D I S S E R T A T I O N

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Diplomats and Diplomacy for the 21st Century

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PREFACE

This research examines the implications of globalization on human resource needs for organizations with international missions. Specifically, the objective is to provide policymakers with a framework for analyzing and addressing the human resource requirements for 21^{st} century diplomacy.

Besides State Department personnel, this study should be of interest to managers and human resource personnel in organizations with an international focus. The findings may also interest foreign ministries dealing with changing demands and new missions within their respective departments. Finally, the discussion of competency needs and shortcomings may be informative to international educators.

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SUMMARY

During the past several decades, the world has seen much change. Besides the fall of the Berlin Wall in 1989 and its ensuing political ramifications, there has been a continual drive towards increased globalization along economic, technological, and social dimensions. The revolution in information technology and increased international trade has fueled the process in recent years.

For the diplomat of the 21st century, success hinges on being proficient in a multitude of areas and familiar with a variety of tools. Besides knowledge of local language and culture, they need updated expertise in areas such as health, the environment, demographics, and terrorism. They have to know the intricacies surrounding intellectual property rights, dumping, and non-tariff barriers. In addition, today's diplomats must be comfortable with a variety of technologies, ranging from the typewriter to the satellite phone. They require strong teamwork/partnering skills to collaborate with other groups, such as humanitarian organizations operating in the same host country.

The State Department uses thirteen different dimensions to gage the knowledge, skills, and attitudes (KSAs) of prospective applicants interested in the Foreign Service. They cover a wide range of competencies that encompass both traditional and new needs. Unfortunately, the general nature of the competencies and State's lack of prioritization among them complicate the procurement of the right KSA combinations and slow down the adaptation process to identify new needs. For example, it was only recently that State added a quantitative skills requirement. This reactive structure also explains why technology competency is not part of the dimensions. State needs to prioritize and update the different competencies required—matching its mission and objectives with the competencies needed to achieve those goals.

A comparative analysis of HR requirements among public, private, and non-profit organizations with international missions reveals that organizations are looking for individuals that possess:

- Strong cognitive skills;
- Interpersonal skills;
- Ambiguity tolerance;
- Teamwork skills;
- Cross-cultural competency; and
- Policy thinking capabilities

These are consistent with State's KSA requirements; not surprising given the generalized and non-prioritized nature of the thirteen dimensions used. As such, there is "direct competition" for talent between State and a growing body of international stakeholders across all three sectors. This presents a challenging situation for State who traditionally had few direct competitors and could rely on the prestige of the Foreign Service to attract candidates.

With growing competition for talent, there is a strong need for effective recruitment and retention policies at State. In addition, there is a need to ensure that the working environment stimulates the use of critical competencies to boost performance.

Analysis of NPR/OPM Employee Survey data show that State tends to lag the Department of Defense (DoD) and other federal agencies with respect to managerial communication, levels of flexibility provided to carry out work tasks, understanding of personal life responsibilities, and access to technology. As integral components for a productive modern workplace (both at the individual and organizational level), State faces an uphill battle. Trend data show that improvements are only perceived in the area of technology access over the 1998-2000. The State Department is doing well in terms of teamwork usage which is a positive development.

With respect to recruitment, State's policies have not kept up with the need for a faster, more effective and streamlined process—something required in today's highly interconnected environment characterized by greater competition for talent. Using current technology, it is easy for applicants to apply for multiple jobs across various locations. Speed and ease of the application process are increasingly important when candidates consider job options. State's 8-24 month application pipeline is hurting its ability to recruit highly qualified individuals with sought-after KSAs. Policy changes in this area represent a good starting point to procure the diplomat of the 21st century.

On the retention side, State faces challenges in the areas of salary, quality of life, and career development. On the positive side, State offers ample professional development for its employees.

ACKNOWLEDGMENTS

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GLOSSARY, LIST OF SYMBOLS, ETC.

Symbol	Definition
AAAS	American Assoc. for the Advancement of Science
AEP	Alternate Examination Program
ANOVA	Analysis of Variance
AoS	"All other State"
APPAM	Association for Public Policy Analysis & Mngmt.
BCA	Bureau of Consular Affairs
BIQ	Biographic Information Questionnaire
CEO	Chief Executive Officer
CDC	Centers for Disease Control
CFO	Chief Financial Officer
CIA	Central Intelligence Agency
COO	Chief Operating Officer
CV	Curriculum Vitae
DCM	Deputy Chief of Mission
DFP	Diplomacy Fellows Program
DGFS	Director General of the Foreign Service
DIR	Diplomat in Residence
DRTF	Diplomatic Readiness Task Force
EER	Employee Evaluation Report
EPA	Environmental Protection Agency
EU	European Union
FLO	Family Liaison Office
FS	Foreign Service
FSA	Foreign Service Act
FSO	Foreign Service Officer
FSOG	Foreign Service Officer Generalist
FSOS	Foreign Service Officer Specialist
FSN	Foreign Service National
FSWE	Foreign Service Written Exam
GAO	General Accounting Office
HR	Human Resources

IC	International Competencies
IM	Instant Messaging
JO	Junior Officer
KSA(s)	Knowledge, Skills, and Attitudes
NGO	Non-Governmental Organization
NPR	National Performance Review
NPRG	National Partnership for Reinventing Government
NSEP	National Security Education Program
NUL	National Urban League
OPAP	Overseas Presence Advisory Panel
OPM	Office of Personnel Management
PDA	Personal Digital Assistant
PE	Performance Evaluation
PMI	Presidential Management Intern
RAM	Rated Agreement Means
ROTC	Reserve Officers Training Corps
SES	Senior Executive Service
SOI	Statement of Interest
TSS	Total Sum of Squares
USG	United States Government

CHAPTER 1: BACKGROUND AND POLICY CONTEXT

With the end of the Cold War and the onset of globalization, the State Department is at a critical juncture. It needs to reflect critically on its human resource needs and policies to ensure that it has the talent and competencies necessary to be at the forefront in a changing world.

The world has seen much change in the past fifteen years. Besides the fall of the Berlin Wall in 1989 and its ensuing political ramifications, there has been a continual drive towards increased globalization along economic, technological, and social dimensions. The revolution in information technology and increased international trade has fueled the process in recent years.

Today, the U.S. State Department is not always the principal player in international diplomatic circles. Other federal agencies have cross-national agendas, there are new players—such as the European Union—and multiple NGOs have emerged to address a variety of international issues. According to the Yearbook of International Organizations 1998/99, the number of NGO's skyrocketed from 2,795 in 1972 to 16,586 in 1998.

Who State needs is connected to what it does: representing the US overseas, advocating US policies, managing interagency coordination, carrying out public diplomacy, and analyzing international issues of importance to the USG.[1] Clearly, for the diplomat of the 21st century, success hinges on being proficient in a multitude of areas and familiar with a variety of tools.[2] Besides knowledge of local language and culture, they need updated expertise in areas such as health, the environment, demographics, and terrorism. They have to know the intricacies surrounding intellectual property rights, dumping, and non-

[1] For a complete list of State responsibilities, see Chapter 5.

[2] The phrase 21st century is used liberally here—the focus of the dissertation is on the present-day HR requirements.

tariff barriers. In addition, today's diplomats must be comfortable with a variety of technologies, ranging from the typewriter to the satellite phone. They require strong teamwork/partnering skills to collaborate with other groups, such as humanitarian organizations operating in the same host country. Unfortunately, according to the Phase III Report of the U.S. Commission on National Security/21st Century, "[m]any close observers contend that the Foreign Service no longer attracts or retains the quality of people needed to meet the diplomatic challenges of the 21st century."[3] At closer look, the Department faces a variety of challenges:

- Half the diplomatic posting are filled by people lacking foreign language skills (Schemo, 2001).
- As recently as 1999, many State employees did not have access to the Internet and external email; training in these areas is limited.[4]
- Until last year, those conducting oral exams were blind to candidates' qualifications, making it impossible to identify candidates with special competencies.[5] Currently, oral examiners in the role-playing section are "blinded".
- Two years ago, it took 27 months on average to go through the application pipeline. The time has decreased to 8-12 months but may still deter qualified individuals (Koskak, 2001).
- According to a January 2001 assessment by the Independent Task Force on State Department Reform, resignations of Foreign

[3] Excerpts of Road Map for National Security: Imperative for Change- The Phase III Report of the U.S. Commission on National Security/21st century. Presented as part of the statement for the record for testimony before a joint Session of the Senate Subcommittee on Oversight of Government Management, Restructuring and the District of Columbia and the House Subcommittee on Civil Service and Agency Organization. March 29, 2001, p. 26.

[4] *Diplomacy in the 21st Century-Information Technology and Strategic Plan FY2001-FY 2005*. US State Department, January 2000.

[5] Blinding refers to examiners not knowing the backgrounds or specific competencies of applicants—the idea being to keep the examination objective.

Service Generalists doubled between 1994 and 2000 while resignations of Foreign Service Specialists quadrupled.

- Private sector salaries outpace government salaries, especially for internationally able executives.
- State Department funding has been cut by 50 percent in real terms since 1985. State's fading influence fuels the exodus of many of its most talented officers, who leave for careers in the private sector where pay is higher and the promotion potential is greater (Lindsay and Dalalder, 2001).
- The State Department is no longer the "best bet" for overseas employment. Previously, entering the Foreign Service or Armed Forces was the primary avenue for international exposure. Today, there are many opportunities available (Light 2000).

To compete successfully, the State Department must adapt to attract the kinds of individuals it needs for a robust diplomatic corps. To do so, it first needs to assess the competencies increasingly required to tackle the challenges facing modern American diplomacy. Once that is determined, it needs to evaluate how to best attract and retain individuals with those qualities.

RESEARCH GOALS AND RESEARCH QUESTIONS

The goal of this research to investigate the implications of globalization on human resource competency needs for the State Department. Two research questions are posed, they are:

1. What critical general competencies should the diplomat of the 21st century possess to enable the US State Department to meet the challenges of today? Are these different from the

competencies key to success in other organizations with an international outlook?[6]

A two-pronged approach is used to answer this question. First, to attain an understanding of the competencies State is currently looking for, the dissertation considers requirements sought after through the written and oral examinations. These are complemented by internal and external surveys of FSOs, in which they outline the competencies they perceive to be critical for successful performance within State. Second, these needs are contrasted with the attributes identified to be important for successful performance in a more globalized world. These qualities are uncovered through RAND IC primary data concerned with competency needs across the public, private, and non-profit sectors.[7]

2. What can the US State Department do to recruit, retain, and develop individuals with these core competencies?

Given the human resource needs at State, what mechanisms are available to procure those talents? Are they optimally tuned to attract and maintain the types of individuals needed for present day diplomacy? To answer this question, State's recruitment, retention, and development policies are analyzed step-by-step. Bottlenecks and chokepoints that negatively impact recruitment are identified. Dimensions (such as salary and training) that affect retention and development are highlighted. The practices of other organizations are included for comparative purposes whenever relevant.

The first question aims to uncover the kinds of competencies that carry premium value in an increasingly interconnected world. Consideration of the competency needs within organizations representing different sectors—public, private, non-profit—is useful for two

[6] The focus is on general competencies that can be compared across sectors.

[7] Complemented by the current professional literature concerning competency needs.

principal reasons. First, it provides an overview of the types of needs within each sector—effectively allowing for cross-sectoral analysis. Do organizations representing different sectors have diverging competency needs or are they similar? Needless to say, the more similar the human resource requirements between different organization, the greater the competition will be for talent.

Second, the comparative framework helps to gage how the State Department stands in comparison to other organizations with an international dimension. Specifically, how do State Department requirements compare to those of other organizations?

The second research question focuses exclusively on the State Department and the options it has to recruit and maintain the personnel it needs to succeed in a more globalized environment. Once identified, potential recommendations for instituting change are forwarded. For a majority of organizations, adjusting to a changing environment represents a considerable hurdle. Within the State Department, an organization whose "personnel system was designed for the Cold War and has not been changed since the fall of the Soviet Union", there undoubtedly are many areas that could benefit from change but are likely to meet internal resistance.[8] How to institute change thus represents an important factor in itself; it is just as critical as identifying areas needing change.[9]

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[8] "Conducting Diplomacy in a Global Age", prepared statement of Chairman Hyde of the Committee on International Relations, p. 1, March 1, 2001.

[9] While this is an important facet, it is outside the scope of this dissertation.

METHODOLOGICAL APPROACH

A four-sided approach is used to answer the research questions. First, a review of existing literature concerned with core competencies required for successful performance in public, private, and non-profit organizations facing today's challenges is conducted to provide academic anchoring and context for analysis (Lindstrom et al, 2002). Consistent with the distinctions typically made in the professional literature within this field, capabilities are categorized as knowledge, skills, and attitudes (Ashton et al., 1999).[10]

Second, to develop a better understanding of the needs particular to international organizations, the study analyzes RAND's International Competencies data collected in 2001-2002. The data contain qualitative and quantitative information from 135 survey interviews carried out with 76 international public, private, and nonprofit organizations (Bikson et al, 2002).

Third, employee survey data collected by the National Partnership for Reinventing Government (NPRG) and Office of Personnel Management (OPM) between 1998-2000 is evaluated to assess relevant State Department employee workplace attitudes and compare them to those held by federal employees in other agencies.[11] Since there are three years worth of data, trends are compared over time. The data also serves to identify and characterize workplace attitudes and trends relevant to the recruitment and retention of high-caliber staff.

Finally, the study posits workarounds to boost recruitment, retention, and development strategies at State. This component

[10] Attitude is sometimes exchanged for "ability and other characteristics". The federal government frequently uses the phrase "knowledge, skills, and abilities" (KSA). For more see Gatewood and Field (1990) and Arnold, Robertson, & Cooper (1991).

[11] Special attention is placed on attributes identified to be relevant for successful performance in today's working environment.

complements the findings of the previous sections: with a better understanding of what qualities are critical for successful performance, it is important to analyze how those human resource competencies best are recruited and retained.[12]

Contributions to Public Policy and Research

The dissertation aims to make three contributions to public policy. First, it shows that the diplomat of the 21st century needs all the attributes of the diplomat of the 20th century *plus* additional competencies. Second, it suggests that strong competition for talent among public, private, and non-profit sector organizations poses a recruitment and retention challenge for the State Department. Third, while much work has been done previously in this area (e.g. Light, 2000), this study provides a different angle on State’s needs through the use of quantitative comparative analysis.

Two contributions are envisioned for the body of existing literature concerned with human resource requirements. First, the study delivers an extensive analysis beyond the State Department to include the perceptions of other federal agencies, private sector organizations and NGOs—allowing for cross-sectoral comparisons. Second, the dissertation provides a cross-organizational analysis of federal employee workplace attitudes using the NPRG/OPM time-series data, offering insights of attitude change along select dimensions over the 1998-2000 time-period.

[12] It also takes into account findings of previous studies, work groups, and panels concerned with recruitment and retention. For example, Light (2000) finds that the Federal governments hiring system for recruiting talent falls short at every task it undertakes.

Data

The dissertation relies on two principal datasets to analyze human resource requirements: RAND's International Competencies data from 2001-2002 and NPRG/OPM's Federal Employee Survey data spanning 1998-2000.

RAND's International Competencies data consists of survey results for 76 organizations representing the public, private, and non-profit sectors.[13] Using a simple random sample within agency designation, the NPRG and OPM surveyed several thousand federal employees between 1998-2000.[14] The data was analyzed using the statistical software program Stata 7.0.

STRUCTURE OF THE ANALYSIS

To achieve the research objectives, I first outline some of the main changes brought forth by globalization and how these have affected the conduct of diplomacy (Chapter 2). Chapter 3 reviews the literature and previous research in this area. Chapter 4 presents an in-depth analysis of the RAND IC data to shed light on the kinds of competencies valued in a more globalized world. Given these findings, Chapter 5 focuses on the State Department human resource requirements and examines how similar they are to those of other organizations (presented in Chapter 4). Chapter 6 analyzes and compares State Department views on attributes deemed relevant for effective performance within the organization, and how these attitudes compare to those in other federal agencies. Chapters 7 and 8 cover recruitment and retention issues at State. Finally, Chapter 9 relates the findings of this research to existing research, policymaking, and practice. It offers both recommendations and suggestions for future research.

[13] Approximately 25 from each sector (Bikson et al, 2002).
[14] Sherman Shien, 2002 OPM.

CHAPTER 2: CONCEPTUAL FRAMEWORK

> "People, ideas, and goods now move more freely than ever across national boundaries. More citizens than ever in more countries participate more fully in the political, social, and economic life of the world…Today's more dynamic global environment means that diplomacy must pay attention to a broad range of constituencies within nations, from minor political parties to powerful corporations to the press to public interest groups."
>
> (Kaden, 1999, p. 24)

As a foundation for pursuing the research objectives, this chapter summarizes the main themes or trends resulting from a more globalized world and its implications for US diplomacy. It also introduces the concept of KSAs (Knowledge, Skills, and Attitudes) and how they are defined in this research.[15]

It is appropriate to begin with globalization given its role as a recent driver of changed human resource needs in organizations with international missions such as the State Department. This section highlights some of the new demands placed on diplomats given globalization.

Globalization

The world has seen much change in the past fifteen years. Partially reflecting some of this change, the United States opened and closed twice as many posts during the 1990s as in each of the prior two decades (Kaden, 1999).

Keohane and Nye define globalization as the expansion of networks of interdependence spanning national boundaries that follow the increasingly rapid and inexpensive movement of information, ideas, money, goods, and people across those

[15] Attitude is sometimes exchanged for 'ability and other characteristics'. For more see Gatewood and Feild (1990) and Arnold, Robertson, & Cooper (1991).

boundaries (Brown, 2000). Increased interdependence has effectively created a “smaller” world with a larger number of stakeholders.

The characteristics of globalization are manifold. This chapter provides a brief snapshot, outlining developments in the areas of communication and trade.[16] For example, advances in communications characterized by increasingly powerful and ubiquitous technologies enable faster interlinkages between groups. Similarly, in the arena of trade and finance, globalization has spurred greater transnational activity as the volume of trade and other transactions has steadily grown, especially in the last 15 years. While globalization consists of many additional dimensions, these examples serve as an indirect illustration of the changes it is spawning.

The Revolution in Communications

The communications revolution takes on several forms depending on the technology and region considered.[17] As a whole, it has facilitated and sped up the transfer of information, ideas, data, services, and financial instruments across borders. While hard to fathom and quantify, the combined effect of all these technologies and advances—be it air travel or computer use—have changed the way organizations interact. Diplomats who are not up to speed can be easily bypassed by CNN, information on the Internet, or other open source information readily available.

The Internet is a prime example of such a technology. In 1988, only seven countries—excluding the United States—were connected to the US National Science Foundation Internet backbone. The corresponding number in 2000 was 214. Presently,

[16] For more trend data please see Lindstrom et al 2002.

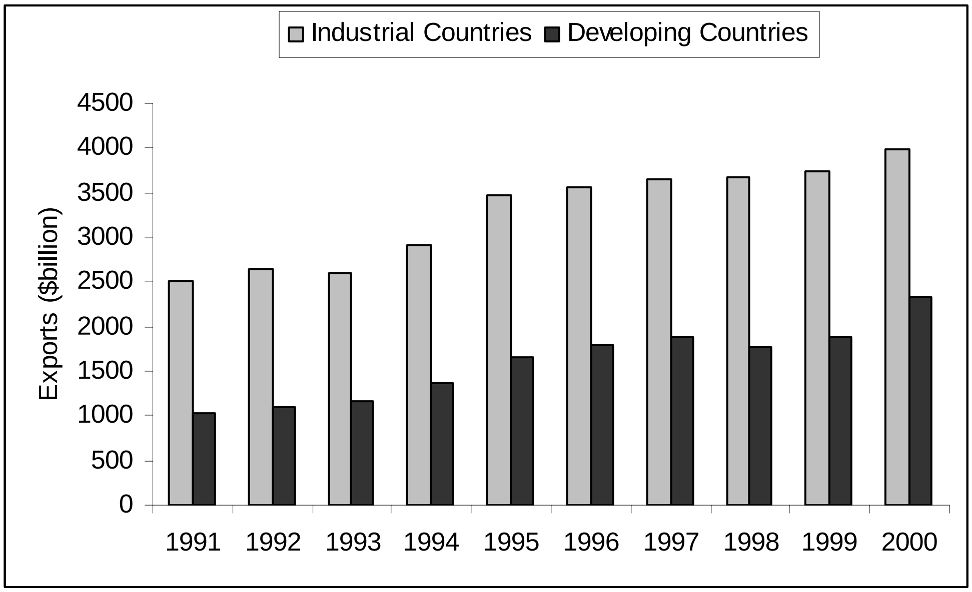
[17] The information or communications revolution, while global, is most pronounced in developed or industrialized countries.

only about half a dozen economies remain unconnected, primarily for political reasons. The interconnectedness provided by the World Wide Web (www) allows individuals and organizations across the globe to access a collective wealth of information. Of equal importance, it allows them to communicate and interact in ways few imagined possible just a decade ago. Those who can take advantage of this technology benefit from shortened time horizons, enhanced teamwork capabilities, lowered transaction costs, and the ability to transact business. Additional impacts may appear further down the road as the technology matures.

