin our assumption.

# The case for diversity

When the Senior Executive Service was created, the legislation said it was to be “responsive to the needs, policies, and goals of the nation.” We believe that in order to do so, it must better represent the nation it serves. There are three primary reasons why the SES must be more diverse:

- Good business
- Democracy
- Leadership

Let’s examine each of these in turn.

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## Good business

In Federalist Paper No. 68, Alexander Hamilton argued that the “true test of a good government is its aptitude and tendency to produce a good administration.”<sup>11</sup> A more diverse Senior Executive Service can produce this “good administration” through greater efficiencies, more innovation, and better effectiveness.

A number of studies prove this to be the case. A 2008 study, for example, compared the financial performance of the DiversityInc’s Top 50 Companies for Diversity to a matched sample of competing firms (identified using the Compustat database).<sup>12</sup> The results demonstrated that the median net profit margins of the Diversity 50 firms were “higher in each year for the 6-year period immediately preceding their recognition by DiversityInc.”<sup>13</sup> Diversity 50 firms also on average did better than their less-diverse counterparts in median net profit margins, by 2.7 percent per year.

In addition, the Diversity 50 firms also have a higher median return on equity than their matching counterparts every year, with an average advantage between 2.5 percent and 6 percent.<sup>14</sup> Diversity, according to the study, improves organizational competitiveness by improving decision making, connection with customers, and innovation.

Forbes Insights in 2011 conducted a comprehensive survey of more than 300 senior executives from geographically diverse companies that had revenues of at least \$500 million and went up to more than \$20 billion. Their findings were instructive: 85 percent of executives agreed (48 percent strongly and 37 somewhat agreed) that a “diverse and inclusive workforce brings the different perspectives that a company needs to power its innovation strategy.” The larger the company, the more likely executives agreed: Of those companies with \$10 billion or more in annual revenues, 56 percent strongly agreed diversity drives innovation.<sup>15</sup>

Similarly, a 2006 study published in *American Sociological Review* by scholars Alexandra Kalev, Frank Dobbin, and Erin Kelly looked at more than 700 private-sector organizations from 1971–2002. The study found that establishing responsibility for diversity through “structures that embed accountability, authority, and expertise ... are the most effective means of increasing the proportions of white women, black women, and black men in private sector management.”<sup>16</sup>

Then there’s the work done by Scott E. Page, the Leonid Hurwicz Collegiate Professor of Complex Systems, Political Science, and Economics at the University of Michigan, director of the Center for the Study of Complex Systems, and a contributor to Center for American Progress’ Science Progress. Page researches the impact of diversity on systems and performance. He characterizes diversity as the “differences in how people see, categorize, understand and go about improving the world.”<sup>17</sup> His focus is cognitive diversity but he believes “there’s certainly a lot of evidence that people’s identity groups—ethnic, racial, sexual, age—matter when it comes to diversity in thinking.”<sup>18</sup>

These cognitive differences, he says, help organizational performance because people from different backgrounds have different “tools” or “varying ways of looking at problems.”<sup>19</sup> Page argues that “the sum of these tools is far more powerful in organizations with diversity than in ones where everyone has gone to the same schools, been trained in the same mold and thinks in almost identical ways.”<sup>20</sup>

A 2005 report by the Government Accountability Office similarly found that “diversity management makes good business sense that enhances productivity and innovation.”<sup>21</sup> The report found that a range of government and academic studies demonstrates that diversity can “contribute to the achievement of improved individual and organizational performance.”<sup>22</sup>

Business leaders from different industries agree. Frédéric Rozé, the managing director of the global cosmetics company L'Oréal SA's North America business, argues that "Diversity fosters creativity."<sup>23</sup> Eileen Taylor, the global head of diversity for Deutsche Bank, says that "diverse teams and companies make better decisions."<sup>24</sup>

Among the reasons for this improved organizational performance is that "heterogeneous groups develop shared routines and practices for knowledge sharing and integration that are similar to homogeneous groups, and since diverse groups also possess greater breadth or heterogeneity of knowledge than homogeneous groups, they tend to outperform homogeneous groups," according to a 2007 study by scholars Orlando Richard, B. P. S. Murthi, and Kiran Ismail.<sup>25</sup> This improvement was especially true in service-oriented firms.

