

PRACTICE FORUM

Innovation in government succession planning: A case study

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Challenges in government succession planning

Formal succession planning is rare in the federal government compared to private sector organizations because there are multiple unique challenges in government. The Federal Merit System Principles and the Prohibited Personnel Practices established in Title 5 of the U.S. Code substantially limit flexibility in employee development and promotions, both key aspects of succession planning. For example, the merit system principle, “Recruit, select, and advance on merit after fair and open competition” prohibits the common succession planning practice of senior leaders personally identifying promising employees, providing them with special opportunities for development, and then promoting them into critical positions. This approach does not allow for fair and open competition and is thus seen as providing unfair advantages to some employees.

Another example of succession planning challenges in the federal government is uncertain funding. Because the budgets of federal agencies depend on congressional approval, they are subject to the vagaries of politics and constantly shifting priorities. Rather than receiving firm budgets for each fiscal year, federal agencies are frequently subject to “continuing resolutions” in which they are told to base their planning on the previous year’s budget and are only allotted a firm budget many months into the fiscal year or sometimes not at all. Budgets can be slashed based on political maneuvering with little warning. Therefore, it is difficult to plan for and sustain complex programs like succession planning because funding is so uncertain.

A third challenge is enticing high-potential employees to consider a senior leadership position. In the private sector, incentives such as high salaries, generous bonuses, and executive perks are commonly provided that are not available for most senior leadership roles in Government. For example, in my organization of 45,000 employees, the Federal Aviation Administration (FAA), the demands on senior leaders include highly stressful work with responsibility for the lives of billions of people in the flying public, intense congressional scrutiny, being subject to the leadership of political appointees who change with each presidential administration, around the clock availability, and more, yet they are not offered common private sector incentives.

Drivers for succession planning

As in many organizations, both public and private, the Air Traffic Organization (ATO), FAA’s largest component with 35,000 employees, faces a shrinking pool of high-potential individuals to succeed current leaders. Retirement eligibility has peaked in the last few years due to the mass hiring of air traffic controllers after a 1981 strike when President Reagan fired over 11,000 controllers. Thus, we have a large percentage of managers who began their careers at the same time, have gradually moved into leadership roles, and are now retiring. Another driver in our need for

succession planning is generational differences in the internal and external workforce. Many younger employees are not willing to make the personal sacrifices involved in geographic mobility to meet the ATO's needs and to broaden their experience to prepare them for leadership roles. Many also place more emphasis on maintaining work-life balance than their predecessors and do not want to work long hours and be continuously available for work, a requirement for middle and senior leaders in the ATO. In addition, as with most federal agencies, leadership talent is typically identified and moved from within the FAA, whereas large multinational companies can pull talent from many different business units.

Another challenge we face in identifying individuals for senior leadership roles is moving our workforce from an operations culture to a strategic perspective. A large majority of our employees begin their careers as either air traffic controllers or technicians who install, maintain, and repair the massive amount of equipment required for controlling air traffic. The characteristics they need to perform these jobs well are very different from the characteristics needed for leaders, especially senior leaders. In the operations culture, there is an intense focus on technical expertise and solutions, an action orientation, and quick decision making. For example, a controller often must make life or death decisions within a second or two when giving instructions to pilots to avert collisions with other planes. In contrast, effective leadership requires a strategic perspective with thoughtful decision making, problem solving that requires identifying and addressing the underlying, true problem, and collaborating with multiple stakeholders such as the airlines, governments, and communities. Thus, moving into critical leadership positions requires a major paradigm shift for our operational employees and intense development.

An additional challenge we face in the ATO is ensuring diversity and inclusiveness in our leadership ranks. We have a heavily male population of air traffic controllers and technicians who comprise the majority of our workforce. Only about 16% of controllers and 8% of technicians are women. The percentage of women has been increasing but the change is slow because fewer women are attracted to these traditionally male roles. Across all positions in the ATO, about 80% of our employees are male and 20% are female. Thus, the talent pool for female leaders is small. We are also working to attract more minorities into these positions and eventually, into leadership roles.