For the State Department, improved communications have already have translated into profound changes. The distance between headquarters and embassies and consulates has shrunk. On the other hand, the same technology has allowed political leaders to maintain closer contacts with their counterparts abroad, bypassing the traditional mediating role of diplomats stationed abroad.

Revolution in Trade and Finance

Another visible revolution is taking place in the business and finance sector where a variety of indicators point to greater international activity. For example, in the early 1950s, the world traded around one billion dollars worth of goods and services per day. As of early 2001, a billion dollars worth were traded every ninety minutes. While inflation stands for some of that larger value, it is clear that the aggregate difference is substantial (Desai 2001). With respect to world exports, the value of exports has gone from around $3.5 trillion in 1991 to over $6 trillion in 2000. As seen in Figure 1, this development is consistent both among industrial and developing countries.

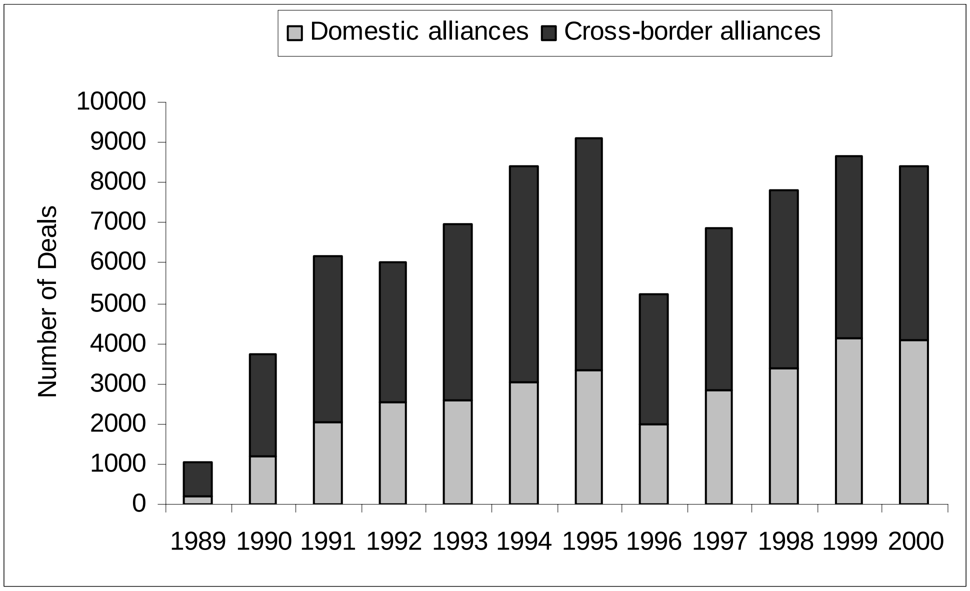


Note: Adapted from Project LINK World Economic Monitors, based on IMF IFS (April 2002)
Source: www.chass.utoronto.ca/link/200010/imfexport.pdf

Figure 1—World Exports 1991-2000 ($ billions)

Particularly for the US, as exports make up a larger portion of GDP, the need for proactive embassies/diplomats abroad increases to maintain effective trade relations. In a globalized environment, a nation's embassy and attached chamber of commerce is increasingly becoming a crucial node for stimulating exports. Facilitating the introduction and establishment of homeland companies and their products abroad is just one of several ways in which diplomats can advance national economic interests. The "export facilitator" role of the diplomat will grow as international competition stiffens and the maintenance of export levels becomes a greater national priority.

The effects of globalization are also visible in the numbers of strategic alliances and cross-border mergers. As shown in Figure 2, there has been a marked increase in the number of international strategic alliances and cross-border merges since the early 1990s. Roughly speaking, there has been an 800% increase in the yearly number of deals between 1989-2000. The US accounted for about 66 percent of all strategic alliances in the 1990s—half of them with foreign partners.[18]



Note: The data is based on the Thomson Financial Securities database. It is based on public announcements by firm; as such, it does not include information on undisclosed deals and may under-represent alliances among small and medium-sized enterprises, which typically are not reported by the press.

Source: OECD, New Patterns of Industrial Globalisation: Cross-border Mergers and Acquisitions and Strategic Alliances, Paris 2001.

Figure 2—Domestic and Cross-border Alliances 1989-2000

Again, the implications for US diplomats are greater exposure to international trade issues. With more cross-border alliances, diplomats need to be familiar with trade laws and have a good understanding of rules and regulations enforced in the host country.[19] They also need a good understanding of

[18] OECD, *OECD Science, Technology and Industry Scorecard 2001—Towards a knowledge-based economy*, April 2001.

[19] Although specialist knowledge in this area will continue to reside with Washington based trade negotiators.

economics, quantitative analysis, and the ability to learn new concepts quickly.

It is important to underline that there are other changes impacting the repertoire of competencies required by modern diplomats. For example, US diplomats today are faced with a host of issues previously absent from the international agenda; besides knowledge of local language and culture, these include relevant expertise in areas such as health, the environment, demographics, and terrorism.

A Growing Number of Stakeholders

Another implication of globalization is the growth in the number of international stakeholders. For example, the non-profit sector has experienced tremendous growth over the last three decades. Table 1 below provides an overview of their expansion in the past few years.

Table 1: International Organizations by Year and Type (1972-1998)

	1972	1978	1985	1991	1993	1995	1997	1998
Total #NGOs	2,795	8,347	13,768	16,113	12,759	14,274	15,965	16,586
Total #IGOs	280	289	1,632	1,794	1,736	1,763	1,850	1,836

Source: Yearbook of International Organizations 1998/99.

The implications are profound. The traditional processes and institutions of the American government have become increasingly marginal as new ones, often non-governmental, have become more central to public policy (Kettl, 2000). For diplomats stationed abroad, the growing presence of these organizations means a greater need to be familiar with their work areas. Increasingly, embassies are collaborating with other official organizations and NGOs (especially humanitarian) to address local issues. The need to partner up and maintain lines of communication with these groups place new demands on diplomats to be active in the field. They need strong teamwork/partnering skills, and ideally maintain communications systems that are interoperable with those used by other organizations. From a different perspective, the increasing number of stakeholders increases the competition for talent. Similar HR needs across organizations representing different sectors intensifies that competition.

Given these changes, the diplomat of today faces a vastly different landscape than his or her counterpart from a few decades ago. To adequately meet the challenges of this new environment, it is critical to understand what kind of knowledge, skills, and attitudes most effectively advance overall diplomatic objectives.

Knowledge, Skills, and Attitudes

In accordance with the distinctions typically made in the human resources professional literature, this study categorizes competencies using a knowledge, skills, or attitudes framework—(Ashton et al., 1999). Under this definition, competencies are made up of knowledge, skills, and attitudes or KSAs—see Figure 3.

Competencies
-Knowledge
-Skills
-Attitudes

Figure 3—What Makes up a Competency?

Based on the studies of Arnold, Robertson, and Cooper (1991), the following definitions of knowledge, skills, and attitudes are adapted to make inferences concerning employee qualifications for a job:[20]

- Knowledge: understanding and recalling of facts and information necessary for successful performance.
- Skills: behaviors, including higher-order cognitive or interpersonal processes, involved in the effective execution or management of specific tasks.
- Attitudes: socio-emotional or affective feelings and dispositions, including an individual's level of motivation to execute tasks as well as orientation to co-workers and team processes.

Summary

The advent of globalization has significant implications for modern US diplomats and diplomacy. With respect to the competencies required, diplomats today have to be versatile in a number of fields marginalized during the Cold War. Given the revolution in communications, the diplomat of today must also be proficient with a variety of tools relating to information technology. The advent of a greater number of stakeholders implies a greater need to become familiar with the work of these groups and potential partnerships. From the perspective of the State Department, a greater number of international stakeholders implies a greater competition for talent.

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[20] Adapted from Ashton et al. (1999).

Caveat on Globalization

It is important to acknowledge that there is an underside to globalization—not all outcomes are necessarily positive. In fact, a great number of outcomes contain both positive and negative aspects.

For example, while increased air travel and sea-based transportation has spurred commercial and economic activity, it has also made it easier for disease to spread through countries—a point brought home by the appearance of the West Nile virus in New York in early 2000. Globalization also facilitates transnational crime such as terrorism, drug trade, money laundering, and trafficking in human beings. It is also evident that globalization affects our environment and ecology. These negatives also contribute to a more complex environment for diplomacy and diplomats. While important to highlight and consider, these aspects of globalization are beyond the scope of the dissertation.

CHAPTER 3: REVIEW OF PREVIOUS RESEARCH

This chapter reviews previous research in the area of competency needs. Given its focus, the dissertation is at the crossroads of several academic disciplines, including human resource management, organizational behavior, labor economics, and information technology. This review intends to provide a background of competency needs across sectors to help answer the first research question.

Since this dissertation is principally concerned with how globalization has changed the human resource requirements for the State Department, the review of previous studies focuses on the demand-side. Specifically, what are the kinds of KSAs demanded by the State Department and organizations with similar characteristics? Presently, the human capital of government is undervalued, requiring better development and definition than current practice allows (Ingraham et al. 2000).

STATE DEPARTMENT AND PUBLIC SECTOR

There have been some 90 or so management studies of the State Department since 1946—most of which have had “little impact” for instituting change (State Magazine, April 2000). Examples of these studies include the Wriston Report (1954), the Macomber Report (1971), the Bremer Report (1989), and the 1989 Thomas Report (Jones, 1999). A more recent body of studies describing State Department challenges has appeared in the past few years. These are briefly summarized in the next section.

Challenges facing the State Department

A number of studies were commissioned in the 1990s, following-up on the Bremer and Thomas Reports of the late 1980s. Collectively, they paint a dim picture for the State Department as it struggles to meet the challenges facing 21st century diplomacy.[21] The U.S. Advisory Commission on Public Diplomacy offers an initial glimpse in its *Public Diplomacy for the 21st Century* report.[22] According to the report, organizations and functions that evolved throughout the 20th century face new realities brought forth by the communications revolution, the spread of democracy, open markets, and the end of the Cold War. This requires a more flexible approach based on the use of a variety of channels to support public diplomacy. The report sees a need for several modifications; among them are:

- Making public diplomacy skills essential for acceptance in the Foreign Service;

- Including public diplomacy skills in promotion precepts for all foreign affairs agencies;

- Requiring the National Foreign Affairs Training Center to provide media and advocacy skills training for most Foreign Service officers and offering a mandatory course in public diplomacy for all foreign affairs agencies; and,

- Providing additional training in public diplomacy and media advocacy to ambassadors and others whose

[21] Many of the specific challenges were presented in the initial chapter.

[22] The Commission consists of a bipartisan panel. Congress established it in 1948; the President appoints its members.

positions make them spokespersons for U.S. interests abroad.

Clearly, the focus is to create a more proactive diplomatic service that is in step with fast-paced global changes.

Another perspective is offered by the Blue Ribbon Commission report of the U.S. Commission on National Security/21st Century. It posits that without a major increase in resources, the US will not be able to conduct diplomacy that is consistent with its national security objectives. It argues that State suffers from an ineffective organizational structure where regional and functional goals compete, and in which sound management, accountability, and leadership are lacking (Hart & Rudman, 54, 2001). Besides more resources, measures suggested to improve the situation at State include organizational restructuring, careful selection of new ambassadors (to ensure strong competencies at the top), and better use of new information technologies.[23]

In 1998, the State Department commissioned a study from McKinsey & Company to conduct an internal review of the organization. Titled the *War for Talent*, the study finds that given an increasingly competitive job market and expanded private sector opportunities for geographic mobility, potential Foreign Service Officers are being drawn into other professions. Surveying over 500 senior managers and Foreign Service and Civil Service employees, followed by focus groups and interviews, the report concludes that the State Department lacks a "talent mind

[23] The reorganization plan suggested for State entails rationalizing the Secretary's span of control by reducing the number of individuals reporting directly to the Secretary and abolishing Special Coordinators and Envoys. The duplication existing in the regional and functional bureaus would be eliminated, with the number of bureaus significantly reduced. One new Under Secretary position would be created to enhance streamlining while the AID Administrator position would be eliminated (Hart & Rudman, 2001).

set", defined as a "tangible and emotional commitment to developing employees." Survey results show that 70% of senior managers do not rank "talent management" among their top five priorities. This stands in great contrast to the 75% of managers in top private sector-companies who placed it among their top five choices (State Magazine, June 1999).[24]

Other comparisons between Department employees, managers and leaders in top-performing companies finds that State Department employees express more dissatisfaction with evaluation processes, career advancement opportunities; sensitivity to lifestyle issues; autonomy, responsibility offered by their positions; and the quality of management. For example, over 70% of surveyed private-sector managers viewed motivating and attending to people as a prime priority, while less than 30% of the State Department managers viewed it as a top priority (Kaden et al., 1999. p. 52).

The report by the Overseas Presence Advisory Panel (OPAP) confirms the findings of these previous reports, highlighting State's insecure and worn-out facilities, obsolete communication and information technology systems, outmoded administrative and human resource practices, and poor allocation of resources that cripple its effectiveness. With respect to HR practices, OPAP asks for specific policies to "improve the quality of life for persons serving overseas; to enhance job satisfaction, improve recruiting, expand training and promotion opportunities" (Kaden et al., 1999, p.7). While no specific details are provided on the kinds of HR competencies needed to boost State effectiveness, the report recommends the development of a human resources strategy. It also urges making functional, language, leadership, and management training mandatory milestones for all agencies.

[24] The author was not able to obtain a copy of the McKinsey report. Attempts were made with both the State Department and McKinsey. The results reported here are from secondary sources.

Finally, in *State Department Reform*, a study by the independent task force Chaired by Frank C. Carlucci, a joint memorandum addressed to the Secretary of State underlines that "the department's professional culture is predisposed against public outreach and engagement, thus undercutting its effectiveness" (Carlucci et al, 2001, p. 2). To a large extent, the report reflects the previous findings of the OPAP. While the report does not identify the type of competencies the State Department requires, it notes that more resources are needed for recruitment and training—particularly leadership training. Dysfunctional human resource policies are indirectly blamed for serious workforce shortfalls. Overall, more financial resources are required to provide modern infrastructure, improve security, and impart the necessary training for a cadre of new State Department employees.

Taken together, these reports portray a State Department facing an uphill battle as it readjusts to a new working environment. It is interesting to note that in many cases the consensus is that the problem facing State is one of resources. There is tacit consensus that additional resources would allow state to "buy itself" out of many of the problems it currently faces (such as obsolete communications systems). While there also is a call for modified and improved human resource strategies, few concrete recommendations are forwarded to procure or train diplomats for successful 21st century diplomacy; much less how to identify the kinds of individuals needed for such tasks. Given these perceptions, what are the HR needs identified for other organizations representing the public, private, and non-profit sectors?

Public Sector

The public sector is the largest employer in the United States, making up around 16 percent of total employment (Hammouya, 1999).[25] With multiple departments and agencies, competency needs are diverse and complex.

Traditionally the domain of the State Department, other public sector agencies are increasingly taking an active part in the international scene. Today, the Department of Defense, CIA, Department of Agriculture, Department of Justice, Department of Commerce, Department of Treasury, and Department of Labor have their own foreign policies priorities and personnel. As Table 2 shows, a host of USG agencies have an overseas presence; in many instances, these are located inside the Embassy compound.

Table 2: US Government Overseas Presence

Agency	Number of Employees	Percent
State	7,216	38%
Defense	6,907	37*
USAID	1,197	6
Justice	1,053	6
USIA***	728	4
Transportation	470	3
Treasury	453	2
Peace Corps	257	1**
Agriculture	255	1
Commerce	246	1
Other	144	1

NOTE: *Excluding those under area military command.
** Excluding volunteers.
***As of October 1999, USIA is part of the State Department
SOURCE: *America's Overseas Presence in the 21st Century*, The Report of the Overseas Presence Advisory Panel, November 1999, p. 27.

Even organizations that one would not expect to be active abroad—such as the EPA and CDC are increasingly forging

[25] Total employment corresponding to persons employed in non-agricultural activities. Data is from 1997.

international contacts. Using the CDC as an example, it recently developed a global strategy to fight infectious diseases—collaborating with numerous global health organizations and agencies in the process.[26]

Growing Competency Needs

A different kind of indicator of the internationalization of the public sector is the greater demand for foreign language skills. It is estimated that the US government presently requires 34,000 employees with foreign language skills (NAFSA, 2000). This translates to over 65 federal agencies with language requirements, a number that has doubled in the past fifteen years (Brecht, 1999).[27]

Given these trends, federal agencies are beginning to tackle the issue of human resource needs and how to best identify them. This is currently required for all agencies through the Bush administration's management agenda item, "Strategic Management of Human Capital." The OMB tracks compliance. Typically, organizations conduct internal studies to identify the competencies they require; in many instances these focus on a particular unit or department within the organization. Table 3 provides an overview of several of the activities recently carried out in different public sector organizations.

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[26] *Protecting the Nation's Health in an Era of Globalization: CDC's Global Infectious Disease Strategy* and CDC, Office of Communication, press release March 22, 2002 (wysiwyg://168/http://www.cdc.gov/od/oc/media/pressrel/r020322.htm)

[27] According to the GAO, some of the largest requirements are concentrated in the Army, the State Department, the CIA, and the FBI. *Foreign Languages: Human Capital Approach Needed to Correct Staffing and Proficiency Shortfalls*, January 2002 (GAO-02-375).

Table 3: Federal Government Workforce Planning

Organization	Status	Objective
Commerce/NOAA	In Progress	Developing Aerospace Leaders
Defense/Air Force	In Progress	Civilian Leadership Development Plan; Training requirements determination process;
Defense/DCAA	In Progress	Developing competencies for Financial Management positions
Education	Completed	Developed competency models for staff involved in grants management activities. Working on assessment process and training
Energy	In Progress	Developing new competencies for HR professionals.
GSA	In Progress	Developing a competency model for the GSA HR community.
GSA/PBS	In Progress	Identifying future leadership competencies by assessing current employees and the needs of GSA's customers.
Justice/INS	Completed	Uses valid competency-based assessments to select at entry-level, promote to supervisory positions, and select senior managers and executives.
OPM	Completed	Automated HR MANAGER provides competencies to be used throughout the HR process.
SSA	Completed	Identified core competencies for current employees. Now piloting a tool for assessing their competencies.
Transportation	In Progress	Pilots have been completed that identify competencies for certain occupations.
Veterans Affairs	Completed	Several VA components have developed core competencies for their employees. One component is also developing technical competencies

NOTE: NOAA= National Oceanic and Atmospheric Administration; DCAA= Defense Contract Audit Agency; GSA= General Services Administration; PBS= Public Buildings Service; OPM= Office of Personnel Management, SSA= Social Security Administration.

SOURCE: Office of Personnel Management, Workforce Planning at http://www.opm.gov/workforceplanning/index.htm

Another strategy frequently employed is benchmarking, or performance comparison, to gauge performance and management. These measures complement the process of identifying competency needs by pinpointing practices that lead to superior results (Ammons, 1999). Overall, human resource competency needs of public sector organizations are varied, depending greatly on the particular missions of the agency. Common denominators across organizations are generally college education, some practical experience, and motivation to serve within the department in question. Some indication of the relative importance of certain general attributes is evident from periodic surveys. According to a June 1999 survey of federal executives (Table 4) carried out by PricewaterhouseCoopers, the "*most important attributes*" are adaptability and flexibility when faced with change, being accountable for results, and visionary and strategic thinking."[28]

Table 4: Critical Attributes for Future Career Senior Executives

Leadership Attributes	% Rating Attribute as *Highly Important (9 or 10)*
Adaptability/flexibility	72%
Accountability	69
Vision and strategic thinking	64
Customer orientation	58
Commitment to public service	55
Management of financial resources	44
Ability to establish networks and alliances	41
Value for cultural diversity	39
Management of information technology	37
Technical expertise	23

NOTE: Sample size is 347 responses.
SOURCE: 1999 Survey of Federal Executives, PricewaterhouseCoopers.

Additional insights to the particular needs of the public sector are detailed in Chapter 4.

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[28] *Results of the Government Leadership Survey: A 1999 Survey of Federal Executives*, p. 4, PriceWaterhouseCoopers. The telephone survey (after random sampling) of career and non-career SES members garnered 347 responses.

Private Sector

Introduction

The private sector was one the first movers to take advantage of the opportunities offered by globalization. They continue the adaptation process to stay ahead of the competition by creating worldwide alliances, moving production to low cost regions, using distributed work teams, and outsourcing to meet demand. Still, large companies demonstrate the ability to maintain global reach while satisfying a variety of local tastes and needs. For example, at Microsoft, where sales of products in over 100 countries (30+ languages) accounted for 62% of revenue in 1997, management values workers who understand the consumers, culture, and language of those of markets (Murray, 1998).[29]

A 1999 survey of over 100 medium and large US companies show that on average, 38 percent of surveyed firms' annual sales come from outside the United States. This figure is expected to grow to approximately 50 percent by 2004. The strategic importance of international versus domestic operations is also likely to increase in the future. Compared to 47 percent in 1999, 67 percent of surveyed firms think that they will focus on international operations in the mid-2000s (Figure 4).