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## Democracy

For a nation that celebrates its representative democracy and expounds democratic virtues around the world, the nation's government should represent the people it serves. For a government to effectively represent the citizens it serves and who pay for it, the government must look like its citizens. Americans of all races and ethnicities must be able to look to the federal government and appreciate that their interests are being served and protected. These citizens deserve to see a government that looks like them and pay enough in taxes to ensure their government understands the problems and challenges of people like them. This is the reason why the same act that created the Senior Executive Service also requires federal government to "endeavor to achieve a workforce from all segments of society."<sup>31</sup>

Results from the 2010 Census report that by the year 2050 the United States will no longer have a clear racial or ethnic majority. While the non-Hispanic white population is rapidly aging, communities of color are growing. Without the growth of these communities, the United States would likely be facing similar problems as

## Context is key

The gains in effectiveness, efficiency, and creativity from improving the diversity of organizations, which we detail in this section of the report, require decisive action and effective management to unlock the benefits of diversity.<sup>26</sup> Above all, boosting diversity for better performance requires improved management.<sup>27</sup>

In reviewing academic studies, for example, the Government Accountability Office found that "diversity management makes good business sense that enhances productivity and innovation."<sup>28</sup> Scholars Jacqueline A. Gilbert and John M. Ivancevich argue that this management cannot just be a superficial change but must include a "fundamental cultural change" in an organization to improve performance.<sup>29</sup> These actions can include leadership and managerial encouragement, specific human resource initiatives (efforts such as eliminating discrepancies in compensation and employment security), better organizational communication (efforts to include all employees in the decision-making process), organizational philosophy (such as making clear the organization's sustained commitment to diversity), and measuring success through several benchmarks to ensure progress.<sup>30</sup>

other developed countries who are dealing with rapidly aging populations and shrinking workforces, such as Japan and much of Western Europe. In contrast, communities of color provide the United States an opportunity to maintain a growing and vital labor force.

It is certainly possible for a government to be responsive to its citizens without diversity. And good work has been performed for decades by the Senior Executive Service, which has not been as diverse as the people it serves. But the likelihood that the government will understand the lives and appreciate the challenges of people of color and women in the economy, in schools, and in the military must increase as more people of color and women serve in the Senior Executive Service, in Congress, and in other parts of government. GAO, in looking at diversity literature, argues that increased diversity can “help an organization expand services to meet the needs of a more diverse customer base.”<sup>32</sup>

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## Leadership

The federal government has been a leader in ensuring fair hiring and expanding opportunities for people of color. It should reaffirm this role.

African Americans, for example, long faced discrimination in hiring in this country. Dating back to the 1930s, the federal government encouraged hiring of African Americans by its contractors and in some cases required that contractors employ a percentage of skilled African American workers.<sup>33</sup> In the 1960s with civil rights legislation and the onset of official affirmative action, the federal government’s efforts became more widespread and overt.

Improvement required prioritizing by Congress and Secretary of the Interior Harold Ickes in the 1930s to call for nondiscrimination in hiring by the federal government and federal contractors. Thirty years later, President Lyndon B. Johnson and others established it as a responsibility of the federal government to comply with affirmative action and lead in hiring African Americans and other people of color.

The result, particularly for African Americans, has been better than in the private sector. While more than 8 percent of the Senior Executive Service was African American in 2006, they occupied less than 3 percent of corporate senior management jobs, according to *The New York Times*.<sup>34</sup>

One reading of the federal government's performance in hiring African Americans is that it has been driven by private-sector discrimination. Talented African Americans may have sought federal government as a career perceiving it as a fairer employer than the alternatives. That may explain why our model predicts a slight overrepresentation of African Americans in the Senior Executive Service by 2030.