The ATO succession planning program

In the ATO, we have responded to these challenges by developing the ATO Succession Planning Program (ATO-SPP). The program has two key goals: (a) build the ATO's leadership bench strength by identifying and developing high-potential employees to prepare them to apply for mission-critical leadership positions and (b) promote diversity and inclusiveness through structured, objective, merit-based processes for talent pool application and selection. In the FAA, we define "high-potential employees" as those who have the ability and motivation to succeed in next level or higher positions. Because the Federal Merit System Principles require us to provide equal opportunity for all qualified employees to be selected for development opportunities, we designed ATO-SPP to include an open, competitive selection process rather than limiting the program participants to those identified by their leaders or others in the organization as high potential.

The program was built on the following principles.

- Provide equal opportunity for participation to all qualified employees.
- Management endorsement is not required for participation.
- Selection for the program is structured, objective, transparent, and merit based.
- Every program component provides developmental value including the application process.
- The program is grounded in current research in effective development and best practices in succession planning.

- The development curriculum is based on the leadership competencies most critical for success in the target positions.
- The program strives to enhance inclusiveness and visibility to senior leaders for all potential and selected participants.

ATO-SPP is structured into talent pools that are based on preparing employees for specific target positions or groups of positions that are deemed to be critical leadership roles with inadequate bench strength. For example, we launched the program with two pools. The first pool, which launched in 2014, was designed for first-level managers in our technical operations organization who are interested in the second-level leadership role of technical operations manager (TOM). TOMs manage several systems support centers in multiple locations that provide equipment installation, maintenance, and repair services to airports and other air traffic control facilities. The second pool, which launched in 2015, was designed for second- and third-level managers who aspire to become air traffic managers at the largest airports such as Atlanta, Chicago, and Los Angeles. ATMs are fully responsible for the operation of all aspects of their air traffic facilities. The third and most recent talent pool is for first-level managers across all organizational functional units across the ATO who aspire to a second-level management position. During and after the completion of the talent pool, participants apply to open target jobs. The goal of the program is to make pool participants highly competitive for these positions, but no selection preference is given to them because preference is prohibited by the Federal Merit System Principles.

Program staff

The program staff includes a program manager responsible for the overall planning, implementation, and management of the program; a development lead who creates and updates the development curriculum in consultation with the program manager; an operations lead who is an experienced manager from the field assigned to SPP for 1 or 2 years; a pool coordinator who distributes information to the participants and handles administrative tasks; and one or two service unit leads from each of the eight ATO organizations or service units who have employees participating in the current talent pool. The service unit leads are experienced managers who track the participants' development progress and ensure they complete all program requirements, communicate with the participants' managers and executives about the participants' progress, and serve as mentors to the participants, identifying development opportunities and offering career advice.

Preparation for the talent pools

For the talent pools with specific target jobs, we conduct a job analysis to identify the critical tasks of the target position, the KSAPs, education, and experience needed to successfully perform the tasks and the characteristics that distinguish the target job from the predecessor job. This information is used to identify and define the key competencies for the positions upon which selection of pool participants and the development provided for them is based. For the talent pools with a wide range of target positions, we use the FAA leadership competency model as the foundation for the pool.

The application and selection process

Individuals who are interested in participating in each talent pool apply in a competitive selection process that is widely communicated throughout the organization through emails targeted to eligible employee populations and their managers, online articles and video recordings by

senior leaders, discussions at management meetings, posters in ATO facilities, partnership with employee associations, and other vehicles. We work with senior leaders to establish the minimum experience requirements for application, e.g., three years of second-level management experience. All individuals who meet the qualifications are encouraged to apply. Qualified applicants apply on their own initiative. No management endorsement is required. We established this approach to ensure fairness, increase diversity, and abide by the Federal Merit System Principles. A key tenet of the program is to provide the opportunity of ATO-SPP participation to all qualified employees, not only those who are perceived as high-potential by their direct managers or senior leaders.

Three assessment methods are employed for the selection of pool participants: (a) a written application; (b) a behavioral interview; and (c) the direct manager's input on the applicant's demonstration of leadership competencies and potential. In the written application, applicants document their job experiences including key duties and significant accomplishments; education; leadership training; awards; leadership positions outside work; other special qualifications; and the career development actions they have taken in the previous five years for themselves and others. Applicants also provide written narratives of how they have demonstrated several key leadership competencies using specific examples.