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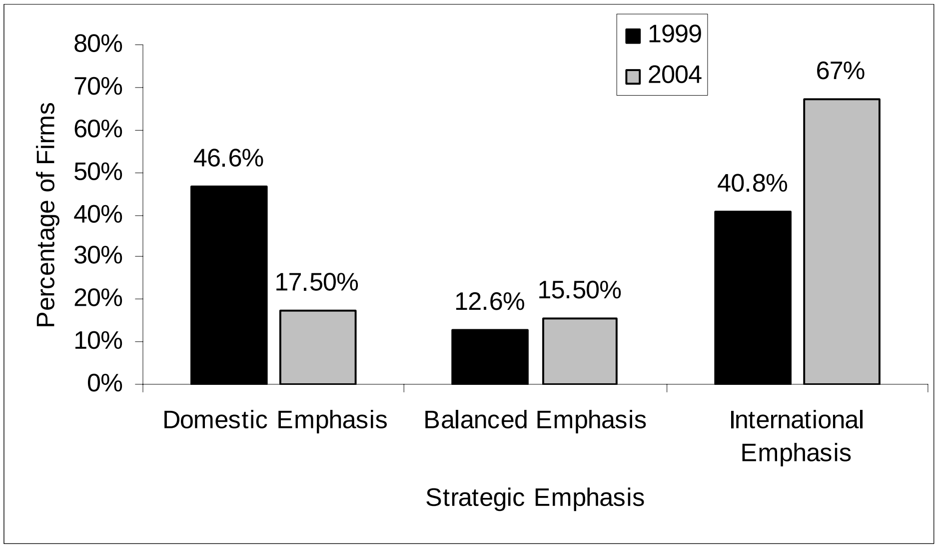
[29] Testimony before the Senate Judiciary Committee, February 1998.



Source: Black (1999)

Figure 4—Firm Strategic Emphasis

Qualities Required

The academic literature analyzing private sector requirements emphasizes generic skills and attitudes. Among the top attributes cited for successful performance in organizations with international objectives are:

- Capacity to communicate verbally and non-verbally, make decisions with limited and conflicting information, inspire confidence and trust, and view problem solving as a social process containing elements of consensus (Harrison and Hopkins, 1967);

- Being non-judgmental (Mendelhall and Oddou, 1985); and

- Behavioral flexibility, cultural empathy, and low ethnocentrism (Ronen, 1990).[30]

Competent global managers also need to be knowledgeable, analytic, strategic, flexible, sensitive, and open (Rhinesmith,

[30] All cited in Lobel (1990).

1996). Success in international assignments is said to depend on managerial competence and experience, cultural empathy, the ability to face ambiguous situations, communication skills, and the capacity to see the world from a variety of angles (Marquandt & Engel, 1993; Phatak, 1992).

Beyond the mastery of basic subject matters, success in the new economy requires behavioral skills such as the ability to think critically, communicate well, and work effectively in teams. Computer literacy, too, is now a core competency (Zhang, 2001). Reflecting many of the competencies already listed, Obalston (1993) offers a ranked list:[31]

- Strategic awareness;
- Adaptability in new situations;
- Sensitivity to a variety of cultures;
- Ability to work in international teams;
- Foreign language skills;
- Knowledge in international marketing;
- Relationship skills;
- International negotiation skills;
- Self-reliance;
- High task orientation;
- Non-judgmental personality;
- Understanding international finance; and
- Awareness of own cultural background.[32]

In contrast, among qualities that *hamper* success at the international level are "language and national cultural differences, domestic mindset, and lack of global knowledge" (Lobel, 1990, p. 40).

[31] Cited in Satterlee (1999).
[32] Identified by Ashbridge Management Research Group.

A National Urban League (NUL) survey from 2000 highlights the importance of leadership abilities. The NUL asked Fortune 1000 top executives what traits they believed to predict long-term success in business. Ninety-one percent answered that character—consisting of integrity, the ability to overcome obstacles, determination, grit, and a willingness to risk being wrong—was the most crucial quality for success (Table 5). After character came communication and leadership skills. Qualities such as educational background, grades, and SAT scores were tangential. For example, less than 25 percent believed having an advanced degree, like an MBA, was an important ingredient for being successful. Over half the respondents (61%), considered observation or the interview process as the best method to tell if a candidate had the character, leadership, and communication skills necessary to succeed (DYG, 2000).

Table 5: Attributes Crucial to Success (% view trait as extremely crucial to success)

"Please rate each of the following attributes in terms of how crucial it is to achieving long-term success in business."

Attribute	Total	C-Level	Next Generation
Character	91	87	94
Communication skills	88	85	90
Leadership skills	76	74	78
Personality	50	44	56
Creativity	50	45	55
Educational background	48	47	49
Raw intelligence	44	42	45
One or more specific talents	42	38	45
Connections with key people	25	21	28

Note: C-level corporate executives refer to Presidents, CEOs, Chairmen, COOs, CFOs, etc. Next generation executives refer to Executive and Senior Vice Presidents, Vice Presidents, and so on. Source: National Urban League, 2000.

Lastly, Black, Morrison, and Gregersen (1999) find that global leaders consistently exhibit four key characteristics:

inquisitiveness, perspective, character, and savvy. Among these four attributes, inquisitiveness is considered the glue that holds them together, allowing leaders to succeed and adopt a global perspective.

The Non-Profit Sector

Introduction

With globalization opening the door for greater lobbying efforts, there has been a large increase in the number of NGOs worldwide (Brown, 2000). While not all NGOs deal with international issues, many do and their overall number has nearly quadrupled in the last years. Between 1985 and 1998, the overall number of international NGOs grew from 6,866 to 25,514 (Yearbook of International Organizations 1998/99). In spite of this trend, the academic literature provides only cursory attention to the competency needs of these organizations.

The absence of cross-institutional studies analyzing their human resource requirements may be partially explained by the variety of objectives and missions tackled by these organizations. Their diversity makes it difficult to gauge their HR requirements. Even NGOs in similar fields may have differing needs depending on size, resources, and particular area of concentration.

Qualities Required

While NGO competency requirements are accessible at the organizational level, no studies were found that systematically analyze needs using a generalized typology. Similarly, no survey studies were found summarizing the requirements required according to NGO senior leaders. One of the few indications comes from APPAM that lists the following as desirable NGO qualities:

- Team leadership abilities;
- Knowledge of policy issues;
- Familiarity with technology;
- Familiarity with the blurring of sectoral boundaries between for- and nonprofits;
- Experience with proposal development and research design;
- Familiarity with outcome-based performance assessment; and,
- Data collection and management[33]

Cross-Sectoral Summary

The literature review shows that organizations with international missions across the sectors are looking for new competencies while not abandoning their traditional requirements for new career employees.[34] Overall, most studies agree on a set of critical core skills for effective performance. Leadership figures highly on this list, as do other relational skills, such as communication skills and the ability to work in teams. It also includes personal skills, including motivation and a predisposition to learn and to solve problems (analytic competency), and the capacity to communicate effectively with colleagues or clients. Several studies underline the value of flexible/adaptable individuals with strong generic skills and attitudes that can take on multiple roles within an organization.

Given globalization, new skills (such as technology skills) are increasingly touted as necessary for successful performance. These findings, while limited, provide some insights concerning the types of attributes valued across the different sectors.

[33] Association for Public Policy Analysis & Management (APPAM) News, Issue 19, p. 4, Summer 2001.

[34] For more on this, see Lindstrom et al. (2002).

Limitations

In spite of the efforts to achieve an overview of the literature, there is concern that some pockets of research may have been overlooked.[35] An area deserving greater exploration is the human resource needs of the private non-profit sector. Unfortunately, very limited information was found for that sector. Most of the sources located described the needs of particular international NGOs.

Another concern with the literature is the descriptive nature of the majority of the studies. While several sources suggest or recommend improved capabilities—such as foreign language skills—few are based on rigorous analysis or empirical research. On several occasions, studies base their findings on a single firm or university case study. In others, personal experiences serve as the foundation for recommendations. Finally, few sources are data driven or cross-reference other studies considering similar questions.

The next chapter takes a closer look at the competencies required in the three different sectors, using data from RAND's International Competencies survey.

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[35] As an aside, a majority of the human resources management literature; e.g. stemming from sources such as the *Public Administration Review*, *The American Review of Public Administration*, *Academy of Management Review*, and OPM were consulted.

CHAPTER 4: WHAT KINDS OF COMPETENCIES ARE NEEDED IN A GLOBALIZED WORLD?

Building on the findings of the existing literature, this chapter uses the RAND IC data to assess what competencies carry premium value among the private, public, and non-profit sectors and observe how similar (or different) the respective human resource needs are.[36] This analysis helps answer the second part of the first research question through its identification of the HR needs of organizations with international missions across all three sectors.

Data

In 2001, a team of RAND researchers drew a purposive sample of 76 organizations representing the private, public, and non-profit sectors. To be included in the sample, organizations had to fulfill two criteria a) have international missions that engage them in interactions across borders and b) have been in existence long enough to have experienced the effects of globalization and large enough to have engaged in recruitment, career planning, and professional development. Cut-offs for these criteria were 5 years and 500 professional/managerial employees, respectively. Most organizations in the sample far exceeded these limits (Bikson, et al 2002).

Within each organization, attempts were made to identify, by role, two types of respondents to take part in structured interviews: a senior line manger engaged in border-spanning processes and a senior level human resources official—typically the director of human resources. Using a comprehensive survey instrument, RAND asked the identified line manager and senior

[36] The author participated in all stages of the RAND research project, including the collection and analysis of data.

human resources officer within each organization how globalization had changed the missions and activities of their organizations, what new capacities they sought in the career professionals they hired, how difficult it was to find them, where and how they looked, and how they developed talent once they had recruited it. There were a total of 135 respondents who completed the entire survey between late 2001 and early 2002.

Analytic Methodology

When statistically analyzing the data in this dissertation, either Chi-squared tests (X^2) or ANOVAS are used. A non-parametric test, the Chi-squared test is commonly used to analyze categorical data.[37] One very important application of the X^2 distribution is to problems where the researcher wants to determine whether or not a number of proportions are independently distributed.

ANOVAS, or analysis of variance, are used to analyze continuous variables, including those that are commonly referred to as "pseudo-continuous" variables.[38] Variables based on five-point Likert scales, using categories such as "strongly agree", "agree", "neutral", "disagree" and "strongly disagree", where intervals are assumed to be spaced apart equally—fall under the pseudo-continuous category. In executing a t-test or F-test, the assumption is that the distribution of the sample means are normally distributed.[39] The determination of statistical

[37] Non-parametric tests, or distribution free tests, avoid the assumption of normality. As such, they are frequently used to test ordinal or categorical variables (Mansfield, 1994).

[38] Pseudo-continuous variables are made up ordinal or interval variable with sufficient categories that they may be considered continuous (Horm, 1999).

[39] Even if the distribution of the individual observations is not normal, the distribution of the sample means will be normally distributed if the sample size is about 30 or larger. For more on this, please refer to the Central Limit Theorem; e.g. in Mansfield (1994) and Neter et al. (1996).

significance of differences between responses grouped by sector or organization is based on a 0.05 confidence level, meaning that the obtained results would have occurred by chance five times or less in a hundred.

Data Limitations

As is the case with most datasets, there are a couple of potential limitations that need to be acknowledged. Regarding the RAND IC data, the principal limitation concerns the selection of organizations for the study. Organizations were not sampled randomly; rather, a purposive sample was drawn.[40] Whenever a non-random sample is collected, there is potential for selection bias. Bias refers to the systematic tendency to over- or underestimate a population parameter due to difficulties in survey implementation and/or statistical modeling.

In the context of evaluating the human resource requirements of organizations with international missions representing all three sectors, bias here refers to potentially observed (or unobserved) differences existing between the organizations selected and those excluded from the survey. In other words, to the extent that the omitted organizations are systematically different from the population of organizations of interest, sample data will not be fully generalizable to the entire population of interest and estimates produced with the sample data are biased. It should be noted that the potential for bias was consciously minimized though stringent selection criteria (see Chapter 4). Similarly, the principal objective was

[40] Using a random sample would not have been possible since it would require a "universal list" (sampling frame) that covering all organizations fitting the criteria selected for inclusion. No such exhaustive listing is available. A more detailed description of the data collection process is provided in Chapter 4.

attaining a better understanding of between-group differences and not estimating population parameters.

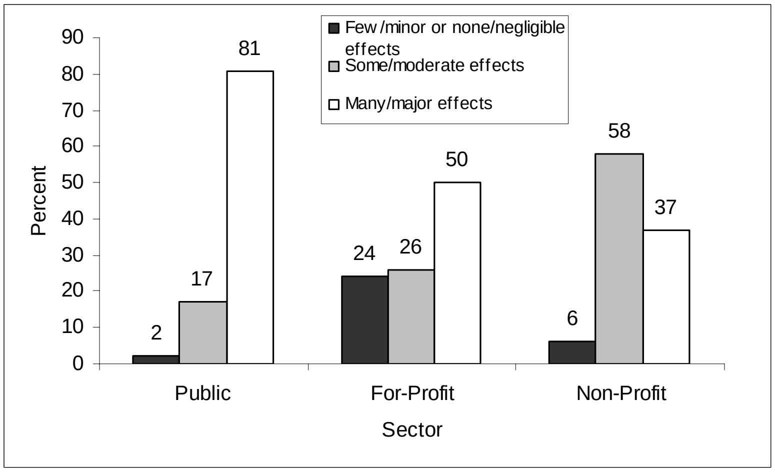
A second potential source of bias may be present in the form of *interviewer bias*. While coding error were virtually eliminated through careful review of data entries, there is the possibility that coding differences arose through the use of different interviewers. During the collection process, three individuals were tasked to conduct phone interviews—each given a particular sector. While there is no guarantee that all interviewers coded similar answers consistently (especially those with qualitative characteristics), a well-defined written protocol and bi-weekly meetings were used to ensure that comparable information was coded systematically.

Table 6: Number of Respondents According to Role and Sector

Role	Public	For-profit	Non-Profit	Total
Human Resources	19	21	26	66
Line Management	22	21	26	69
Total	41	42	52	135

The Effects of Globalization

One of the initial questions survey participants were asked to assess concerns the effects of globalization: “How, if at all, have globalization trends affected your unit’s missions or its major business processes in recent years?” The results, summarized in Figure 5, show that the public sector respondents overwhelmingly believed that globalization had had many/major effects on missions or major business processes in recent years.



Note: May not add up to 100 due to rounding. n = 135.

Figure 5-Effects of Globalization

Overall, eight out of ten respondents from the public sector answered that globalization had brought with it many/major effects. Only 2% saw few/minor or none/negligible effects.

The differences in sector responses are statistically significant at the .001 level (X^2 =31.38). According to qualitative data, this difference is attributable to the earlier start private and non-profit organizations (especially humanitarian) got on globalization. For example, several private sector respondents mention that their firms had been global for a long time, enabling them to diminish the effects of globalization and allowing them to take advantage of the opportunities offered by a global marketplace. Mentioned adjustments were company expansions abroad, technology adoption to increase output, virtual work, and streamlining operations to enhance centralization.

For public sector organizations, the blurring of the foreign and domestic sides is a more recent phenomenon.[41] In the

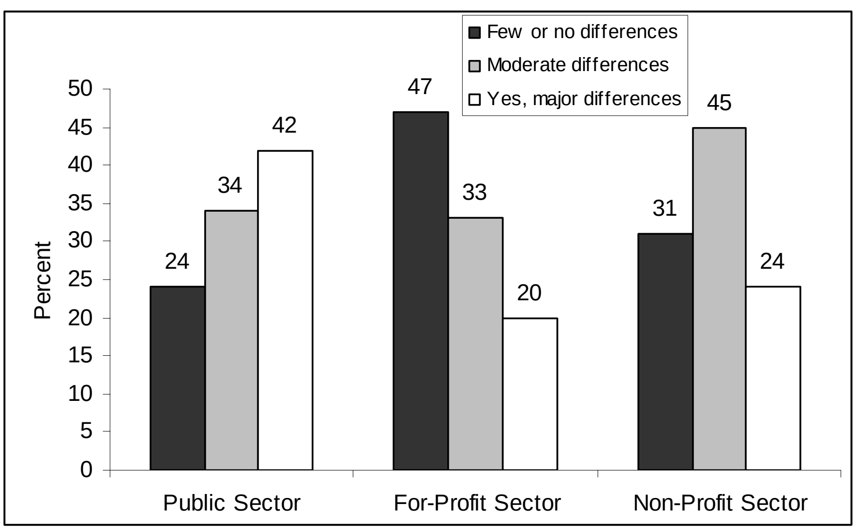
[41] Even at an organization such as State, which has been represented abroad for many decades, the focus was traditionally

qualitative portion of the survey, public sector respondents note the following effects arising from globalization:

- The involvement of new actors in foreign policy; including NGOs, universities, and the private sector.
- A more complex operating environment for agencies—especially those involved in law enforcement, intelligence, and health.
- Greater public awareness of global issues raising the bar for public organizations to justify their actions.

Are Different Types of Employees Needed (due to Globalization)?

Given the impact of globalization, a follow-up question asked if organizational workforce needs had changed noticeably over the last 5 to 10 years.



NOTE: N= 129

Figure 6-New Kinds of Employees Needed (Given Globalization)?

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on government-to-government contacts. From another angle, communications systems were geared to hermetically seal the organization from other stakeholders.

The results presented in Figure 6 are consistent with those of Figure 5. Since public sector respondents were more inclined to see globalization as having many/major impacts on their organization, they were more likely to see a need for new types of employees. While 42% of public sector respondents saw a need for new types of employees, the corresponding numbers for the private and non-profit sectors were 20% and 24% respectively. The differences between sector respondents are marginally statistically significant with a p-value of 0.073 (X^2=8.6).

In their qualitative responses, public sector employees mentioned that they are increasingly looking for individuals with multiple skill areas. A frequently mentioned example is managers with both technical and interpersonal skills; alternatively someone with both technical skills and international experience.

Because of scarce resources, employees often have to take on multiple roles within the organization. Interaction with an increasing number of foreign actors called for individuals with more cultural awareness, political savvy and diplomatic skills. A more complicated operating environment and advances in different fields simultaneously places premium value on skills in the technical field.

Within the private sector, many respondents noted that there is a greater emphasis on intellectual ability and aptitude as opposed to a specific skill set. The combination of intellectual ability and aptitude are examples of malleable/evolving qualities that can be applied to different situations and fit well in a working environment were adaptability and flexibility is crucial. Respondents underlined the importance of recruiting individuals who can think through a given situation and make independent decisions.

Non-profit respondents pointed to the need for very specific skills in areas such as demographics, family planning, micro-finance, and human rights. Several respondents mentioned flexibility as a highly desirable trait. By flexibility respondents referred to the ability to take on different roles within the organization, tolerate ambiguity, and exhibit cross-cultural skills (good international perspective and cultural sensitivity). Given these demands, employers frequently were drawn to individuals with lots of experience; particular value being placed on international experience. In the words of one respondent, "Before we looked for PhDs in economics, no we look for a PhD in economics and experience."

What Competencies Carry Premium Value?

In the course of the survey, respondents were provided with a list of 19 attributes and asked to rate these to better understand the kinds of qualities that are important in today's working environment. The ratings were gathered through an extensive literature review identifying the characteristics that specialists from varied industries deem critical for successful performance. Respondents were asked to rate each competency on a 1 to 5 scale (where 5 means very important and 1, not important), to give an indication of how important each attribute was for effective performance in an organization with international missions like their own.

Table 7: Attributes Critical for Successful Professional Performance: By Sector

		Sector Means		
P-value	Attribute	Public	Private	Non-profit
0.067	General Cognitive Skills	4.76	4.74	4.50
NS	Interpersonal/relationship skills	4.66	4.57	4.65
NS	Ambiguity tolerance; adaptivity	4.49	4.50	4.44
NS	Personal traits (character)	4.56	4.36	4.40
0.015	Cross-cultural competence	4.35	4.17	4.63
NS	Ability to work in teams	4.34	4.29	4.40
0.002	Thinking in policy and strategy terms	4.34	3.90	4.46
0.065	Written/oral English language skills	4.34	4.00	4.02
NS	Minority sensitivity	4.10	3.83	4.24
NS	Innovative, able to take risks	4.05	4.20	3.85
0.008	Empathy, non-judgmental perspective	4.00	3.66	4.19
0.043	Sub. knowledge in a tech/prof. field	3.63	3.90	4.13
NS	Multidisciplinary orientation	3.80	3.86	3.73
0.014	Knowledge of intl. affairs/area studies	3.85	3.22	3.81
0.0001	Competitiveness, drive	3.71	4.12	3.19
NS	General educational breadth	3.59	3.51	3.69
NS	Internet and IT competency	3.56	3.57	3.56
NS	Managerial training and experience	3.24	3.33	3.63
0.0001	Foreign language fluency	2.93	2.9	3.69

NOTE: NS= Not statistically significant; 5=very important; 4=important; 3=moderately important; 2=little importance; and 1=not important. Respondent numbers for each characteristic vary but typically range between 134 and 135; only exception is "minority sensitivity" with 132 responses.