Nonetheless, the federal government and Americans should be proud of the leadership that federal agencies have shown in bringing talented African Americans into key roles in management. It needs to exercise the same leadership in closing the diversity gap for Hispanics. As President Obama said in the recently issued executive order, "as the nation's largest employer, the federal government has a special obligation to lead by example."

# Recommendations to achieve a better, more diverse Senior Executive Service

The federal government should take several steps to ensure the career SES looks more like the country over the next 20-40 years and best serves the diverse nation it represents. Building on the actions taken by the Obama administration—see the box below—we call on the federal government to take the following three steps:

- Make a commitment to closing the diversity gap in the Senior Executive Service.
- Develop a stronger applicant pool.
- Use data to better promote diversity.

Let's look at each of these steps in turn.

## The Obama administration's commitment to diversity

On August 18, 2011, President Obama issued an executive order to establish a coordinated government-wide initiative to promote diversity and inclusion in the federal workforce. The executive order requires the Office of Personnel Management and the Office of Management and Budget to work with the deputy secretaries of agencies and the Equal Employment Opportunity Commission to develop a government-wide plan to promote diversity. The executive order says the plan must “identify appropriate practices to improve the effectiveness of each agency’s efforts to recruit, hire, promote, retain, develop, and train a diverse and inclusive workforce.” The plan must be issued by mid-November and updated every four years.

The executive order then requires each major executive branch agency to take action to implement the government-wide plan. There is a specific requirement for each agency to develop its own diversity and inclusion strategic plan for “recruiting, hiring, training, developing, advancing, promoting, and retaining a diverse workforce”—these plans need to be complete within 120 days of the government-wide plan (by mid-March 2012) and updated every four years.

The Obama administration recently also made a commitment to promote diversity in the Senior Executive Service. In a joint memo to all of its members, OPM Director John Berry and OMB Deputy Director Jeff Zients committed to set up a pilot project to develop high-potential staff at the GS-13-15 level and prepare them for the Senior Executive Service. They also promised a shared capacity across agencies to market and recruit, and an external talent search to attract diverse candidates. The recommendations of this report build on these initiatives.<sup>35</sup>

The Obama administration also has hired a much more diverse group into senior political appointments. In September 2010 24 percent of political appointees were minorities and 40 percent were women compared to 10 percent and 23 percent, respectively, four years earlier under President Bush. The Obama administration also is noted for its diverse hiring efforts on the federal bench. Elena Kagan and Sonia Sotomayor both now sit on the Supreme Court, but efforts to improve judicial diversity have not been limited to the top of the system. To date, the president has had 97 of his judicial nominees confirmed. As reported recently in *The New York Times*, nearly half of the confirmed nominees are women, 21 percent are African American, and 11 percent are Hispanic.<sup>36</sup>



## Making a commitment to closing the diversity gap in the Senior Executive Service

The Obama administration's recent executive order recognizes the importance of leadership from the center of government. It asks OPM and OMB to work together with the EEOC and departments to develop a government-wide plan to improve diversity. We believe the government-wide plan should include a strong focus on closing the diversity gap in the Senior Executive Service.

Given the findings of this report, we recommend the top priority should be to address the very significant underrepresentation of Hispanics. It is also important to continue to make progress to increase the number of women in Senior Executive Service roles. We recommend that the government-wide plan should take the following steps.

### *Set an objective to close the diversity gap for the career Senior Executive Service by 2030*

Doing so would ensure representation of women and all ethnic and racial groups better reflects their likely representation in the civilian labor force. The best way to show leadership is to make a clear commitment to closing the diversity gap. But change takes time, especially in relation to the composition of a 7,000-strong workforce. That is why we believe 20 years is a sensible timeframe.

### *Set out interim milestones on the progress that should be made across executive branch agencies every four years*

These milestones will allow the federal government to monitor progress and hone its strategies to maximize the chances of closing the diversity gap. Changes to strategy should be reflected in revisions to the government-wide plan that is due to be revised every four years.