Selection panels known as succession planning boards (SPB) of five or six individuals who are incumbents of the pool target position, managers of the target position, or equivalent level leaders from a functional organization that works closely with the target position, spend about two hours reviewing and rating each application package employing a highly structured rating system. Before the panels view the application packages, all identifying information is redacted such as name, manager's name, facility, and location to avoid any reviewer bias based on previous knowledge of the applicant. The application reviews begin with the panel members individually reviewing each section of the application package and noting tentative ratings, followed by panel discussion and consensus ratings within one point. After all packages are reviewed and rated, a rating distribution is established and a cut point set for evidence of high potential for success in the target position. The applicants at or above the cut point are selected.

The SPB prepares written feedback and development suggestions for each applicant, both those selected and those not selected. After each SPB, we conduct an evaluation session with the reviewers to identify any changes we should make to the application package elements and the rating and selection processes. These changes are implemented for the next talent pool. All of our SPB members for each pool have noted how much they learned by participating and most asked to return.

The list of selectees is sent for review to the top executive of each service unit. The executive may identify and remove selectees with documented serious conduct or performance issues, but they may not remove anyone else or add employees. Notices of selection and non-selection are sent to each applicant and their manager with the SPB's feedback. Non-selectees also receive a list of development resources available and information about the appeals process. Applicants who wish to appeal their nonselection are invited to complete a form and explain why they believe that they should have been selected. The appeals are reviewed by the ATO-SPP Program Office and sent to the SPB with preliminary recommendations. The SPB members make individual recommendations for each appellant and if the recommendations for selection or non-selection are not unanimous, they meet to reach consensus.

The development program

The two-year development program is tailored to the needs of each talent pool based on the positions to which they aspire and the leadership competencies they need to develop.

Orientation

For the selected participants, the development program begins with an orientation webinar for the participants and their managers, informing them of the development requirements and timelines and answering their questions. We also conduct a separate set of webinars for the managers of participants to inform them of their role in their participants' success, for example, providing development opportunities and submitting quarterly reports of their participants' development progress. We also supply the managers with a guide to program content, structure, and requirements.

Assessments

Participant development begins with three assessments that help them identify their strengths and development needs: the *Viewpoint Global Personality Survey* (published by PSI), the *Leadership 360* feedback tool developed by the Office of Personnel Management specifically for federal government leaders, and the *Virtual Competency Assessment*, an online scenario-based tool that we developed with a contractor. In this situational judgment test, typical leadership scenarios are dramatized and participants select appropriate and inappropriate responses and rationales for their choices.

Workshops

Three, three-day, in-person workshops are conducted at the beginning, middle, and conclusion of the two-year development period. An important focus of the first workshop is to teach participants how to identify their development needs using their assessment results and other feedback they collect and reflect upon and then create a structured development plan. We provide a detailed, customized guide to development planning that leads participants through the process step-by-step and offers advice and tips. All the workshops include individual presentations by executives, panel discussions on leadership topics, and learning modules on a range of leadership topics pertinent to the FAA core leadership competencies. Examples of topics are communicating effectively, leading with influence, and developing others. Each workshop also provides opportunities for participants to talk informally with executives and ask questions about the organization, leadership challenges, or career advice. Throughout the program from the selection process to program conclusion, we provide visibility opportunities for our participants so that they become known to senior leaders. The workshops also provide many opportunities for participants to build relationships with each other through group learning activities and presentations, breaks, and meals. The workshops also include instruction and practice in preparing an effective resume and behavioral interviewing.

On-the-job development experiences

All participants are also required to complete 480 hours over the two-year development period gaining experience in their target position. Ideally, they would serve in a temporary target position for three or more months. If this is not possible, they can meet this requirement with a combination of on-the-job experiences that involve the responsibilities of their target position such as shadowing, acting for a current manager, participating in national and regional work groups, completing challenging new assignments, briefing executives, leading a complex project, and other options.