SOURCE: RAND International Competencies Data

The results summarized in Table 7 provide the mean rating for each attribute for all three sectors. Significant differences between sectors are identified by p-values on the left column. An analysis of variance shows only significant differences between sectors for nine of the nineteen attributes. Among the notable differences between sectors we find the following:

- *Competitiveness, drive*—was a highly valued attribute for private sector respondents in comparison to the other sector respondents;

- *Foreign language fluency*-was highly valued by the non-profit sector in comparison to public and profit sector respondents. This difference is traced to the non-profits need for language skills on the field.

- *Thinking in policy and strategy terms*-was accorded significantly more importance by the non-profit and public sectors, as was the ability have *empathy and non-judgmental perspective*.

- *Knowledge of international affairs and area studies*-was valued by the public sector to a greater degree, probably given the need to keep abreast of events for political, strategic, and economic reasons.

- *Cross-cultural competence*-while important across all three sectors, the non-profit and public sector attached particular value to this attribute.

Finally, the attributes are listed according to overall rank. Leading the way among these competencies are general cognitive skills (e.g. problem solving, analytical ability), interpersonal and relationship skills, ambiguity tolerance, personal traits, and cross-cultural competence. In the middle of the list are characteristics such as being innovative, having substantial knowledge in a technical or professional field, and multidisciplinary orientation. Rounding out the list are information technology knowledge, managerial training, and foreign language fluency.

Qualitative data offer insights explaining these particular rankings. Because specialized subject matter knowledge is moving forward at a rapid pace, respondents placed premium value on capabilities such as problem solving, adaptivity, and interpersonal skills. Since what has been learned in the past is subject to obsolescence, emphasis was placed on being able to learn and solve problems (Bikson et al, 2002).

Qualitative data also suggests that respondents overwhelmingly endorsed foreign language learning even though it ranked low on the overall list. While some respondents viewed fluency in a language from an academic standpoint with an emphasis on literary usage not reflecting the functional needs in real world contexts (such as professional negotiations using it own jargon), the majority of respondents viewed foreign language fluency as a proxy for the kinds of knowledge and attitudes that effective leadership in international mission domains will require (Bikson et al, 2002).

The majority of respondents underlined that learning a foreign language was important; in particular, learning a foreign language was a good way to understand a foreign culture. Likewise, several respondents pointed out that learning a foreign language sometimes was truly indispensable for successful performance. This applied particularly to working in certain geographic regions. For example, Spanish language skills were deemed essential for successful performance in Latin America. French is likewise needed in certain parts of Africa. The following two sample quotes capture this common perspective:

- "You can get by [without language] but the study provides insights into cultures and the way people think that is priceless, particularly for organizations working among them…it's a way to win confidence" (public sector organization)

- "Local language is essential for successful implementation of our programs abroad." (non-profit organization)

The puzzling discrepancy between the importance accredited to foreign language skills in the qualitative section and the seemingly low rating in the quantitative section is also partially explained by organizations use of a *satisficing* mechanism, i.e. getting the minimum acceptable level of a certain attribute or capability. In the case of foreign languages or information technology skills, respondents pointed out that they could get by as long as some individuals within their unit or department were competent in those areas. Thus, as long as someone had the skill, the entire group could move along and not be overly affected. In terms of information technology skills, there was the added benefit that individuals with the skills could gradually teach those who were not familiar with the technology over time. Ideally, though, respondents would like to get individuals who have these skills, they were commonly referred to as “an added bonus”.

In the qualitative section, respondents were asked if there were any other qualities they considered critical for success in organizations with international missions. Their responses, according to sector, are summarized below:

- **Public sector**: leadership (the ability to gain buy-in for ideas), networking skills, results-orientation, humility, patience, imagination/creativity, a sense of humor, and commitment to public service;

- **Profit sector**: leadership, emotional intelligence (ability to tolerate stress), integrity, resilience, entrepreneurship, initiative (being a self-starter), customer focus, and the ability to think holistically and systematically;

- **Non-profit sector**: leadership/ability to motivate, multi-tasking capabilities, negotiation skills, enterprise/advocacy skills, stress tolerance, mobility skills (people need to be ready to be mobile), patience, ability to build consensus, ability to work in coalitions, humility, and sense of humor.

It is interesting to note that the hard-to-define concept of leadership was a common denominator across all three sectors. Respondents noted that they need individuals who have both substantive professional or technical competencies coupled with managerial skills, international vision, and experience; something that over the long-term translates to effective leadership. With this in mind, the next section probes sector specific sector needs.

Table 8 is a slight variation of Table 7. The means have been translated to rankings for easier comparison across the three sectors. As Table 8 shows, competencies such as problem solving, analytical ability (general cognitive skills) and interpersonal and relationship skills are highly valued across all three sectors. In fact, the top seven attributes are shared across all three sectors with the exception of one competency (innovative/able to take risks) listed within the private sector.

Table 8: Ranking of Attributes: By Sector

Attribute	RANK Public	Private	Non-profit
General Cognitive Skills	1	1	3
Interpersonal/relationship skills	2	2	1
Ambiguity tolerance; adaptivity	4	3	5
Personal traits (character)	3	4	6
Cross-cultural competence	5	7	2
Ability to work in teams	6	5	7
Thinking in policy and strategy terms	7	10	4
Written/oral English language skills	8	9	11
Minority sensitivity	9	13	8
Innovative, able to take risks	10	6	12
Empathy, non-judgmental perspective	11	14	9
Sub. knowledge in a tech/prof. field	15	11	10
Multidisciplinary orientation	13	12	14
Knowledge of intl. affairs/area studies	12	18	13
Competitiveness, drive	14	8	19
General educational breadth	16	16	16
Internet and IT competency	17	15	18
Managerial training and experience	18	17	17
Foreign language fluency	19	19	15

SOURCE: RAND International Competencies Data

Summary

What do these survey findings suggest about human resource needs in organizations with international dimensions? Two interesting observations are noted. First, respondents representing the different sectors have similar views on what attributes make up a successful professional in an international organization. With the exception of “innovative, able to take risks” (the sixth choice for private sector respondents), all other qualities are shared by all three sectors. This finding will be contrasted with the State department needs identified in the next chapter—thus, answering the second part of the first research question.

Second, and as previously mentioned, rounding the top attributes are skills and attitudes; less importance is accorded to knowledge, whether in particular professional/technical domains or in international affairs (Bikson et al, 2002). This is consistent with a working environment where knowledge required frequent updating; as such, the ability to learn or adapt is important. Problem-solving skills and analytic capabilities allow organizations to leverage new tools and maintain pace with their peer organizations. Given these responses, how do these human resource needs compare to those sought after by the State Department?

CHAPTER 5: WHAT ARE STATE DEPARTMENT HUMAN RESOURCE NEEDS?

This chapter identifies current human resource needs at State (research question 1). It is important to note that they reflect the needs from the perspective of the Department. As such, they complement the findings on HR needs identified in Chapter 2.

STATE DEPARTMENT BACKGROUND

The State Department is the principal agency for the conduct of U.S. foreign affairs. As such it has enormous responsibilities. Besides formulating and communicating US policy on diverse international issues, it is also responsible for coordinating and implementing US government programs and activities overseas. To carry out US foreign policy domestically and internationally, the Department of State:

- Leads representation of the United States overseas and advocates US policies with international organizations and foreign governments;
- Exercises policy leadership and interagency coordination;
- Manages resource allocation for the conduct of foreign relations;
- Conducts negotiations, concludes agreements, and supports US participation in international negotiations;
- Coordinates and manages the US Government's response to international crises;
- Carries out public diplomacy and public affairs;
- Reports and analyzes international issues if important to the USG;
- Assists US business interests;

- Protects and assists US citizens living or traveling abroad;
- Provides visas for visitors to the United States; and
- Manages the international affairs programs and operations for which the Department has statutory responsibility.[42]

To fulfill these duties, the Department of State has a network of 260 diplomatic posts around the world.[43] Specifically, there are about 160 embassies, 74 American consulates, and 18 other missions and offices worldwide. The largest post employs well over two thousand people; the smallest as few as ten. Figure 7 provides a summary of full-time permanent employees over the last few years. A look at the workforce composition for 2001 shows that Foreign Service Nationals were the largest employee group, representing 38% of full-time permanent employees. Foreign Service personnel followed with 36% while Civil Servants made up the remaining 26% of the workforce. With respect to location, a little less than two-thirds of the workforce is based abroad while a little over one–third is in the United States.[44]

In April 1997, a decision led to the merging of the US Information Agency (USIA) and Arms Control and Disarmament Agency (ACDA) into the State Department. Finalized in October 1999, i.e. FY 2000, it increased the size and responsibilities of the Department.

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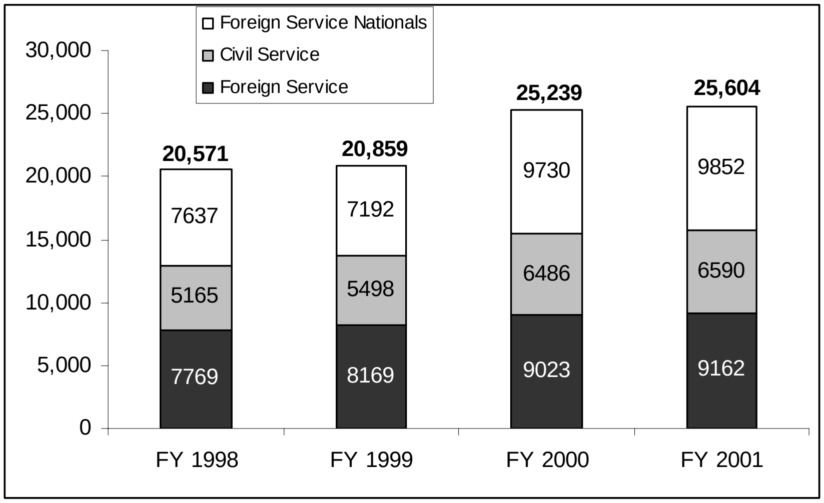
[42] Adapted from the Accountability Report FY 2001, Department of State, p. 6.

[43] GAO-01-252 *Major Management Challenges and Program Risks: Department of State*, January 2001, p.6.

[44] Accountability Report, Fiscal Year 2001, US Department of State.



NOTE: The data for FY 2000 reflects the integration of 4,000 US Information Agency (USIA) employees.

SOURCE: Accountability Report FY2001, State Department, p. 9.

Figure 7—State Department Full-Time Employee Breakdown:2001

State Department Funding

The State Department is funded through the 150 Account for International Affairs Programs. Besides funding the State Department, the 150 Account provides for security and peacekeeping, trade and investment, and bilateral assistance.

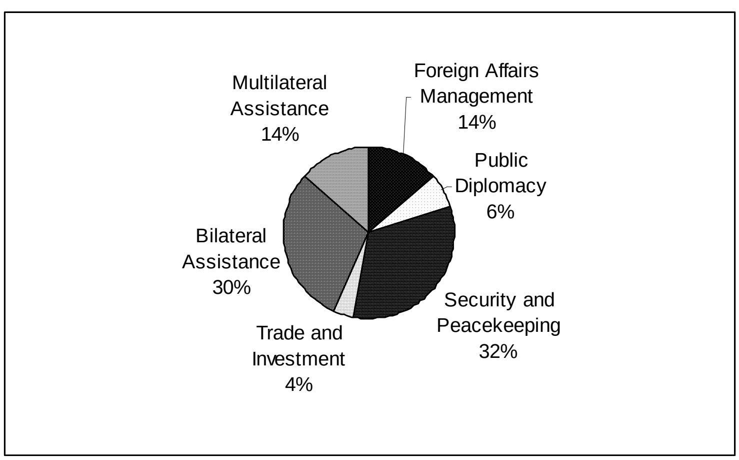


Figure 8—Distribution of the 150 Account for International Affairs: FY 1992-97

The domestic and overseas operations of the State Department are part of the foreign affairs management component.[45] According to GAO, funding for the foreign affairs management decreased in real terms by an average of 4% per year between 1992-97. Between 1992-97, the overall funding for the 150 Account declined by an average of 6% annually.[46]

WHAT ARE STATE DEPARTMENT HR NEEDS?

Given the end of the Cold War, a new international order, and globalization, the State Department probably represents one of the more affected organizations. It is at a crossroad where both its objectives and work methods are impacted. At the same time, the explosion in the number of stakeholders—both within and outside the United States—challenge its traditionally strong monopoly power over the international field as well as its access to individuals interested in international work. Given these trends—what are the qualities sought after by State Department?

Insights From the Written Examination

Few insights are gained on the KSAs required through the written examination. Mainly, the focus of the FSWE is testing applicants' knowledge in the international relations field and writing skills. The multiple-choice exam, which lasts about six hours, contains four major components: a test of job-related knowledge, a biographic information questionnaire (BIQ), an English expression section, and a written essay (not multiple-

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[45] Between 1992-1997, 97.3% of the funds went to the State Department, while 1.7% went to the Arms Control and Disarmament Agency (ACDA) and 1% for commissions/funds. GAO/T-NSIAD-98-18.

[46] *International Affairs Budget: Framework for Assessing Relevance, Priority, and Efficiency*, GAO/T-NSIAD-98-18, p. 3-4.

choice). The job-related component measures the candidate's breadth of knowledge and understanding of a range of subjects determined by the 1997 Job Analysis to be important for successful performance at the State Department.[47] No updating has been made in the past five years. That is of concern given the number of changes a typical organization has experienced in the past five years.

The BIQ looks at an applicant's experience, skills, and achievements in school, work, and in other activities. The biographic information questionnaire per se does not delve too deeply into a candidate's background.[48] Rather, the questions are geared to "assess relevant past interests, activities and behaviors".[49] Examples of the more general questions include "[t]o what extent have you enjoyed speaking to groups of people?" and "[i]n the past year, how many social functions were you responsible for organizing at work or school?" (Kampelman & Yost, 2000). Besides being susceptible to misrepresentation, these questions do not seem effective at uncovering important attributes—even those that may be related to competencies such as interpersonal or communication skills.

Insights From the Oral Examination

A proxy of the characteristics required by the State Department stem from the list of characteristics used to evaluate candidates going through the State Department's oral exam. During the oral examination, which is one of the final hurdles prior to prospective employment, examiners score

[47] The 1997 job analysis includes a range of general knowledge questions in fields spanning US history to basic economic principles.

[48] From the "Registration for the 2002 Foreign Service Officer: Written Examination Booklet".

[49] From the State Department's website at http://www.careers.state.gov/officer/foreignservice/prepare.html

candidates along thirteen criteria using a 1 to 7 scale. These criteria represent the types of competencies the State Department are currently seeking. They are:

- *Written Communication skills:* to write concise, well-organized, grammatically correct, effective and persuasive English in a limited amount of time.

- *Oral Communication skills:* to speak fluently in a concise, grammatically correct, organized, precise, and persuasive manner; to convey nuances of meaning accurately; to use appropriate styles of communication to fit the audience and purpose.

- *Information Integration and Analysis skills:* to absorb and retain complex information drawn from a variety of sources; to draw reasoned conclusions from analysis and synthesis of available information; to evaluate the importance, reliability, and usefulness of information; to remember details of a meeting or event without the benefit of notes.

- *Planning and Organizational skills:* to prioritize and order tasks effectively; to employ a systematic approach to achieving objectives; to make appropriate use of limited resources.

- *Judgment:* to discern what is appropriate, practical, and realistic in a given situation; to weigh relative merits of competing demands.

- *Resourcefulness*: to formulate creative alternatives or solutions to resolve problems; to show flexibility in response to unanticipated circumstances.

- *Initiative and Leadership skills:* to recognize and assume responsibility for work that needs to be done; to persist in the completion of a task; to influence significant group activity, direction, or opinion; to motivate others to participate in the activity one is leading.

- *Experience and Motivation:* to demonstrate knowledge, skills or other attributes gained from previous experience of relevance to the Foreign Service.

- *Working With Others:* to interact in a constructive, cooperative, and harmonious manner; to work effectively as a team player; to establish positive relationships and gain the confidence of others; to use humor as appropriate.

- *Composure:* to stay calm, poised, and effective in stressful or difficult situations; to think on one's feet, adjusting quickly to changing situations; to maintain self-control.

- *Quantitative Analysis skills:* to review statistical information, identify pertinent data, and perform simple mathematical operations (mentally and with a calculator).

- *Objectivity and Integrity:* to be fair and honest; to avoid deceit, favoritism, and discrimination; to present issues frankly and fully, without injecting subjective bias; to work without letting personal bias prejudice actions.

- *Cultural Adaptability:* to work and communicate effectively and harmoniously with persons of other cultures, value systems, political beliefs, and economic circumstances; to

> recognize and respect differences in new and different cultural environments.[50]

Needless to say, these criteria are broad, emphasizing a need for well-rounded individuals with strong writing and communication skills. This should not come as a surprise given the State Department's continued focus on traditional activities such as cable writing and reporting. The general nature of the list raises important questions. First, it is questionable whether such a list is helpful to differentiate between individuals during the oral examination. Being so general and complete, it is likely all candidates demonstrate competencies among some of these categories, complicating the choice of which candidates to endorse.

Second, there is a lack of preferential ordering between the attributes. Perhaps the State Department purposefully does not want to stress any of the attributes so there is flexibility which areas will be stressed on any given year? The more likely explanation is that no steps have been taken to analyze and prioritize which attributes should be stressed. Since no weight is attached to any attribute, a competency that is more relevant to 20th century diplomacy (writing skills) has similar weight to increasingly important characteristics such as quantitative analysis—including knowledge of economics and statistics—or general cognitive skills.

Third, it is interesting to note that there are no requirements vis-à-vis technology skills or information technology competency.[51] It is not likely that its negligence stems from using a list that has not been updated or reconsidered in the last few years. Only last year, the list was

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[50] Adapted from the State Department 2002 http://www.careers.state.gov/officer/foreignservice/officerorals.html

[51] Includes both the oral and written examinations.

expanded to assess candidates' managerial and quantitative skills. If the State Department is to be an effective player in an increasingly interconnected world, it will need to incorporate this dimension.

What Attributes Does the Senior Leadership Value?

To get a better idea of which human resource competencies are valued within the State Department, a recently established Diplomatic Readiness Task Force carried out an internal survey of its diplomatic posts in 2001. It surveyed ambassadors, deputy chiefs of mission, consul generals, and principal officers about the quality and competencies of the junior officers coming out to their embassies. An unclassified summary of the results concludes that senior diplomats think the thirteen dimensions presently used to cull candidates during the oral examination are both "appropriate and comprehensive."[52] The respondents also confirm that most entering JOs indeed posses the qualities delineated in the oral examination.

The survey results also reports which of the thirteen dimensions are most valued. While not a formal weighing of the attributes, it gives an indication of which characteristics are most valued by the senior leadership. Respondents most frequently viewed *cultural adaptability* as the most important dimension, followed by *working closely with others*. Rounding out the top three was *foreign language competency*. It is interesting to note that foreign language fluency is not among the thirteen characteristics used to grade candidates during the oral examination. The reason why is straightforward. Until recently, oral examiners were "blinded" to candidates' qualifications. To ensure objectivity, examiners did not know the backgrounds of

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[52] From the Diplomatic Readiness Task Force, January 31, 2002.

those taking orals; thus, it was impossible to learn if candidates possessed valuable foreign language skills.

It is important to point out that these viewpoints reflect those of the senior leadership who have served within the Department for many years. Therefore, these perspectives are not necessarily representative of the Department at large. For example, given respondents' seniority, it is likely that competencies that were important during their careers are stressed. As a consequence, limited weight is attached to competencies such as problem solving abilities and technology skills among the Departments senior leadership. This hypothesis is partially supported by one of the collective observations made by the senior respondents, that "the new generation of junior officers is very different from [our] own in its outlook and expectations."[53]

The value of traditional skills, such as reporting, is also evident from respondent's observations of junior officers' weaknesses. Respondents noted that junior officers (JO) need more training to know "how the Department functions", to have a better vision of the realities of life overseas, and craft "writing as it is practiced in the Foreign Service." Finally, respondents underscored the need for leadership and management training for junior officers, in particular with respect to the management of Foreign Service National employees. Now that we have a better understanding of what the State Department leadership values, how representative are they of the Department as a whole?