### *Embark on a special initiative to increase the representation of Hispanics in the Senior Executive Service*

The most serious issues of underrepresentation apply to Hispanics, and they apply not only to the Senior Executive Service but also to the feeder grades of GS-13, GS-14, and GS-15. The federal government should embrace this challenge head on and make it its top priority.

### *Include a strong focus on closing the gender gap*

Our model predicts women will remain significantly underrepresented in the Senior Executive Service by 2030. We believe the gap is likely to close by 2050, which is too long to wait. The government-wide plan should commit to actions to accelerate the pace of improvement in gender diversity.

*Agency-specific objectives to close the diversity gap in the Senior Executive Service by 2030*

Recruitment into the Senior Executive Service is led by agencies, not by OPM and OMB, so it is in agencies that real change will happen. Agency plans should also contain a strong commitment to closing the diversity gap. Specifically, we recommend agency-specific objectives to close the diversity gap in the Senior Executive Service, including interim milestones for every four years commencing in 2015. Each agency should set its own milestones taking account of the current level of representation and the likely turnover in its most senior ranks over the coming years. But together, agency objectives and milestones should be consistent with the government-wide plan. Agencies should also consider setting objectives for representation in key feeder grades, especially for Hispanics.

It is important that the objectives and milestones are just that—indications of the amount of progress that agencies hope to make. They should not be quotas and they should not impact decisions on who to hire. Never should anyone responsible for recruitment into the Senior Executive Service feel they should offer someone a job merely because of their ethnic, racial, or gender background. Not only would that lead to a poorer-quality government but it would also undermine the confidence of all applicants. Nobody wants to feel they got a job because they looked right but were not the best candidate, which is a recipe for failure in the job. It is also likely to lead to a backlash from whites or men who will feel that they are wrongly disadvantaged.

Instead action to promote diversity should be about attracting and developing diverse talent, making sure that the best people of color and women are attracted to a career in federal government. It must also include identifying those with the greatest potential in feeder grades to offer them support to maximize their career prospects.

## Women at Home Depot

The federal government must establish accountability for diversity and make it easier to connect qualified women and people of color with existing opportunities in the Senior Executive Service. Technology may hold the key, as The Home Depot Inc. is now demonstrating.

Home Depot was the subject of a class action lawsuit that alleged gender discrimination in hiring, assignments, promotions, compensation, and training.<sup>37</sup> In 1998 Home Depot attempted to improve their hiring and promotional practices from the ad hoc system that was in place as the entrepreneurial company grew.

The critical tool in the new system was the Job Preference Process, an in-store computer and telephone system that automatically allowed employees and applicants to become part of the applicant pools that met their qualifications. The Job Preference Process took managers out of the process of choosing who to interview, and it also allowed the company to monitor whether qualified women and people of color were less likely to be selected.

The results: Since its launch, female managers have increased 30 percent and minority managers have increased by 28 percent.

*Establish a sub-committee of the President's management council responsible for diversity*

Senior leadership to promote diversity is essential, and it is unfair to ask OPM or OMB to take on all the responsibility for leading change. There should be a new sub-committee of the President's Management Council responsible for devising the government wide plan and monitoring progress across government and in agencies. The sub-committee should be chaired by an agency Deputy Secretary and include the Director of OPM, the Deputy Director of OMB, and the Chair of the EEOC along with a number of Deputy Secretaries from agencies.

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*Developing a stronger applicant pool*

The need to find, recruit, and hire qualified minorities and women requires developing a stronger applicant pool. In particular, there is an urgent need to attract talented Hispanics into federal government. If those applying for roles in the Senior Executive Service or its feeder grades are routinely diverse, it improves the likelihood that progress will be made. We recommend the following strategies.