Additional learning experiences

Each participant is provided with a professional coach for six to 10 individual one-hour sessions to assist in development planning, talking through difficult situations in the workplace, identifying

career goals, solving problems, or any other topic of importance to the individual participants. Participants are also provided with two to three books on leadership that they are expected to read. In addition, participants complete one or more classroom courses on key leadership topics offered by the Federal Office of Personnel Management. Our participants are also divided into action learning teams led by a coach, in which over a period of several months, they help each other solve real management challenges they are facing through asking questions. Another development component is twice-yearly Leadership Learning Webinars led by experienced leaders. Each of these webinars focuses on a specific topic that will prepare the participants for their target position. For example, one recent webinar focused on building business acumen and another included participants who had been promoted to the target position talking about the challenges they have experienced in their positions.

Talent reviews

Three Talent Reviews are conducted for each participant over the two-year development period, to assess their progress, provide them with feedback and development recommendations, and provide visibility to selecting officials (hiring managers). The reviews are conducted by talent review committees (TRC), panels of five or six senior leaders, including selecting officials for the talent pool's target job, a leader one level above the selecting officials, and the participant's service unit lead. To provide a diversity of perspective and experience, each TRC includes at least one reviewer from a different organization than the participant's. For each participant, one of the reviewers is designated as the lead reviewer. For each round of talent reviews, we schedule several TRCs that each meet for a week or more. For example, for our talent pool for aspiring second-level managers with 53 participants, we hosted six different TRCs that each met on different weeks over a two-month period.

For each participant, we provide the reviewers with updated development plans with progress reports from both the participants and their direct managers, records of previous talent reviews if this is the second or third review for a talent pool, participants' resumes, and mock job application packages for the target job. In the federal government, in addition to completing a written application, job applicants for leadership positions are asked to write narratives explaining how they have demonstrated each of four leadership dimensions known as the managerial selection factors: achieving results, leading people, building relationships, and leading change. These narratives are included in the job application package that our participants update and submit for each talent review. All documents are submitted through our online Succession Planning Tool, a custom-developed system we use for pool application, selection, development, and management.

The TRC focuses on each participant for two hours. They spend about 30 minutes reviewing the participant's documents and making notes. The participant's manager participates in these meetings via teleconference and offers insights about the participant and additional information as requested by the reviewers. Next, the reviewers conduct a 30-minute practice job selection interview with the participant via teleconference. The interview includes several behavioral interview questions, e.g., "Tell us about a situation in which you found it difficult to influence your manager or a senior leader to seriously consider your ideas for a change that could have a widespread positive impact." The interview also includes questions about the participant's development progress and career goals. The reviewers take notes as the participant answers the questions. The interviews are also recorded for later use by the participant in identifying areas for improvement in interviewing skills.

Our program requires participants who are promoted to the target position during the two-year development period to remain in the program to continue their development. For these promoted participants, the review of resume and application package and the mock selection interview are replaced by an hour of coaching. The participants submit questions in advance about the challenges they are facing in the target position that they would like to discuss with the reviewers. Our

promoted participants have found these coaching sessions extremely valuable. We record the sessions for them so that they can listen to the reviewers' counsel multiple times.

Following the interview or coaching session, for about 30 minutes, the reviewers and the participant's manager discuss the participant's development progress and readiness for a next-level position. They also formulate feedback and recommendations to provide to the participant. For the final 30 minutes of the review, the reviewers call the participant and provide feedback in a structured format. For participants who have not yet been promoted, the following categories of feedback are given: interview skills, leadership strengths, areas for development, comments on the application package, developmental progress, recommendations for continued development, and readiness for the next-level manager role. For promoted participants, the reviewers provide feedback about leadership strengths, areas for further development, and recommendations for development actions. When all the talent reviews are concluded, the program office sends a record of talent review to each participant, their manager, the lead reviewer, and the service unit lead. The participant and the participant's manager are invited to contact the lead reviewer for additional discussion if they wish. The talent reviews have been often cited by our participants as the most valuable component of the program because the reviews provide them with personalized, detailed feedback from experienced leaders.