At State, the Traditional Competencies are Still Key

In 2000, Stephanie Smith Kinney interviewed 250 Foreign Service Officers representing senior diplomatic leadership, mid-level officers, and JOs. According to Kinney, experienced FSOs

[53] Ibid.

point out "that the classic attributes of a good diplomat will continue to provide a starting point for professional formation today, the same as in the fifteenth century" (Kinney, 2000, p. 4). Identified as key attributes for success were: curiosity, cultivation, insight, discretion, loyalty, personal and intellectual integrity, good judgment, foreign language ability, broad contacts at home and in the host country, the confidence of one's leaders, excellent speaking, writing, listening, reporting and negotiating skills (Kinney, 2000).[54]

Consistent with the responses of senior diplomats in the DRTF survey, the focus of respondents is on skills related to communication—both written and oral. In addition, there is consistency regarding the importance of foreign language skills. While, some individual respondents mentioned non-traditional needs (from a State perspective), these were isolated. Examples of these non-traditional requirements were competency in "building teams and coalitions in both the domestic and international arenas", "broad scientific and technological literacy", and "Internet skills and Web literacy" (Kinney, 2000, p. 4). Some respondents also identified problem areas that would grow should current selection processes be maintained:

- About a third of respondents mentioned the need to develop more officers with "skills and expertise in working with and through International Organizations and regional structures."

- Close to half of the senior officer respondents expressed concern that the Department produced "conal specialists" as opposed to multi-skilled and

[54] Unfortunately, there is no breakdown of how these attributes rank against each other or if there are discrepancies in viewpoints according to seniority.

> multidimensional integrators and coordinators who they believed would be required in the future.
>
> (Kinney, 2000, p. 2)

Given these findings, how do the human resource requirements of State compare to those of the other organizations surveyed? Several observations are made:

- The public, private, and non-profit organizations surveyed by RAND display strikingly similar human resource needs. The overwhelming majority of the top seven characteristics are identical across all three sectors;

- The attributes with highest ratings for these organizations are general cognitive skills, interpersonal skills, ambiguity tolerance, cross-cultural skills, and the ability to work in teams;

- Basing its human resource requirements on thirteen un-weighted characteristics, the State Department looks for very similar attributes;

- According to senior diplomats, the most important attributes are cross-cultural competency, interpersonal skills, and foreign language competency.

Table 9 presents a summarized version of the top human resource requirements for the organizations representing all three sectors and matches those to similar competencies required by State (among the 13 dimensions). Clearly, the State Department is looking for individuals with similar backgrounds.

Table 9: Comparison of International Organizations' Top Requirements with Those of the State Department

RAND Surveyed Orgs (Public, Private, NGO)	State Department	Similar?
General Cognitive skills	Quantitative analysis/Info integration	✓
Interpersonal skills	Written/Oral communication	
Personal traits	Objectivity and integrity	✓
Ambiguity tolerance	Composure/Resourcefulness	✓
Cross-cultural comp.	Cultural adaptability	✓
Ability teamwork	Working with others	✓
Policy thinking	Information integration and Analysis	✓

SOURCE: RAND International Competencies Data and Foreign Service Officer Oral Examination Dimensions.

According to the table, there was discrepancy for only one attribute: interpersonal skills; the State Department's requirement for written and oral communication represents a subset of communication skills. While interpersonal skills covers a wider spectrum and focuses on interactions between individuals, written and oral communication concentrates on reporting and information presentation. Besides that, there is strong agreement between the groups' perceived human resource needs. It should be noted that these similarities in large part are due to the numerous unweighted dimensions that the State Department looks for in its candidates.

Summary and Implications

From the State Department's perspective, current HR needs are fairly consistent over time. This probably explains why few modifications have been made over time to both the written and oral examination.[55] However, the "wide net" that is cast using

[55] One difference is the inclusion of quantitative skills as one of the thirteen dimensions looked for during the oral examination.

the thirteen dimensions is extensive enough to capture both traditional and newer HR elements. Surveys with FSOs indicate that traditional competencies such as cross-cultural competency, interpersonal skills, and foreign language competency still are regarded as the key elements (especially among senior diplomats).

The findings also suggest that the State Department is competing with a large set of organizations for a limited talent set.[56] It no longer enjoys the "monopolistic" situation of years ago when there were few options for international work (Ingraham et al 2000).[57] This situation is accentuated by a greater number of applicants coming through the web.[58] Colin Powell recently hinted at this trend although he left out the NGO sector and other public agencies from the picture: "Gone are the days when recruits were fortunate to get jobs at State. We now compete with private industry for the best and the brightest."[59]

For the State Department to successfully compete for talent across all three sectors, it is important that the organization understand, value, and reward the specific types of competencies

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[56] Reflecting Census Bureau data, former DGFS Edward Gnehm puts this succinctly:

> During the next decade, there will be a 15 percent decline in the number of 25- to 45-year-olds who form the core of our nation's workforce. This simple demographic fact means we will have to compete even more effectively than we have in the past to find and keep the right people and to ensure we are using their skills to maximum benefit.
>
> (State Magazine June 1999).

[57] Among the few competitors then were the intelligence agencies that would have recruited from a similar pool of applicants. The competition for talent between these groups is probably just a vibrant today, especially post 9/11.

[58] In line with technological development, since 1999, the Office of Recruitment, Examination and Employment uses online registrations for the Foreign Service Exam. On average, about 60 percent of candidates now register through the Web (State Magazine, May 2000).

[59] State Magazine, September 2001.

that prove to be increasingly important for successful performance in the workplace of today and tomorrow. An approach that equally values 13 different competencies is ineffective.

CHAPTER 6: HOW VALUED ARE ATTRIBUTES CRITICAL FOR SUCCESS WITHIN STATE?

How widely valued are attributes and workplace policies needed for effective performance in today's State Department? How do these attitudes compare to those held by employees in other high-impact federal agencies? What are the trends in opinions over the 1998-2000 time-period?

This chapter analyzes State Department employee perceptions of workplace attitudes. For comparative purposes, the attitudes of State Department employees are compared to those held by employees in other federal agencies. These findings shed light on the first research question by analyzing the extent to which certain key competencies (as identified by the RAND IC data) and workplace attitudes are perceived to be valued within State.

RESPONSES BEING COMPARED

Between 1998 and 2000, respondents to the Federal Employee survey were asked to respond to 43-44 identical questions about workplace policies.[60] For this analysis, the analytic focus is on responses to questions relating to attributes previously identified as crucial for successful performance in the 21st century workplace.[61] Examples of these include different forms of teamwork and flexibility for achieving workplace tasks. While not identified as a key requirement for successful performance

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[60] The number of agencies and questions asked depend on the particular year in question. A couple of questions were changed for different years—for example the two questions targeted to regulatory agencies were dropped from the 1998 survey and replaced by a question concerning the use "Plain Language" in the 1999 survey.

[61] The author graciously acknowledges OPM for the provision of the raw data files for this analysis.

by senior managers, the issue of access to information technology is also analyzed.

Data

Originally developed by an interagency team of survey experts from OPM, the Merit Systems Protection Board (MSPB) and the Federal Aviation Administration (FAA), the NPRG/OPM survey was designed to assess employee opinions on workplace attitudes and the effectiveness of government service. The agencies surveyed in 1998, 1999, and 2000 were chosen according to the degree their services impact the public.

According to the OPM, thirty-two federal agencies—the State Department included—carry out 90% of the federal government's contact with the public.[62] Under this definition, there are 32 high-impact federal agencies. The surveys covered at least 31 of these agencies plus another 17 agencies for a total of 48-49 agencies depending on the particular year. Overall response rates for the different years were around 40%.

Data Limitations

While the NPRG/OPM data stems from a random sample—and thus does not suffer from selection bias—it may be susceptible to other forms of bias; particularly non-response bias (individuals who did not answer or return the survey). Non-respondents may differ in important ways from respondents, affecting the generalizability of the survey results. While overall response rates for all organizations hover around 40%, these percentages

[62] Example agencies include the Department of Commerce, Department of Defense, Department of Health and Human Services, Department of Justice, and Department of the Treasury. For a complete listing of the agencies surveyed see Appendix A.

vary from organization to organization.[63] While some may consider this rate to be problematic, no demographic information was available to create analytic weights to address this issue. According to a representative of the OPM's Personnel Research unit, the response rates are not, in of themselves, regarded as a problem. This explains why the OPM itself chose not perform any special weighting (analytic weights) in spite of their access to demographic data.[64] More details on actual response rates and *summary* frequency distributions for State Department respondents are provided in Chapter 6.

Response Rates

In 1998, the Employee Survey was mailed to 34,401 employees representing 48 federal agencies. Given 13,657 returns, the survey had an overall 40% response rate. In 1999, the NPR survey was administered to 33,271 participants in the same government organizations—creating a baseline to evaluate changes in responses over time. With 12,755 survey responses, a 38% response rate was attained. The final survey, administered in 2000, was sent to 50,844 employees representing 1,382,467 full time federal executive branch civilian employees. With a total of 21,257 returns, the government-wide response rate was 42%. Table 10 summarizes these results.

[63] According to Judd, Smith, and Kidder (1991), mail surveys typically have the lowest response rates among available modes of questionnaire data collection, usually less than 50%.

[64] Due to privacy issues, the datasets received for this dissertation did not include any demographic variables for respondents even though such questions were asked in the instruments. The instrument asked respondents to fill in information concerning years in service, pay grade, location (headquarters, regional headquarters, or field), job category, and level of supervisory responsibility. Only summaries of those responses were eventually released to the author by the OPM.

Table 10: NPR/OPM Employee Survey Size Data: 1998-2000

	1998	1999	2000
Number of surveys administered	34,401	33,271	50,844
Number of survey returned	13,657	12,755	21,257
Response rate (percent)	40%	38%	42%

Source: NPR/OPM Employee Survey dataset. Sherman Tsien, OPM.

Using within-agency designation (stratification), the number of surveys sent to the different agencies/bureaus within each department varied. With the exception of the Department of Energy and Department of Housing and Urban Development, all surveyed departments were subdivided. For example, the Department of Defense was sub-divided into the Air Force, Army, Navy, Defense Logistics Agency, and “All Other Defense”.

The State Department was broken down into the Bureau of Consular Affairs (BCA) and “All Other State” (AoS). The full-time civilian component for the Bureau of Consular Affairs—according to calculations of NPR/OPM—is roughly 1,050. This leaves around 12,100 full-time civilian employees in the *All Other State* sample space.[65] Table 11 provides a breakdown of the number of surveys sent out to these State sub-categories and their respective response rates.

As mentioned in Chapter 1, the response rates for individual agencies varied. For the State Department, the response rates for the BCA and AoS range between 25 and 38 percent. Since these response rates are not very high,

[65] Including Political Affairs, Economic and Agricultural Affairs, Arms Control and International Affairs. The figure reflects NPR/OPM divisions. For example, in 1999, the total State Department employee population included 6,600 Civil Service, 8,900 Foreign Service, 9,000 Foreign Service National and 16,300 overseas Personal Service Contract employees.

additional steps were taken to ensure that the responses were representative of the overall State Department population. These are described in more detail in the next section.

Table 11: Agency Response Rates: BCA and AoS (19998-2000)

	1998	1999	2000
Bureau of Consular Affairs (BAC)			
Surveys sent	640	750	1000
Survey returned	243	224	260
Response rate (%)	38%	30%	26%
All Other State (AoS)			
Surveys sent	580	740	1500
Survey returned	200	198	377
Response rate (%)	34%	27%	25%

SOURCE: NPR/OPM Employee Survey data.

Data Demographics

From a general standpoint, the overall demographic breakdown of survey respondents matches reasonably well to the overall population of federal employees. A listing (Table 12) for 1999 data shows that demographic proportions are fairly consistent. Slight discrepancies are noted for categories such as gender, race, and supervisory role. For example, in the gender category, a larger proportion of women responded to the survey (52%) in comparison to the 45% overall female employee proportion in 1999. The results presented for 1999 are consistent with year 1998 and 2000 data. Given these trends, the OPM did not take any steps to create analytic weights or other similar measures to adjust response rates according to demographic characteristics.[66]

[66] It should be recognized that discrepancies along certain demographic variables should not affect the validity of results if the attribute is does not affect the variable of interest. For example, we do not expect gender to impact answers on accessibility of technology at the workplace.

Table 12: 1999 Survey Demographics

Characteristic	1999 Respondents	1999 Population
Gender		
Female	8,256 (52%)	808,643 (45%)
Male	9,117 (48%)	999,068 (55%)
Race		
Minority	3,596 (22%)	543,142 (30%)
White	12,576 (78%)	1,263,183 (70%)
Length of Service		
0-5 years	1,253 (10%)	400,125 (22%)
6-20 years	6,321 (51%)	930,584 (51%)
21-30 years	3,992 (31%)	386,123 (22%)
31 years+	954 (8%)	90,909 (5%)
Supervisory responsibility		
Non-supervisor	9,907 (80%)	1,573,201 (87%)
Supervisor/Manager	2,481 (20%)	231,888 (13%)

NOTE: Regarding the 1999 Respondents column, the total number of respondents is different for each characteristic because some respondents did not provide complete information, and therefore total 100%. Similarly, this explains why the category subtotals do not equal the overall number of respondents (in 1999, the total number of respondents was 18,154).

SOURCE: Sherman Tsien, OPM, 2002.

Given the comparatively low response rate for the BCA and AoS, the author decided to take a closer look at the representativeness of State Department respondents. The OPM was unable to furnish demographic variables due to privacy reasons. Instead, they provided demographic summary frequencies. These were compared to State Department demographic data taken from FedScope in dimensions that could be matched reasonably well. Table 13 provides a summary of the demographic statistics for the different years.

Table 13: 1999 Demographics: Bureau of Consular Affairs and "All Other State"

Demographic	1998 BCA+AoS*	1998 STATE**	1999 BCA+AoS	1999 STATE	2000 BCA+AoS	2000 STATE
Service Time						
<1 year	1.0%	1.2%	0.1%	1.8%	0.3%	1.3%
1-5 yrs	4.9	5.25	6.6	6.9	8.0	6.9
6-10 yrs	19.6	17.1	16.4	14.8	13.7	12.3
11-15 yrs	17.2	22.0	24.4	21.7	21.4	20.9
16-20 yrs	16.3	18.3	15.3	18.8	19.8	19.7
21-25 yrs	19.7	16.04	14.9	16.3	15.6	17.06
26-30 yrs	14.7	12.7	15.2	12.6	13.0	13.02
31+ yrs	6.7	8.62	7.0	9.0	8.3	8.7
Location						
HQ/Reg. HQ	62.3	65.3	61.0	67.2	56.2	67.5
Field	37.7	34.3	39.0	32.5	44.2	31.7
Job Category						
P&A	70.3	82.1	69.7	83.4	71.8	84.5
Technical	6.5	4.5	7.0	4.4	8.0	4.7
Clerical	13.0	12.3	13.3	11.0	9.1	10.1
Other	10.2	1.1	10.0	1.2	11.0	0.7

NOTE: P&A = Professional and Administrative
*BCA+AoS is a weighted average (based on number of employees) for BCA and AoS respondents.
**STATE percentages are from FedScope. Certain categories do not match up perfectly between STATE and BCA+AoS that may explain some of the divergence. For example, with respect to Service Time, the response categories from the OPM survey are 1-5 years, 6-10, 11-15, etc. FedScope uses slightly different labeling: 1-4 years, 5-9, 10-14, etc. The percentages for STATE represent end of FY data (i.e. the 1998 STATE data is from September 1998; 1999 STATE data is from September 1999; and the 2000 STATE data is from September 2000).
SOURCE: Sherman Tsien, OPM, 2002; NPRG/OPM survey data, and FedScope (http://www.opm.gov/feddata/Index.htm)

Three of the five demographic categories were matched reasonably well using FedScope: service time, location, and job category. The two remaining demographic categories used by the NPRG/OPM survey, supervisory role and pay grade, could not be matched. For example, in the case of supervisory role, the categories used by the NPRG/OPM do not readily translate to a State Department setting. Examples of choices available to respondents were Team Leader, 1st Line Supervisor, and Manager. These categories do not exist at State, and since individual respondents had to self-identify into these categories, it is very likely that response bias is present. In addition, FedScope does not provide such employee data.

With respect to pay grade, potential differences in respondents' use of a FS schedule versus GS schedule in their responses made the attempt to compare sample respondents and overall State employees complicated. Since "time in service" is probably correlated with both supervisory role and pay grade (especially in a public sector organization), it hopefully serves as a proxy for the two demographic categories in question.

A comparison of the weighted averages for the BCA/AoS respondents and the State Department population shows that there is consistency among the different categories.[67] Chi-tests were used to see whether or not the distribution of the demographic variables is statistically different between sample respondents and the overall State population. For "time in service", the null hypothesis that the distributions are independently distributed (i.e. different) is rejected for all three years (1998: p=0.98; 1999: p=0.91; 2000: p=0.99). Thus, the demographic values from the survey and the overall State Department population are consistent.

A similar trend is noted for the location variable; for all the three years, results are not statistically significantly (1998: p=0.63; 1999: p=0.35; 2000: p=0.08).[68] For the last demographic variable, job category, there seems to be a

[67] Exact categories for both groups were not always possible which may explain some of the discrepancies.

[68] The result for 2000 is marginally statistically significant. We see that the sample attained a large proportion of field responses.

discrepancy in categorization. Since respondents self-selected to a category, the issue of labeling is important. Those who did not know where they fit ultimately chose what they believe represented the best answer.

It seems that in the case of job category, many individuals who were either in the professional/administrative category choose “other” (which consists of wage-grade + other). Running a chi-square test with the data categorized as given provides p-values that are significant, i.e. their distributions are different/independent (1998: p=0.03; 1999: p=0.03, 2000: p=0.01). If they “other” category is collapsed with P&A, the results are no longer statistically significant (1998: p=0.82; 1999: p=0.64, 2000: p=0.63). As such, while the results are inconclusive for job category data, it is reassuring to observe that other demographic data are consistent between sample respondents and the overall demographic breakdown of State Department employees.

Analytic Weights

In order to analyze responses across agencies, analytic weights were created to ensure that the distribution of organizations in the sample equaled their employee representation in government overall.[69] Specifically, the following adjustments were made:

[69] More weight given to responses representing large organizations and vice versa.

Table 14: Creating Agency Representation Weights

	Measure
Step 1	Identify organization's representation in government by size of workforce
Step 2	Identify sample distribution
Step 3	Create weights

The weight was calculated as follows:[70] $weight = \frac{P}{S}$

Where P, or agency's workforce (A) as a percent of all government (G), is: $P = \frac{A_p}{G_p}$

Where S, or agency's workforce proportion in the sample, is: $S = \frac{A_r}{G_r}$

Therefore the weight is: $w = \dfrac{\frac{A_p}{G_p}}{\frac{A_r}{G_r}} = \frac{A_p}{G_p} * \frac{G_r}{A_r}$

Using this process, individual agency weights were calculated for each of the three years and integrated into the original data file.

ANALYSIS OF RESULTS

The following section summarizes the NPRG/OPM Employee Survey results. The analysis focuses on attributes previously identified as important for effective performance—examples including the use of teamwork and flexibility in the workplace. Results are provided for each of the three years.

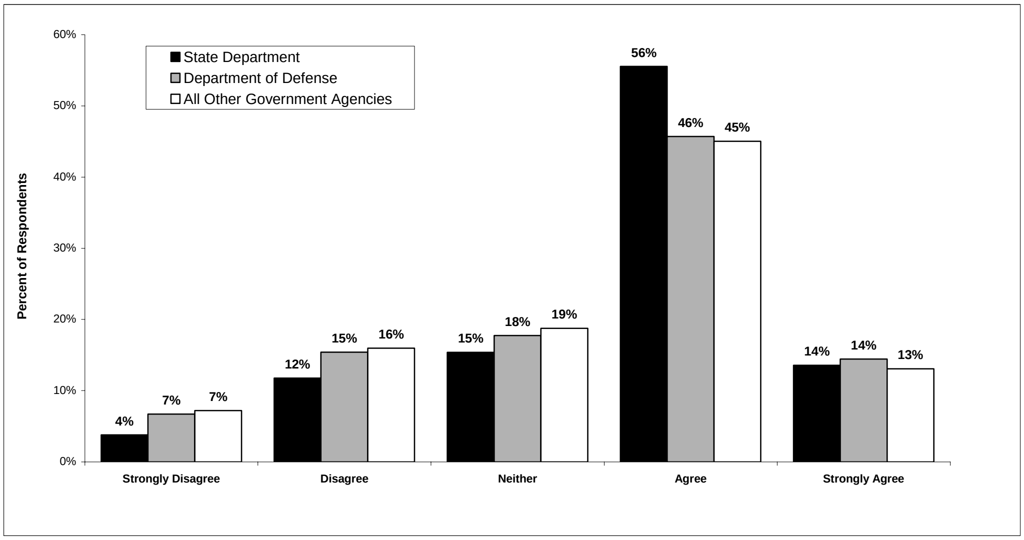
[70] While weights were provided in raw data form by the OPM, they were checked, modified, and merged into the Employee Survey data files for this analysis.