*Campus recruiting of underrepresented groups for internships and other pathway programs*

President Obama issued an executive order in late 2010 that set up a number of pathways programs to bring young talent into federal government.<sup>38</sup> These include internships, a program for recent graduates, and the Presidential Management Fellows program. Many of the recruits into these schemes will become members of the Senior Executive Service in the future. The administration should ensure recruitment into these schemes is as diverse as our nation, with a special focus on recruiting talented women and Hispanics. In particular, OPM should lead an effort to recruit at campuses that have a significant number of Hispanics.

*Agencies should undertake initiatives to increase the diversity of the applicant pool for Senior Executive Service posts*

The vast majority of recruitment and advertising for jobs is done by agencies. While we do not believe there is a need to “headhunt” applicants other than Hispanics, there is a strong case for focusing marketing efforts on other people of color and women. The federal government, for example, can offer a better work-life balance than many private-sector employers and marketing that more heavily may help increase the number of talented women applicants. Agencies should also make an effort to make connections with communities of color and women's organizations through outreach and advertising in their media channels.

*Measures to identify and support emerging talented people of color and women within agencies who might form part of the Senior Executive Service in the future*

Around half of the Senior Executive Service vacancies are likely to be filled from within, and agencies should do everything they can to ensure minority and female talent is nurtured. They should build lists of the most talented women and people of color at more junior grades, and they should ensure they are supported to maximize their potential. This should provide mentoring, training, and networking opportunities and advice on how to successfully compete for Senior Executive Service roles. It is essential that this support for talent is kept separate from the recruitment process. Applicants who have benefited from a development scheme should not receive any preferential treatment, and recruiting managers should always hire the best possible applicant.

*Federal government should create a database of talented Hispanics who can be headhunted into key roles in federal government*

A key strategy for increasing the number of Hispanics will be to proactively identify talented Hispanics outside of government and encourage them to see the federal government as a good place to work. The objective should be to persuade them to apply for key roles in the Senior Executive Service and also in the feeder grades of the civil service where they are currently underrepresented, such as GS-13 through GS-15. Once talented candidates have been identified, they should receive notification of relevant posts and be able to get advice on whether they would be suitable applicants. The actual appointment process must be kept separate from the process of encouraging applicants to ensure appointments continue to be made on merit. Such an effort to identify Hispanic talent would be best handled across the executive branch as there are strong economies of scale. It should be included in the government-wide plan.

*A pilot of centralized recruitment in agencies so at least a third of career Senior Executive Service vacancies are filled by generic recruitment*

The process of applying to federal government can be daunting. It can be hard to make sense of what exactly is needed to secure a senior role in federal government. One particular weakness is that every Senior Executive Service role is currently advertised separately.

Where an agency or set of agencies know they need to fill a number of Senior Executive Service vacancies in the coming year, it would make more sense to advertise them together and build a generic job description for the roles. That way, it will be possible to market the set of vacancies at talented minority and female candidates—and build a strong applicant pool based on the grade of entry rather than the specific post.

## Diversity at Kaiser Permanente

The federal government could take a lesson from health care provider Kaiser Permanente. The company believes that to achieve a competitive advantage among a diverse marketplace, it needs to provide “culturally competent” health care that reduces racial and ethnic health disparities and provide integrated care throughout their medical facilities. So nearly 20 years ago, Kaiser’s board of directors approved its National Diversity Agenda, which governs the organization’s diversity efforts and aims to grow membership and enhance the diversity, cultural competency, and performance of its workforce.

The company’s Diversity Leadership Development Program targets racially and ethnically diverse managers just below the director level and provides quarterly role modeling forums to enable senior leaders to share their personal, career, and diversity-related experiences with the broader workforce. Kaiser created a National Diversity Council to

oversee the implementation of this agenda and provide advice and strategic direction to Kaiser’s senior leadership.