Talent pool completion

Each talent pool concludes with the third and final workshop that includes executive and guest speakers, panel discussions, and other development activities as well as a brief presentation by each participant about what they learned in the program, how they have applied their learning thus far, and how they plan to do so in the future. The workshop concludes with a graduation celebration with the distribution of certificates, individual and group photos, cake, and congratulations from senior leaders.

Continuous evaluation and improvement

Improvements are continuously made to the ATO Succession Planning Program on the basis of ongoing evaluation. The evaluation process includes:

- Surveys of applicants, both those selected for a talent pool and those not selected
- A survey of eligible employees who chose not to apply
- Discussions with each Succession Planning Board that selects the applicants for participation
- Interviews with pool participants and their managers at the mid-point of the program
- Surveys completed by participants at the conclusion of each workshop
- Surveys completed by participants following webinars on leadership topics
- Discussions with each Talent Review Committee following each review session
- Surveys completed by Service Unit Leads and informal quarterly discussions with them
- Post-program surveys or interviews of both participants and their managers
- Discussions during program briefings to senior leaders
- Telephone or e-mail polls of a sample of participants on a specific topic or event
- Observations by the program team about the progress of the participants in fulfilling their development requirements and informal comments by the participants' managers.

Critical success factors

Several factors have been critical to the success of ATO-SPP including the following:

- The ongoing engagement of employee and management associations who provide input for the design of the curriculum and program processes for new talent pools. They also market the program and encourage their qualified members to apply.
- Supportive senior and mid-level leaders who view developing employees as a high priority. They provide subject matter experts (SMEs) for initial talent pool design, provide funds, speak at workshops, participate in succession planning boards and talent reviews, and allot time for briefing the program at their meetings.
- Mid level and senior leaders who participate in program events find value for their own development and this value encourages further participation for both themselves and their colleagues and subordinates. The development benefits to these leaders include serving on panel discussions or speaking at workshops or webinars, participating in succession planning boards and talent reviews, or serving as SMEs for program design or implementation.
- A highly dedicated, hard-working program team with expertise in talent management and supportive colleagues who contribute their time and effort to the program when needed.
- Reporting the progress of pool participants to executives at least quarterly to demonstrate the benefits of the program in preparing participants for critical leadership positions.

Program results

The ATO succession planning program has been recognized with several awards from both government and external organizations, particularly for its innovative approach to application and selection that has resulted in increased diversity and inclusion while providing a highly effective development experience. For example, in our talent pool for aspiring second-level managers, the selection ratios for women and minorities were higher than for men and nonminority applicants with 50% of female applicants and 41% of male applicants selected, and 45% of minority applicants and 42% of White applicants selected.

The development program is carefully crafted to provide a strong foundation for success in the target position for all participants, thus increasing the probability of their selection for target positions and further promoting diversity and equal opportunity. The workshops and talent reviews are especially designed to provide visibility for all participants to senior leaders and selecting officials for the target job. Equal opportunity can be hampered in organizations in which only a select few are known to senior leaders and selecting officials. ATO-SPP provides every participant with direct access to these leaders and creates opportunities for them to get to know each other. Our continuing cycle of evaluation and improvement contributes heavily to ensuring that we provide equal opportunity to everyone in the talent pool to develop and thrive and thus become prime candidates for the target job. For example, in our talent pool for aspiring air traffic managers, among the 17 graduates, there have been 16 permanent promotions including all three women participants, one of them a minority, and all three minority men. Our program evaluations demonstrate a high level of satisfaction by the participants, their managers, and senior leaders including comments from minority and female employees that never before have they been offered such an excellent development opportunity despite their hard work. Our evaluation data also demonstrates that ATO-SPP prepares all our graduates for success in their new next-level positions. We hear repeatedly from participants' new managers and senior leaders that they perform exceptionally well in their next-level positions. Several participants have been promoted up two or three levels in a year or less.

Moving forward

Our current challenge is identifying the next set of talent pools that we will offer. As they make this decision, our senior leaders consider attrition and retirement data, lists of mission-critical occupations as identified by the Dept. of Transportation, and current staff shortage data as well as input from each other and their subordinate leaders.

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