For each question analyzed, responses are summarized in percentage terms in the different categories for 1) the State Department 2) Department of Defense and 3) "All other Agencies" (excluding the State Department). Not all respondents answered all questions so there is some missing data/no response. Since the total missing data/no response for each question ranges from 1-2%, it is not included as a separate category. For any question with a larger "missing/no answer" proportion, it is indicated in the figure note. The Department of Defense is included as a separate organization for comparative reasons. It shares many of State's characteristics such as large numbers of individuals stationed abroad, frequent personnel rotations, foreign language requirements, and the need to interact with foreign entities under a variety of circumstances.

Use of Teamwork

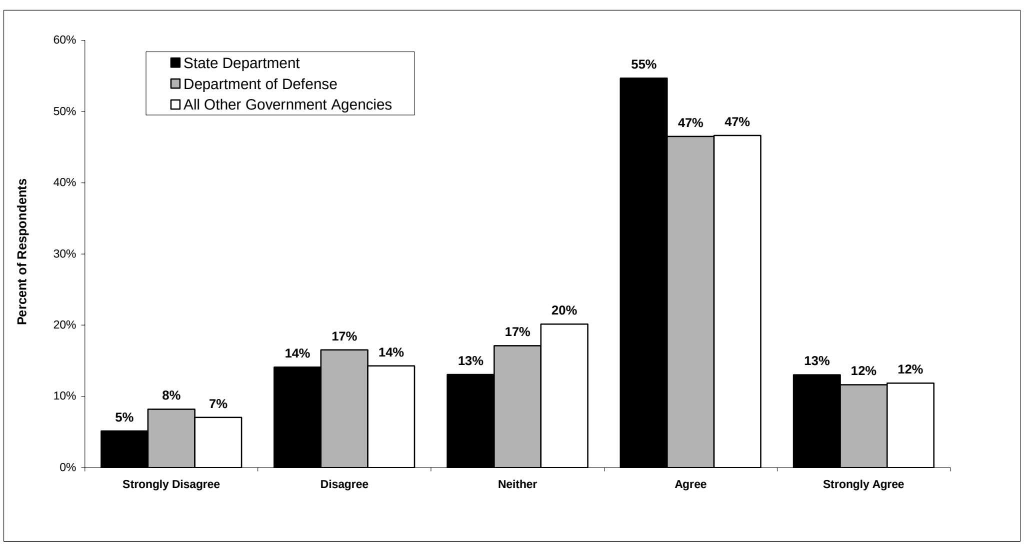
In a global environment, internal and external teamwork skills are important. As the RAND IC data showed, teamwork capabilities consistently ranked in the top by organizations with international missions across the private, public, and non-profit sector. How do State Department employees perceive they do in this particular area? The results show that State is doing well in comparison to other public agencies surveyed, at least in terms of internal teamwork usage.

As Figure 9 shows, in 1998 survey, the vast majority (70%) of State Department employees agreed or strongly agreed that "[t]eams are used to accomplish organizational goals, when appropriate." Only 4% of State respondents strongly disagreed with the statement. Compared with the Department of Defense and other organizations, the State Department has more respondents in the "agree" category (56% for State, 46% for DoD, and 45% for all other government agencies). Figures 10 and 11 provide response outputs for year 1999 and 2000 respectively.



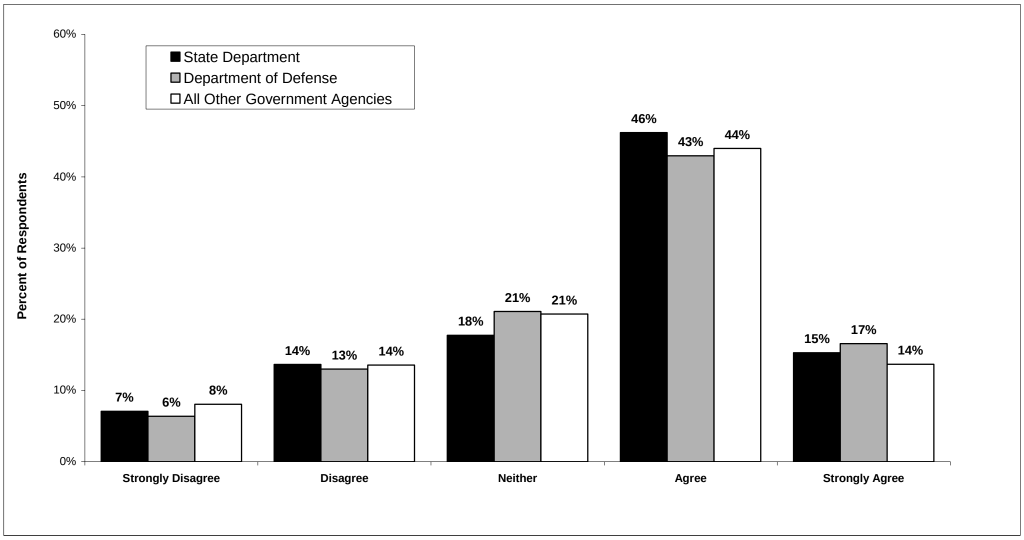
NOTE: Totals may not add up to 100% due to rounding.

Figure 9—Teams are used to Accomplish Organizational Goals, When Appropriate: 1998



NOTE: Totals may not add up to 100% due to rounding. In addition, a “missing” category is not included which may range 1-2%.

Figure 10—Teams are used to Accomplish Organizational Goals, When Appropriate: 1999



NOTE: Totals may not add up to 100% due to rounding. In addition, a "missing" category is not included which may range 1-2%.

Figure 11—Teams are used to Accomplish Organizational Goals, When Appropriate: 2000

Analysis of variance (ANOVA) indicates statistically significant differences in means among State, DoD, and all other organizations for 1998 ($p \leq 0.01$), 1999 ($p \leq 0.05$), and 2000 ($p \leq 0.01$). For 2000, one notes that all other organizations has the lowest mean (3,41), driving the statistically significant results—see Table 15.

Table 15: Rated Agreement Means (RAM): Use of Teamwork

	Agreement Means		
Year	State	DoD	All Other Orgs.
1998**	3.63	3.46	3.41
1999*	3.56	3.37	3.42
2000**	3.49	3.50	3.41

NOTE: Responses fell into 5 categories (strongly disagree, disagree, neither disagree nor agree, agree, and strongly agree). A "1" denotes "strongly disagree" while a "5" represents "strongly agree". The following annotations are used to indicate significance of differences in agreement means for organizations in a given year (no annotation indicates differences are not statistically significant): *p<.05; **p<.01; ***p<.001; *t* .05<p<.10.

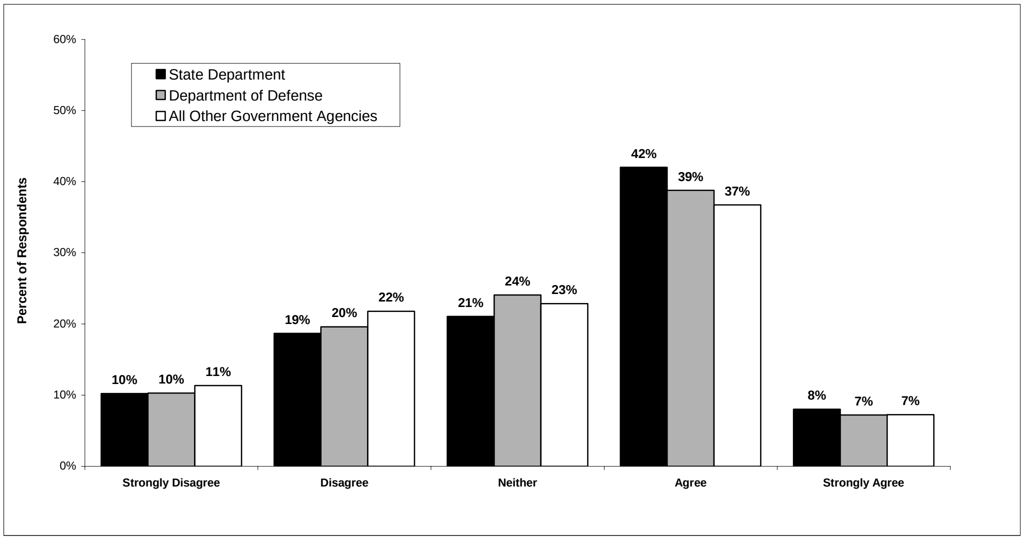
Another statement used by the NPRG/OPM to assess levels of teamwork is "[e]mployees in different work units participate in cross-functional teams to accomplish work objectives." Again, State employee perceptions point to higher use of teamwork in comparison to DoD and other public agencies. Analysis of variance (ANOVA) indicates statistically significant differences in means among State, DoD, and all other organizations for all three years.

Table 16: RAM: Use of Cross-functional Teams

	Agreement Means		
Year	State	DoD	All Other Orgs.
1998*	3.19	3.13	3.07
1999^{t}	3.25	3.05	3.07
2000***	3.15	3.19	3.07

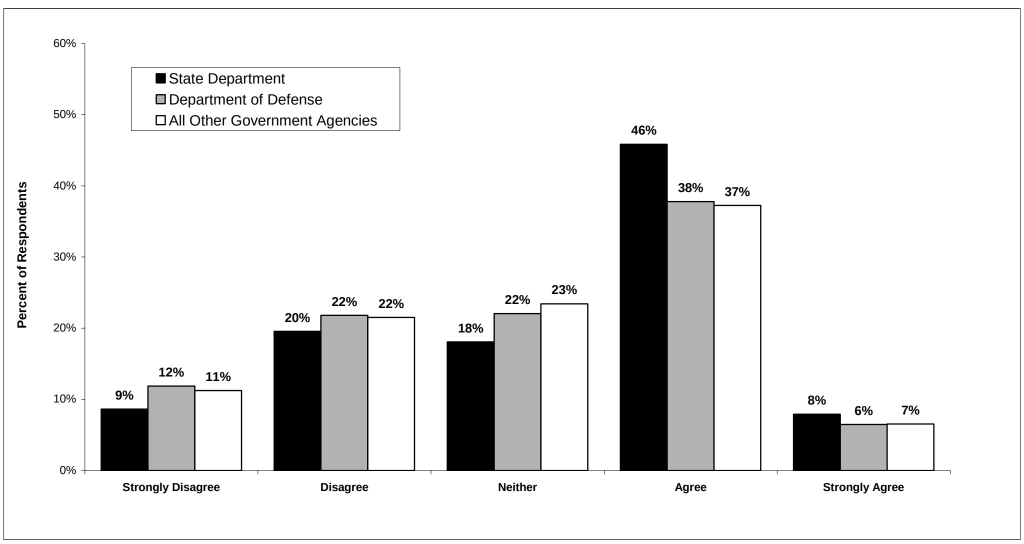
NOTE: Responses fell into 5 categories (strongly disagree, disagree, neither disagree nor agree, agree, and strongly agree). A "1" denotes "strongly disagree" while a "5" stands for "strongly agree". The following annotations are used to indicate significance of differences in agreement means for organizations in a given year (no annotation indicates differences are not statistically significant): *p<.05; **p<.01; ***p<.001; *t* .05<p<.10.

The figures on the next pages summarize actual response rates for the three different years.



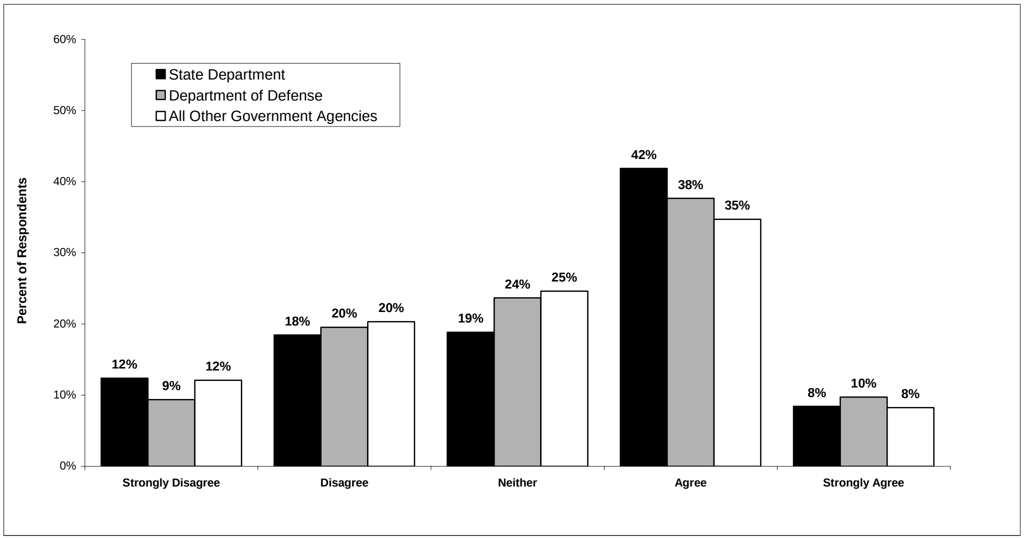
NOTE: Totals may not add up to 100% due to rounding.

Figure 12—Employees in Different Work Units Participate in Cross-Functional Teams to Accomplish Work Objectives: 1998



NOTE: Totals may not add up to 100%. There is a 4% missing response rate for "All Other Agencies".

Figure 13—Employees in Different Work Units Participate in Cross-Functional Teams to Accomplish Work Objectives: 1999



NOTE: Totals may not add up to 100%. There is a 4% "Missing/No Answer" response rate for "All Surveyed Agencies".

Figure 14—Employees in Different Work Units Participate in Cross-Functional Teams to Accomplish Work Objectives: 2000

It is important to point out that beyond perceptions, it is equally important to consider the effectiveness of these teams. Hackman (2002) identifies five conditions that are necessary for successful organization teamwork:

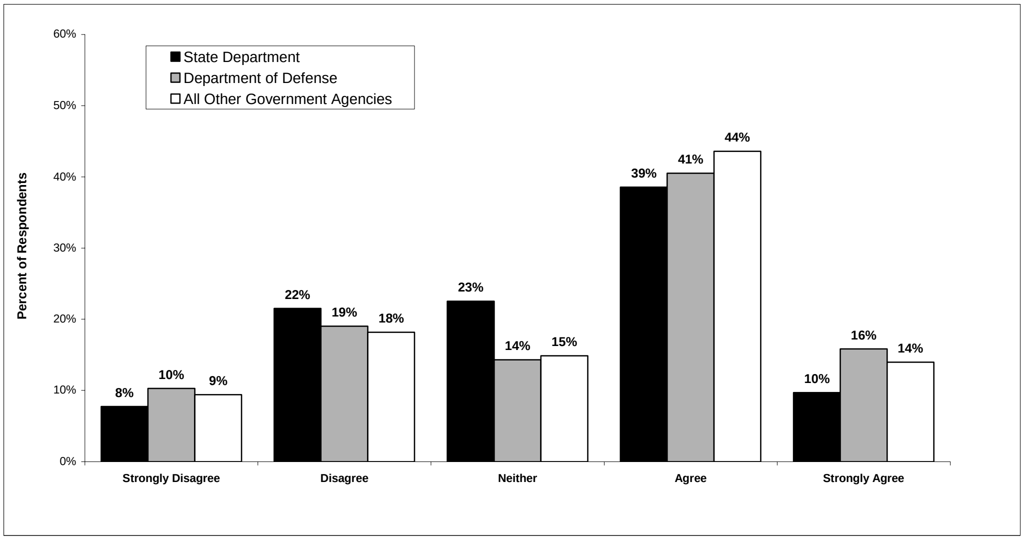
1. Be a real team as opposed to a team in name only;
2. Have compelling direction for its work;
3. Have an enabling structure that facilitates teamwork;
4. Operate within a supportive organizational context;
5. Have expert teamwork coaching.

These conditions depend on proactive leadership communicating needs and goals; something which is explored in greater detail in the next section concerning levels of communication between managers and subordinates.

Communication

Communication competency such as interpersonal and relationship skills is another important attribute identified for successful performance by the RAND IC survey. While the NPRG/OPM survey did not ask directly about the importance or use of communication skills, it asked a slight variation: "[m]anagers communicate the organization's mission, vision, and values." Besides providing insights into manager's communication with employees, this question is of interest by virtue of highlighting the degree to which managers communicate State Department visions and values to employee, a key ingredient for effective organizational performance and teamwork.

Figures 15, 16, and 17 provide an overview of the responses between 1998-2000. In 1998, the largest difference between these groups occurs in the "strongly agree" category, which garnered 10% of the State respondents, 16% for DoD, and 14% of "all other agencies". A similar trend is noted in the "agree" category, with State trailing the other organizations, although the differences are smaller. Of concern is the finding that 30% of State Department respondents in 1998 did not feel managers adequately communicated missions, visions, and values. The fact that DoD and "all other federal agencies" are not far behind (in terms of disagreement levels) indicates that there is room for improvement across the board of high-impact public agencies.



NOTE: Totals may not add up to 100% due to rounding.

Figure 15—Managers Communicate the Organization's Mission, Vision, and Values: 1998

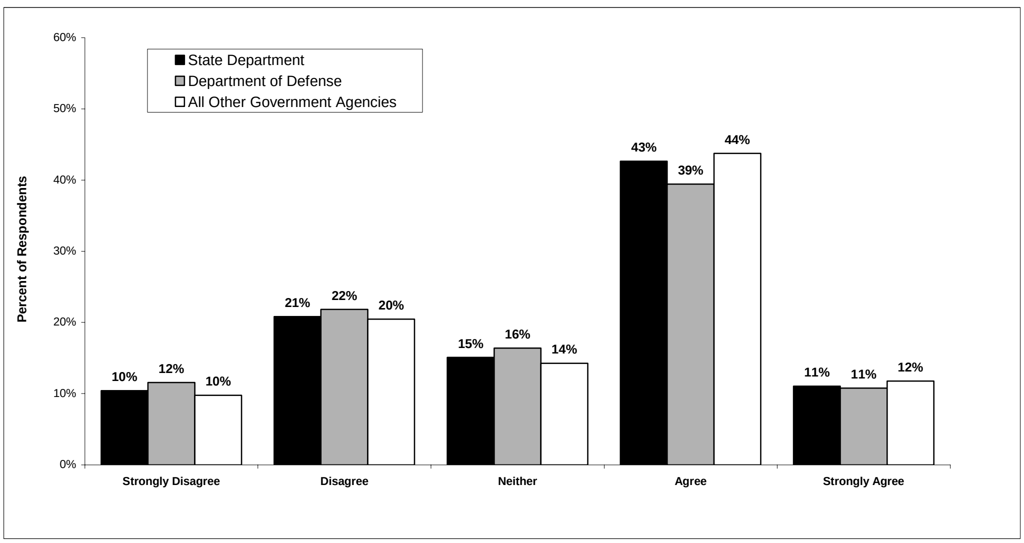


Figure 16—Managers Communicate the Organization's Mission, Vision, and Values: 1999

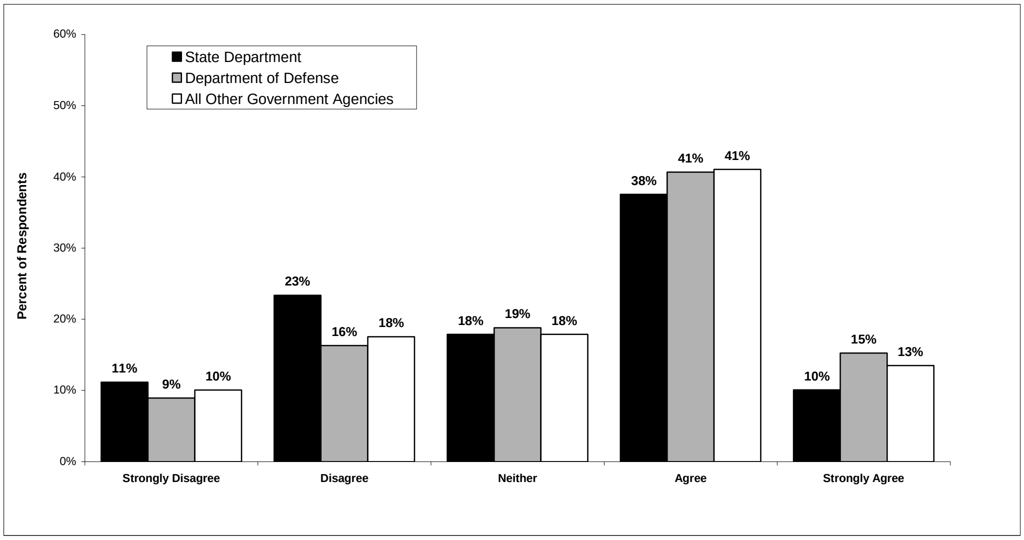


Figure 17—Managers Communicate the Organization's Mission, Vision, and Values: 2000

Analysis of variance (ANOVA) indicates statistically significant differences in means among State, DoD, and all other organizations in 1999 and 2000. In 2000, State employees clearly drive the differences with a 3.12 mean rating (compared to 3.37 for DoD and 3.30 for all other organizations).