The results are impressive. Kaiser has been recognized for developing one of the most diverse boards of directors in the private sector. Fifty percent of its board members are people of color (21 percent African American, 14.5 percent Hispanic, and 14.5 percent Asian American), while 36 percent of members are women. Additionally, of the company’s eight regional presidents, four are people of color and four are women. The organization’s targeted recruitment has also successfully increased the representation of diverse women executive physicians from 3.7 percent in 2007 to 11.8 percent in 2009, and diverse men executive physicians from 11.3 percent to 13.6 percent during that same time period.<sup>39</sup>

This approach is not suitable for all Senior Executive Service posts. In some cases, specific technical knowledge will mean that the post cannot be advertised along with others. We recommend that agencies should embark on a pilot and commit to filling at least a third of career SES vacancies in this manner over the next two years.

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### Using data to better promote diversity

Data are essential in order to develop a strategy to promote diversity. It is important to understand where the issues are and then take specific actions to address them.

Government collects enormous data on diversity. Each agency has data on the diversity breakdown of applicants for posts, and also their chances of getting shortlisted for interview or appointed. These data could provide enormously valuable information. Each agency could answer questions such as:

- Is the primary reason for a lack of diversity in appointments to the Senior Executive Service because there are not enough applicants from diverse communities?
- Do people of color and female candidates have a lower chance of being appointed to Senior Executive Service posts once they have applied?

As we researched this report, we found little evidence that agencies are mining these data to inform the development of their strategies to promote diversity.

Departments also have data on the performance of staff, and so would be able to build a list of the most highly rated diverse staff in feeder grades. This list could be

the start of talent spotting within agencies to ensure the best minority and women staff are identified and supported to compete for Senior Executive Service roles. Consequently, we recommend that agencies take the following steps.

*Analyze the data agencies have available on the diversity of applicants for posts in feeder grades and in the Senior Executive Service*

By doing so, agencies could develop a better understanding of the barriers to diversity. This analysis should inform the development of each agency's Diversity and Inclusion plan.

*Use data on the performance of existing staff in feeder grades to start to develop a list of the most-talented minority and female staff*

Agencies have data on the performance of each serving civil servant—through the annual evaluation process. But they rarely use these data to identify the most-talented individuals. They should do so and target development initiatives discussed above at this group. These individuals should receive the support they need to prepare to compete for Senior Executive Service roles.

*Conduct a study within one year that better identifies the reasons for the diversity gap in the Senior Executive Service*

Action also needs to be taken across the federal government to better understand the data on diversity. This can be done by analyzing data on application, success, and promotion rates of women and different ethnic and racial groups, and by benchmarking federal government against leading private-sector employers. If this shows that the hiring process appears to have bias with diverse applicants less likely to make it onto shortlists, or less likely to be selected for jobs than their white male counterparts, then the federal government should take urgent action to ensure processes are free from bias.

*Enhance data publicly available on FedScope*

In compiling this report, we found serious limitations in the data that were publicly available. There are data on the ethnic, racial, and age composition of the Senior Executive Service. But if researchers want to know how many Asian American women there are, those data are not publicly available. Similarly, the age or gender of those recruited into Senior Executive Service posts is publicly available but ethnicity and race data of new recruits are missing.

All of these data are available within government, and we were fortunate that OPM was willing to share it with us. But this is hardly a satisfactory situation,

especially given the Obama administration's commitment to making government data publicly available. Thus we recommend that within one year, the federal government should enhance FedScope so that it includes much more data on the gender, ethnic, racial, and age profile of those who join, leave, or serve in the federal government. We also suggest that OPM should work with agencies to collate and release data on applicants for federal jobs, those who are invited to interview, and those who are appointed. These data should be included on FedScope and include breakdowns by diversity characteristics and agency.

## Improving diversity in the United Kingdom's Senior Civil Service

The federal government of the United States could learn from the experience of the United Kingdom's diversity programs for its Senior Civil Service. The advent of quantitative technology has made data easier than ever to collect, store, and manipulate, but leveraging data effectively requires commitment and expertise. The Senior Civil Service improved diversity by, among other tactics, leveraging the information at their disposal.