Table 17: RAM: Managerial Communication

	Agreement Means		
Year	State	DoD	All Other Orgs.
1998	3.21	3.33	3.35
1999***	3.23	3.16	3.27
2000***	3.12	3.37	3.30

NOTE: Responses fell into 5 categories (strongly disagree, disagree, neither disagree nor agree, agree, and strongly agree). A "1" denotes "strongly disagree" while a "5" stands for "strongly agree". The following annotations are used to indicate significance of differences in agreement means for organizations in a given year (no annotation indicates differences are not statistically significant): *p<.05; **p<.01; ***p<.001; *t* .05<p<.10.

Issues of Flexibility/Adaptability

As indicated by the RAND international competencies survey, adaptability and flexibility represent highly valued attributes in employees. The need to fulfill different work roles, adapt to changes, and learn to operate in new environments is growing as globalization advances. In its survey, the NPRG/OPM asked two questions focusing on general flexibility levels at the workplace.[71] One would expect individual workplaces to maximize the flexibility offered to employees as they work to achieve organizational objectives.

Question 18 of the Employee Survey asks survey participants if they have been given more flexibility in how they accomplish their work in the past two years. As shown in Figure 18, over 60% of State respondents answered either “neither”, “disagree” or “strongly disagree” in 1998. The corresponding number for all other organizations was around fifty percent, showing that this is not just a State Department concern. If the organizations are looking for flexible and adaptable individuals, they have to make sure that they offer avenues that will allow individuals to express such flexibility to accomplish their tasks.

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[71] It should be noted that the OPM/NPR question is focused to the extent to which the respondent’s organization is designed to give individuals flexibility in doing their jobs. The RAND IC Data considered adaptability and flexibility as a individual-level competency.

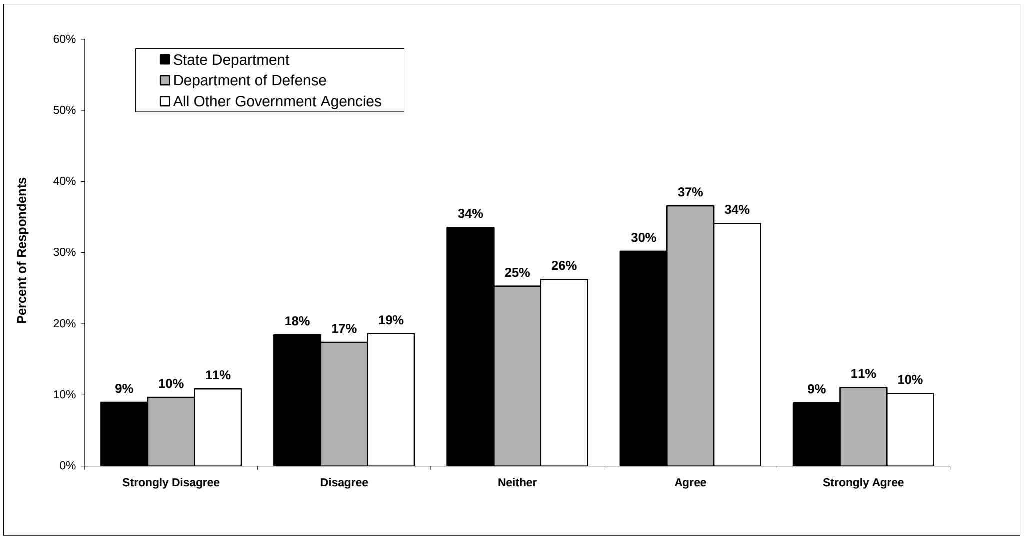
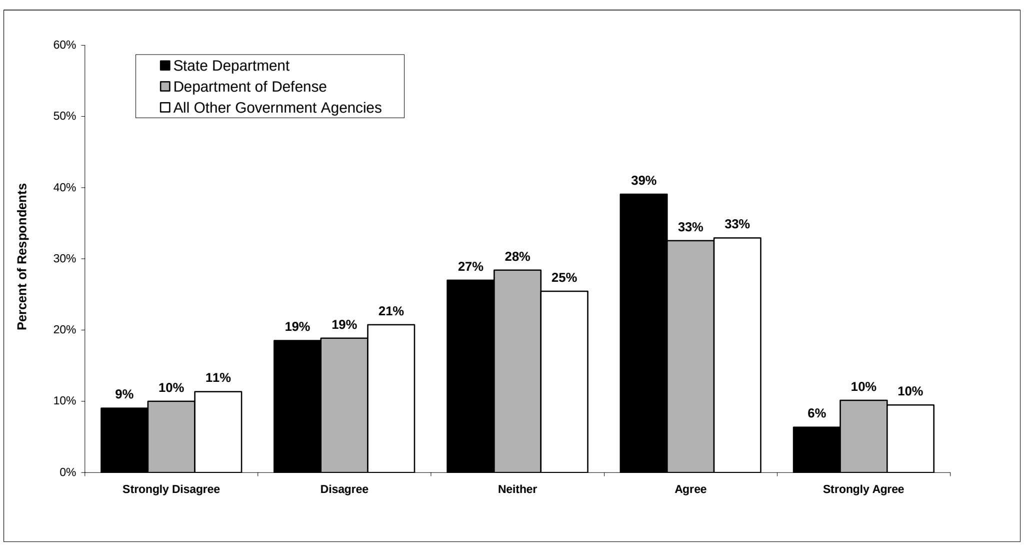


Figure 18—In the Past 2 Years, I have Been Given More Flexibility in how I accomplish my Work: 1998

The next two figures summarize the results for 1999 and 2000. In the 1999 survey, fewer State Department respondents picked the "neither" category, gravitating towards the "agree" category—a positive trend. Thirty-nine percent of State respondents agreed that they had obtained more flexibility in the past two years to complete their work.



NOTE: 1999 data has 3% "Missing/No answer".

Figure 19—In the Past 2 Years, I have Been Given More Flexibility in how I accomplish my Work: 1999

A greater proportion of State respondents were in the "strongly agree" category in 2000. However, there is also a greater number of respondents in the "strongly disagree" category (14%), implying that while some see improvements, others think flexibility levels has decreased.

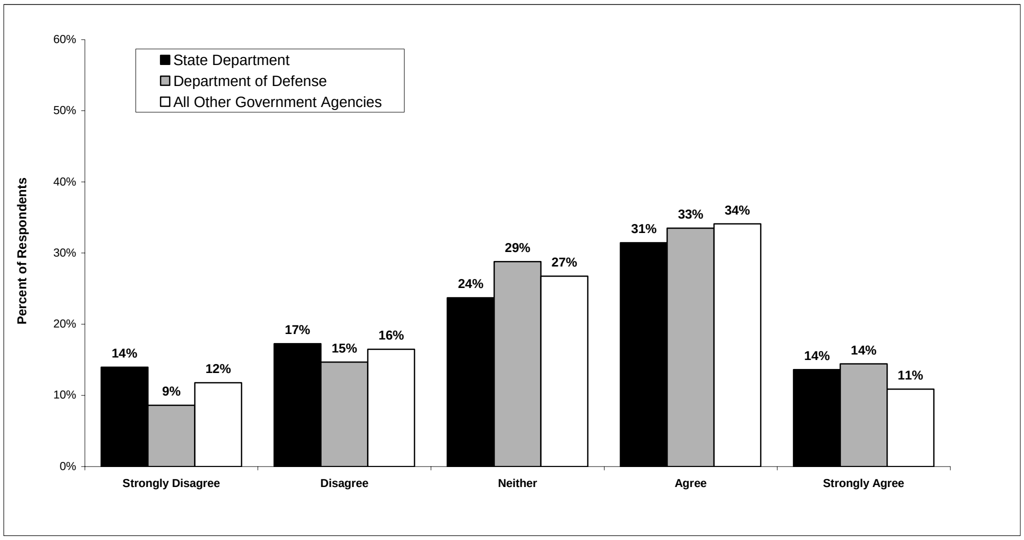


Figure 20—In the Past 2 Years, I have Been Given More Flexibility in how I accomplish my Work: 2000

Table 18: RAM: More Flexibility in Past 2 Years?

	Agreement Means		
Year	State	DoD	All Other Orgs.
1998***	3.12	3.22	3.14
1999*	3.15	3.14	3.09
2000***	3.14	3.30	3.16

NOTE: Responses fell into 5 categories (strongly disagree, disagree, neither disagree nor agree, agree, and strongly agree). A "1" denotes "strongly disagree" while a "5" stands for "strongly agree". The following annotations are used to indicate significance of differences in agreement means for organizations in a given year (no annotation indicates differences are not statistically significant): *p<.05; **p<.01; ***p<.001; *t* .05<p<.10.

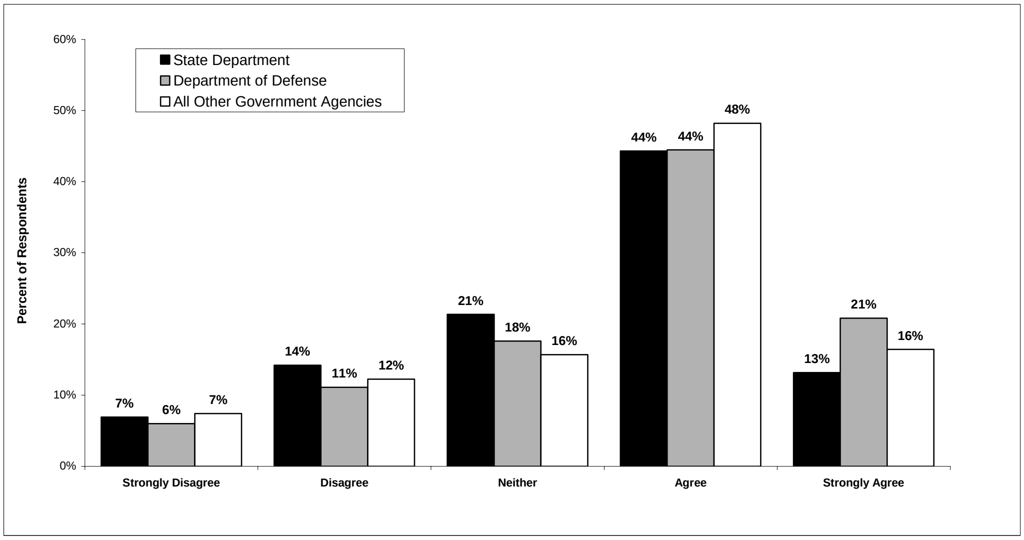
A comparison of the mean ratings shows that DoD has the highest perceptions of increased flexibility; probably driving the significant differences in 1998 and 2000.

Beyond statistical significance, these results indicate that improvement is needed if the State Department and other federal agencies are to minimize the stamp of a bureaucratic environment in which individual initiative is not always rewarded. Besides hampering the conduct of business, such perceptions may also affect recruiting as interested candidates may be negatively impacted when learning of their experienced co-workers views' towards workplace rigidity.

A second question of interest posed by the NPRG/OPM concerns support for employees' family and personal life: "Supervisors/team leaders understand and support employees' family/personal life responsibilities."[72] This question carries special significance to State Department and Department of Defense employees whose careers often include deployments abroad coupled with periodic moves. A supportive attitude at the workplace—which most likely entails flexibility and adaptability—is required to enhance productivity, recruitment, and retention.

Figure 21 shows the results from the 1998 survey. It is no surprise to once again see that the State Department scores on the lower end. Only 13% of State employees "strongly agree" that supervisors are supportive of family and personal life responsibilities. The corresponding figures for the Department of Defense and all other agencies are 21% and 16% respectively.

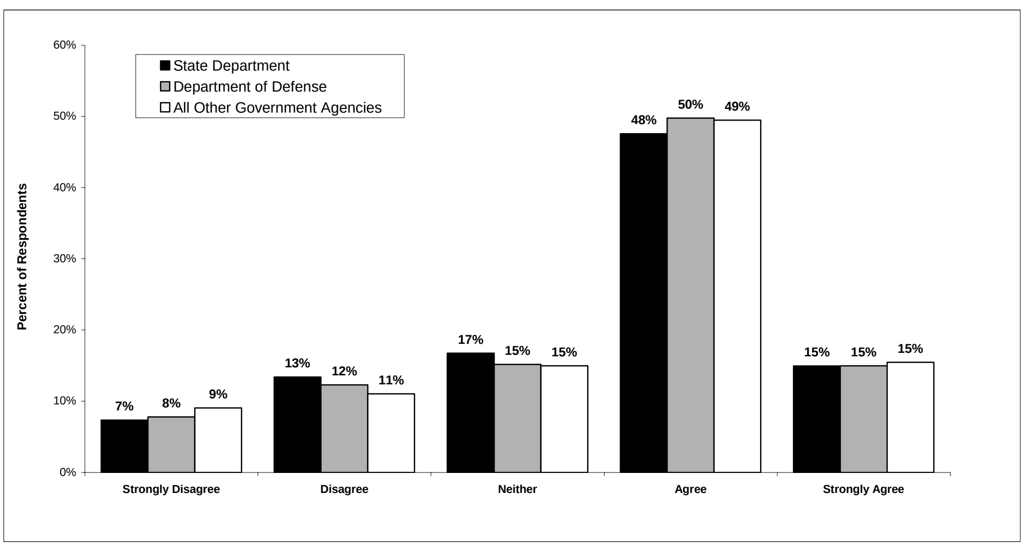
[72] This subject matter is revisited in Chapter 7.



NOTE: Totals may not add up to 100% due to rounding.

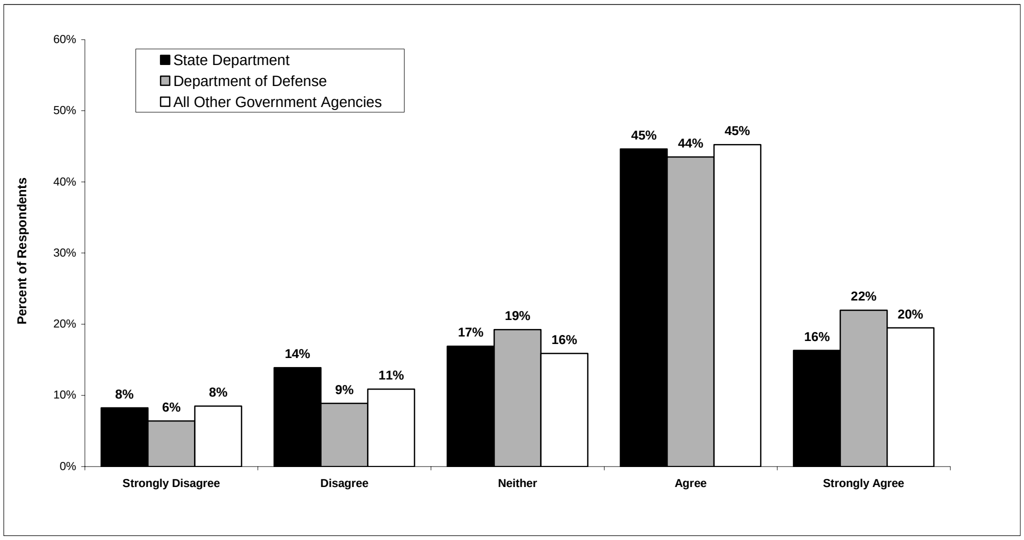
Figure 21—Supervisors/Team leaders Understand and Support Employees' Family/Personal Life Responsibilities: 1998

With fewer State Department respondents choosing the "neither" category in 1999 and 2000, the State Department is on par with other public sector organizations.



NOTE: Totals may not add up to 100%.

Figure 22—Supervisors/Team leaders Understand and Support Employees' Family/Personal Life Responsibilities: 1999



NOTE: Totals may not add up to 100%.

Figure 23—Supervisors/Team leaders Understand and Support Employees' Family/Personal Life Responsibilities: 2000

Table 19 below provides a breakdown of the ANOVA results. As seen, State mean ratings tend to be lower than those of DoD and all other organizations. DoD employees have the highest ratings, showing a 3.66 mean rating in 2000.

Table 19: RAM: Supervisors Understand Life Responsibilities

	Agreement Means		
Year	State	DoD	All Other Orgs.
1998***	3.43	3.63	3.54
1999	3.49	3.52	3.52
2000***	3.47	3.66	3.56

NOTE: Responses fell into 5 categories (strongly disagree, disagree, neither disagree nor agree, agree, and strongly agree). A "1" denotes "strongly disagree" while a "5" stands for "strongly agree". The following annotations are used to indicate significance of differences in agreement means for organizations in a given year (no annotation indicates differences are not statistically significant): *p<.05; **p<.01; ***p<.001; *t* .05<p<.10.

Technology

While Internet and information competency did not score high on the quantitative section of the RAND international competencies survey, globalization trends and the revolution in communications (described in Chapter 1) underline its relevance. In a world were news travel instantly, a trove of information is accessible in cyberspace, and individuals communicate through a variety of new means (for example using email, PDAs and IM), the adoption and use of current communication technologies is vital. It is similarly critical to adopt and learn about the potential of these technologies for State to effectively carry out several of its missions, such as represent the US overseas, advocate US policies, manage interagency coordination, carry out public diplomacy, and report and analyze international issues of importance to the USG.[73] The limited enthusiasm for this attribute among senior line managers and human resource directors may be traced back to two principal reasons:

1) Managers and HR personnel often qualified their rating of technology skills by saying candidates did not need to have those particular skills before they arrive. Why? These skills could be taught on the job, and as such, they were not seen as critical for incoming employees;

2) An implicit mechanism of *satisficing* is used in several organizations. As long as one or a couple of individuals are proficient with these technologies, normal business is conducted. Those with the necessary skills solve technological problems. Likewise, they slowly impart their knowledge to their colleagues.

[73] For a complete listing of State responsibilities, please refer back to the first sub-section of Chapter 5.

These less than lukewarm attitudes towards information technology may also be attributed to the *generational* gap between management and current employees. Respondents to the RAND survey where in senior positions. On the line management side, most were senior vice-presidents, department heads, or division heads. From the HR side, most were either senior HR officers or the director of human resources. Given their positions within the organization, they mostly represent the baby boomer generation who did not grow up with current technologies. While many do believe there is a role for technology, they may not be aware of the capabilities and applications of current platforms.

Why IT is Important for State

Information technology is an important component for rapid communications and information gathering in an increasingly global world. With more organizations and individuals using such technology, the price to stay competitive is increasing. For the State Department, the stakes are even higher. While the adoption of IT allows State to keep pace with other organizations, it also opens the door for more effective public diplomacy.[74]

As Marc Grossman (former Director General of the Foreign Service and director of Human Resources) points out, the State Department is changing "from an organization whose main job is to observe and report into an organization that tells America's story, promotes America's interests and confronts the new, global dangers to our democracy" (State Magazine, September 2000). Using IT, the State Department can directly touch an

[74] On a related note, a report released July 30, 2002 by the Council on Foreign relations notes that the United States is having a difficult time influencing world opinion and that it needs to "revolutionize the way it communicates its policies and ideas if it is to counter anti-Americanism and terrorism" (Efron, 2002).

audience, present un-altered positions, and interact with the public in ways that were unimaginable just decades ago. For example, the following quote provides an illustration of the power of the Internet:

> "During the war in Kosovo, we had a wonderful, wonderful far-sighted ambassador in Sweden, and he decided to put up a web site so he could get out information on the American perspective on what we are doing in Kosovo…and in a month, had 10 million hits".[75]

IT may also help change the organizational hierarchy and flatten the bureaucracy within State. It may also induce a more network centric organization as envisioned by the Report of the Overseas Presence Advisory Panel:

> "Many multinational corporations have moved from a traditional, centralized, hub-and-spokes paradigm toward a network approach in which overseas subsidiaries are as likely to collaborate with local organizations and with each other as they are with their traditional headquarters." (Kaden, 1999, p. 34).

Besides enhancing communications between Washington DC and embassies located world-wide, a functioning system would allow the thirty or so federal agencies that now operate internationally to have a common Internet/email-based communications network. With this in mind, what are levels of access to IT at the State Department?

Access to IT at State

The NPRG/OPM survey included one question on technology access in its survey: "[d]o you have electronic access to information needed to do you job?" Figures 24, 25, and 26 summarize the results for the 1998-2000 time period.