In 2003 the Senior Civil Service decided to set targets to increasing the representation of women, people of color, and disabled staff in its 4,000 most senior jobs. In 2005 the U.K. government launched "Delivering a Diverse Civil Service: A 10-Point Plan," which detailed how to improve diversity. Among the actions was a commitment to using data to inform policy. Agencies were asked to develop action plans and revise them over time in light of what the data showed was working.

The results: By 2010 the percentage of minorities in the most senior jobs went up 80 percent and women increased 35 percent.<sup>40</sup>



# Conclusion

There is an urgent need for action to close the diversity gap in relation to the Senior Executive Service. The Obama administration demonstrated its commitment to diversity by issuing the recent executive order. But we have heard the right words before—at the end of the Clinton administration, Executive Order No. 13171 was issued, calling for “outreach efforts to include organizations outside the Federal Government in order to increase the number of Hispanic candidates in the selection pool for the Senior Executive Service.”<sup>41</sup> It is a shame it did not work.

It is time to walk the talk. As the Obama administration moves forward, a key objective should be closing the diversity gap in the Senior Executive Service and within that the primary focus should be on Hispanics. The recommendations in this report outline a strategy that could be implemented quickly. As the administration develops its own plans, we strongly encourage it to embrace these recommendations. If they choose to do so, we offer three further observations:

- The Doing What Works project has written elsewhere about the importance of constantly monitoring progress toward goals and adjusting plans to maximize the chance of success.<sup>42</sup> This area of policy is no different to any other—it would benefit from goal-focused, data-driven reviews that the administration is implementing for other areas of policy.
- The literature on diversity demonstrates that there is more to diversity in the workplace than simply having a diverse workforce. There is also a need for action to maximize the benefits of diversity at work, such as ensuring the majority group is sensitive to cultural differences and are able to see past stereotypes. As the Obama administration develops its plans, it will want to ensure it also implements policies in these areas.
- Diversity is a sensitive issue. Actions to promote diversity can easily be misconstrued as being discrimination against groups who are currently overrep-

resented. In implementing its strategies, the administration must be able to defend itself against the accusation that it is unfairly favoring or disfavoring any particular group. Most importantly, decisions on who to hire should always be taken on merit, with the best candidate offered the job. That is why the recommended actions in this report are primarily about strengthening the diversity of the applicant pool. We believe strongly that it would be wrong to ask those responsible for recruitment to take account of a candidate's background. They should simply be asked to hire the best person for the job.

More than just the “right thing to do,” a more diverse workforce will lead to “good administration” through greater efficiencies, more innovation, and better effectiveness. A better, more diverse Senior Executive Service by 2050 is a reachable and worthy objective for the federal government. Taking the first steps—most importantly the public establishment of agency responsibility and benchmarks for improvement, and strengthening the applicant pool—today can ensure the Senior Executive Service continues to be “responsive to the needs, policies, and goals of the nation.”

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## Acknowledgements

The authors are extremely grateful to those who helped with the preparation of this report. They would particularly like to thank Veronica E. Villalobos and David Weisman at the Office of Personnel Management; Karen Narasaki at the Asian American Justice Center; Maria Echaveste at Nueva Vista Group; Cyrus Mehri of Mehri & Skalet; and Vanessa Cárdenas, Daniella Léger, Julie Ajinkya, Jasmin Jones, Folayemi Agbede, and Gadi Dechter at the Center for American Progress.

## Endnotes

- 1 This report looks at ethnic, racial, and gender diversity. There are, of course, other aspects of diversity such as disability or sexuality. While many of the recommendations in this report could be adapted to improve diversity in these areas, these areas were beyond the scope of this report.
- 2 Throughout this report we use the term “whites” to mean “non-Hispanic whites.” All Hispanics regardless of their race are included in the term “Hispanic.” All other groups such as Asian American or African American exclude those who are also Hispanic. Also, while BLS and OPM use the term “Asian” we use the term “Asian American” in the text of this report.
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