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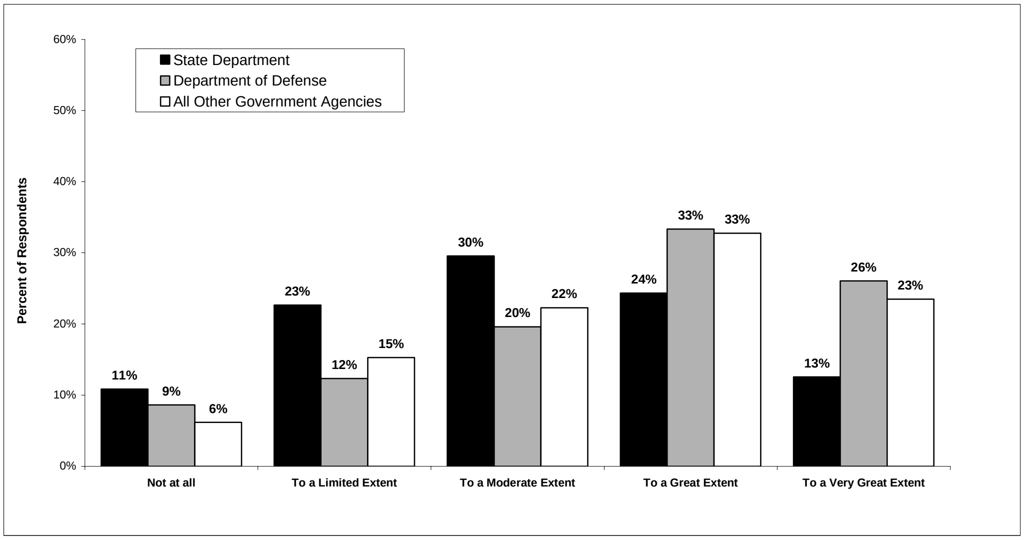
[75] "Profiles in Leadership", radio interview with Marc Grossman, p. 11, November 16, 2000.



NOTE: Totals may not add up to 100% due to rounding.

Figure 24—Do you have Electronic Access to Information Needed to do Your Job?: 1998

For 1998 data, the results show a clear gap between access at State and other organizations. About 1 in 3 State Department respondents had limited or no access at all.[76] From a different perspective, only 13% of State respondents felt they had access to "a very great extent", while a positive figure, it is not close to the 23-26% range of "all other agencies" of the Department of Defense and all other agencies.

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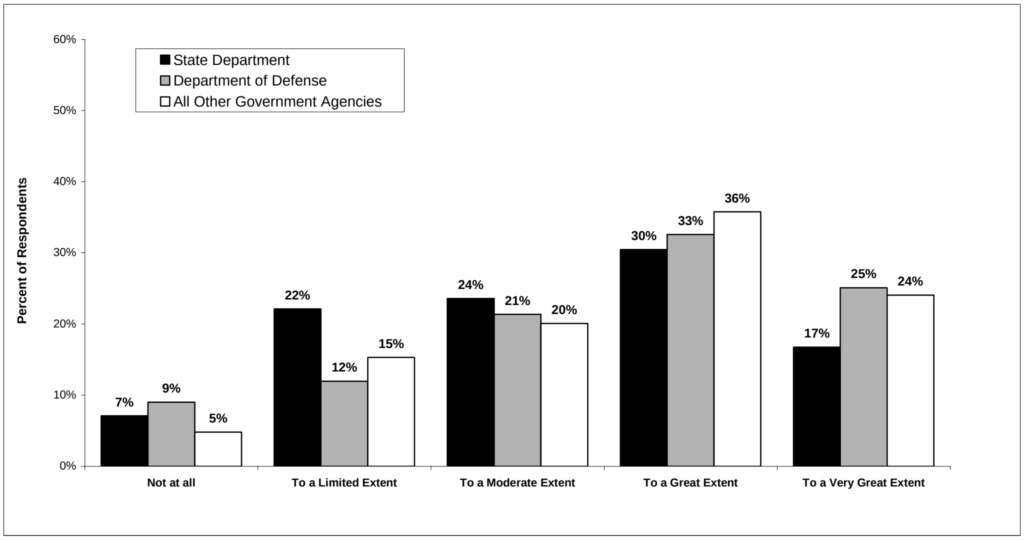
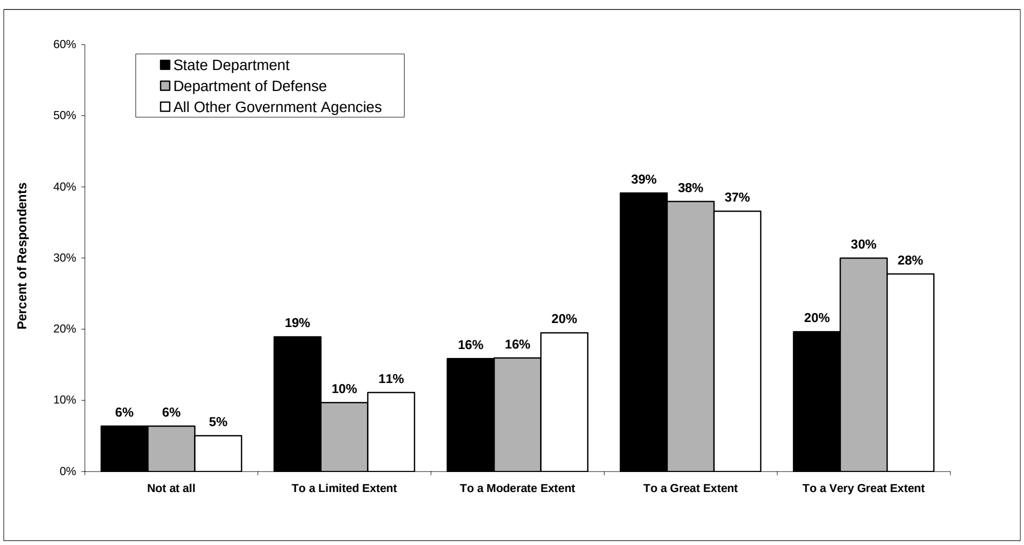
[76] Supporting this finding, the Overseas Presence Advisory Panel, which did site visits to 23 posts in 1999, found that "our embassies are equipped with antiquated, grossly inefficient, and incompatible information technology systems incapable of even the simplest electronic communications across department lines that are now commonplace in private-sector organizations" (Kaden 1999, p. 56). As a specific example, the Panel notes how the government of Germany found it easier to communicate directly with Washington agencies over the Internet rather than going through the embassy.



NOTE: Totals may not add up to 100%. State has 4% missing/no answer. For all other agencies, sixteen percent missing/no answer.

Figure 25—Do you have Electronic Access to Information Needed to do Your Job?: 1999



NOTE: May not add up to 100% due to rounding. 16.16 percent missing/no answer for all agencies.

Figure 26—Do you have Electronic Access to Information Needed to do Your Job?: 2000

For 1999, in spite of 4% missing/no answer responses, one notes that State still lags behind other public sector organizations. While there still seems to be a substantial gap, a positive development is the growing perceived access to electronic information by State Department employees.

It is not possible to draw conclusions from the 2000 data year due to a large percentage of non-respondents.[77]

In spite of the limitations of the data (especially for 2000), Table 20 provides a breakdown of the ANOVA results. It comes as no surprise to see that State lags behind significantly. Even if the trend for State is improving over time, it is still not caught up to DoD and other organizations in 2000.

Table 20: RAM: Access to IT

	Agreement Means		
Year	State	DoD	All Other Orgs.
1998***	3.05	3.56	3.52
1999***	3.27	3.53	3.59
2000***	3.46	3.76	3.71

NOTE: Responses fell into 5 categories (not at all, to a limited extent, to a moderate extent, to a great extent, to a very great extent). A “1” denotes “not at all” while a “5” stands for “to a very great extent”. The following annotations are used to indicate significance of differences in agreement means for organizations in a given year (no annotation indicates differences are not statistically significant): *p<.05; **p<.01; ***p<.001; *t* .05<p<.10.

Trends over Time

Considering State Department employee responses over time, it is clear perceptions have not changed significantly between 1998-2000. Table 21 provides the agreement means for various

[77] There was a 16% missing/no answer rate for the 2000 survey (all other organizations); therefore, it difficult to draw implications for that particular year. OPM provides no explanation for this anomaly.

years for the different questions analyzed. Analysis of variance turned up significant differences over time for only one question: access to electronic information. Perceptions of access have improved between 1998-2000, almost reaching an agreement mean of 3.5 (on a 5 point scale) for 2000. For all other questions analyzed, there is no statistically significant improvement (or worsening) in perceptions over time.

Table 21: State Department Agreement Means over Time

Question	Agreement Means 1998	1999	2000
Teams are used to accomplish goals	3.63	3.56	3.49
Employees participate in cross-functional teams	3.19	3.25	3.15
Managers communicate mission, vision, values	3.21	3.23	3.12
More flexibility in past 2 years	3.12	3.15	3.14
Supervisor understand family responsibilities	3.42	3.49	3.47
Access to electronic information***	3.05	3.28	3.47

NOTE: Responses fell into 5 categories (strongly disagree, disagree, neither disagree nor agree, agree, and strongly agree). Only exception was for the *access to electronic information* question whose categories were "not at all", "to a limited extent", "to a moderate extent", "to a great extent", "to a very great extent". The following annotations are used to indicated significance of differences in rated agreement means over time (no annotation indicates differences are not statistically significant): *p<.05; **p<.01; ***p<.001; *t* .05<p<.10.

SUMMARY

A comparison of perceptions of critical competency usage (e.g. teamwork, communication, flexibility) within State, DoD, and other federal agencies shows that State frequently lags behind. While State is doing well in terms of teamwork usage, both to accomplish organizational goals and in cross-functional roles, there is much room for improvement in terms of workplace communication, flexibility, and access to information technology where State lags both DoD and the combination of most other high-impact agencies.[78] With respect to trends over time, State employees perceive improvements only in the area of access to electronic information. The ramifications of these findings are fairly straightforward:

1. While the State Department looks for a multitude of attributes required for successful performance (for example, through the use of their 13 dimensions in the oral examination), it lags behind DoD and other federal agencies in terms of perceived application of such competencies (e.g. communication, flexibility, use of technology)

2. These findings also suggest that State also lags behind other federal organizations when it comes to nurturing elements that are critical for successful performance both at the individual (e.g. communication between managers and subordinates) and organizational level (e.g. degree of flexibility given to employees to do their tasks).

3. With respect to State versus DoD comparisons, ANOVA results suggest that State typically lags DoD in mean ratings for the different dimensions analyzed (except teamwork usage). Ideally, one would have expected more balance between these two organizations that share many characteristics.

4. State perceptions have not improved significantly over the 1998-2000 time-period. The only exception comes in the area of access to technology where State employees perceive increased levels each year. This represents a positive trend although one would hope that a modern

[78] Although there is no indication of the effectiveness and usage of external teamwork or partnering.

diplomatic corps would have close to 100% agreement that everybody has the necessary access to electronic means to do their jobs.

CHAPTER 7: RECRUITMENT AT STATE

> "We are in a 'war for talent'. We need to recruit the best, most diverse group of people for the State Department if we are to successfully defend and promote our nation's interests overseas and lead diplomacy for the 21st century."[79]

This chapter analyzes how the State Department recruits its diplomats. It focuses on the second research question, providing a detailed overview of current recruitment policies at State, concentrating on problem areas in the recruitment process.[80] The effectiveness of both recruitment and retention policies has a direct impact on the State Department's ability to procure needed competencies.

Once an organization knows what kinds of competencies it requires to maintain effectiveness in a changing environment, the next step is to recruit and attract individuals with those attributes. The situation for the public sector is acute; government is no longer the primary destination of choice for graduates of the top public policy schools (Light, 1999). For the State Department, the costs of not doing so are significant. According to the Report of the Overseas Presence Advisory Panel, a less than optimally functioning State Department will have ramifications for representation and advocacy of US interests abroad, loss of US exports, investment and jobs; inadequate political and economic information, greater difficulties in promoting democracy and the rule of law; and increased challenges in the fight against international terrorism and drug trafficking. (Kaden, 1999, p. 5).

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[79] Marc Grossman, former Director General of the Foreign Service and director of Human Resources, State Magazine, November 2000.

[80] Given the findings here, recommendations to improve recruitment are provided in Chapter 9.

Recruitment at State

A few decades ago, the State Department could easily access talented individuals who would be drawn to Department service mostly by their own volition. According McKinsey's internal report of State, individuals were drawn to the Department by a variety of factors, including:

- The opportunity to serve the United States;
- The excitement and challenge of overseas assignments;
- The opportunity to work with highly talented people;
- Possibilities for geographic mobility; and,
- The prestige of the Foreign Service[81]

Today, the landscape is vastly different. Since opportunities for international work exist in a variety of federal agencies and other organizations, the monopoly position held by State is gone. As such, the need to recruit proactively is even more important.

How Are Candidates Currently Recruited?

In spite of advances in communications, information technology, and high-speed travel that facilitate the execution of modern diplomacy, the effective conduct of US foreign policy depends on people. There is increasing concern over the State Department's ability to recruit and retain the high-caliber individuals it needs to "deal with the complex international issues the United States faces in the new century" (Kampelman & Yost, 2000 p. v).

[81] Cited in Kaden (1999, p. 51).

It has been a long-standing policy at State that any US citizen interested in serving within the Foreign Service should have the opportunity to apply. This open approach is consistent with Federal objectives of equal opportunity, where all individuals—including minorities—should have the opportunity to pursue a State Department career. While this policy is egalitarian in concept, it is inefficient, cumbersome, and may adversely affect the Department's objective of recruiting the "best and the brightest." Moreover, the open policy has not balanced a significant minority deficit at State. To better understand the drawbacks of the current recruiting system, it is necessarily to take a closer look at how the Foreign Service procures its candidates.

The Recruitment Process

The Foreign Service Written Exam

Signing up to take the Foreign Service Written Exam is the starting point in the application process. Traditionally, the written exam was offered once a year—in November. Results of the examination were announced in late January and oral examinations commenced in March. Starting with the exam of September 2001, the written test is now offered twice a year.[82] It is important to stress that there are no formal requirements to take the exam. For example, no specific educational level or proficiency in a foreign language is required for applicants.[83] Candidates need only to fulfill two basic criteria:

- Be citizens of the United States; and,

[82] The next written examination will take place on September 21, 2002.

[83] As such, State is opening the field to a host of applicants who will not necessary have the competencies State is ultimately looking for.

- Be at least 20 years old to apply. Applicants need to be at least 21 to be appointed. All career candidates must be appointed to the Foreign Service prior to the month in which they reach age 60.

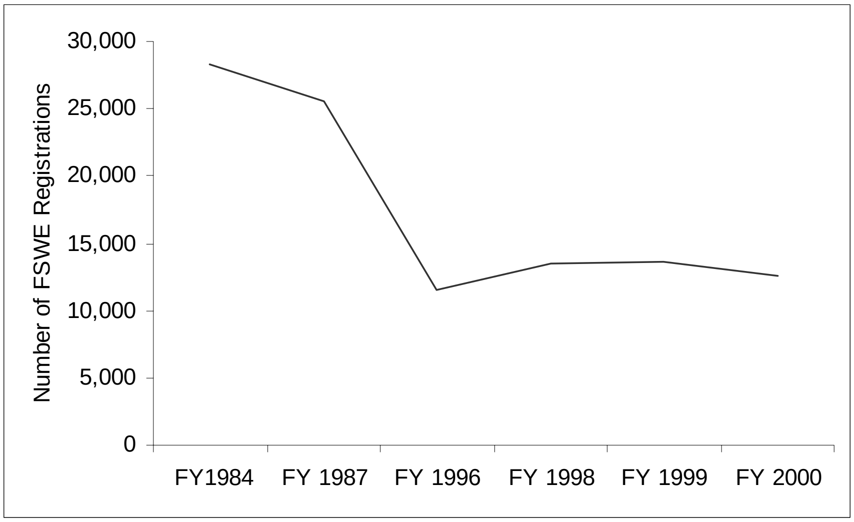
It is interesting to note that there are no specific educational level or foreign language requirements to sign up to take the Foreign Service exam. Under such a system, it becomes very difficult to attract applicants with attributes you need. This may explain why the State Department currently faces a chronic shortage of adequately prepared entry-level economic officers. A large percentage of its economic officers have had to receive additional training of up to nine months. As previously mentioned, there is a significant foreign language gap. This and other training is not cheap. For example, providing an officer with an intensive two-year language program in Mandarin costs close to $300,000—costly and time-consuming. This form of recruitment may also lead to imbalances concerning staff requirements within specific Department cones. As recently as November 2000, there was a shortage of qualified administrative officers and willing entrants to the consular cone (Kampelman & Yost, 2000).

Regarding the second criteria, it may also be surprising to see that the age requirement to take the exam is between 21 and 60 years of age. Previously, the Department had an age cut-off to ensure that the candidates entering the service would be active for several decades before retiring. The new policy was specifically instituted to give the Department access to individuals with more work experience. It was also thought to stimulate diversity in the applicant pool. Since individuals entering the State Department commence their careers as junior officers, regardless of their previous jobs—and thus have caps on how high their starting salary can be—this mechanism is considered a win-win situation for the State Department. They have the opportunity to get individuals with varied and significant experience, and do not have to pay the equivalent of the additional experience.

Unexpectedly, the system may not always yield the planned win-win scenario. A senior diplomat expressed that the removal of age restrictions had led to applications from unexpected sources.[84] Individuals from a host of different professions were seeking entry into the Service, many of whom had experiences not strongly related to the work of the State Department—an example being a large number of applicants coming from the priesthood.

Given the lack of formal requirements to take the FSWE, it is no surprise that thousands of candidates sign up each year to take the test. The number of applicants in the last few years have spanned from 28,248 registrations in FY 1984 to 11,587 in FY 1996 (see Figure 27). Still, the numbers of applicants has leveled off from the highs reached in the 1980s—perhaps reflecting the eroding desire to serve the Department during the 1990s.

[84] Interview with senior HR manager at State, August/September 2001.



NOTE: No written exams were given in 1995 and 1997; two examinations will be given in 2002.

SOURCE: Jones, David, *You Call This a Career?*, Foreign Service Journal, December 1999. The data for 2000 and 2001 stems from the State Department Noon Briefing, August 23, 2001 given by Deputy State Department Spokesman Philip Reeker. Data for 2001 from the State Department website.

Figure 27—Registrations to the Foreign Service Exam: Selected Years

Probably the most significant decision made by registrants to the written exam is the selection of a Foreign Service career track. Applicants have a choice of 5 tracks: administrative, consular, public diplomacy, political, and economic (details are listed in Appendix B). According to the examination booklet, career candidates can expect to spend most, if not all, of their Foreign Service careers in the career track selected when they register for the exam. Thus, even before taking the exam and most likely before having a good feel for the different options available, applicants are making decisions that will affect their subsequent careers should they eventually be accepted.[85]

[85] It should be acknowledged that the exam booklet gives a good and detailed overview of the different career tracks.

Of those who sign who sign up to take the exam, several thousand typically do not show up to take the exam. There is no data that explains the reasons for these attritions. Is it because candidates are frustrated by the time-horizons in the application process? Is it because they feel they cannot prepare properly or cannot reach the test-center? Held in Washington DC and for limited periods in a few other cities, the candidates themselves have to pay for their way. Most likely, the need to pay for this portion of the examination may discourage some potential candidates from continuing the process. It would be interesting to know why so many candidates drop off so early in the process. A typical examination progression is shown in Table 22. As seen in the table, of the 13,640 applicants who signed up to take the test in 1999, only 313 were eventually hired by the State Department. As a purely mathematical calculation, this represents an acceptance rate of 2%. A more significant implication is the amount of resources needed to obtain a relatively small pool of entrants each year.

Table 22: Foreign Examination Progression FY 1999

Stage in Examination	Number of Individuals
Registered for Written exam	13,640
Actually show up for exam	9,300
Accepted for Orals	2,405
Passed Orals	856
Hired	313

SOURCE: State Magazine, November 2000.

The Oral Examination

A certain percent of those who take the written exam are invited to the oral examination. Again, a number of qualified candidates decide not to show up for the oral examination even though they have been accepted to participate. According to Jones (1999), successful written exam candidates appeared at a better than 90 percent rate in 1990; in 1998, less than 80 percent took the oral examinations. While it is difficult to pinpoint the reasons for these drops in attendance, it may partially be the case that the top candidates increasingly have more options to choose from with the passage of time. Most likely, they are not willing to wait for a State Department offer if another attractive opportunity appears in the meantime.

Oral examinations typically consist of group exercises whereby 3-6 candidates sitting around a table get to grapple with a hypothetical situation to test their abilities to prioritize and negotiate. For example, the first formal exercise typically consists of a group simulation in which candidates play the role of FSOs who have to decide funding allocations to competing projects. At this phase, interpersonal skills are gauged. A second session involves elementary problem-solving scenarios (from different cones) to test candidates' analytic abilities. A final exercise, known as the 'demarche', has two examiners portraying officials from a fictitious foreign government. The candidate, representing a FSO, is tasked to demonstrate his or her abilities to "advance U.S. interests". (State Magazine, November 2000).

The Board of Examiners of the Foreign Service (BEX) is composed of 28 Foreign Service officers in the grades 0-3 to minister-counselor. They are diverse in terms of gender, ethnic origin, and race. In addition, they cover both generalist (all cones) and specialist tracks. They operate in four person teams and administer some 2,000 oral examinations annually—a time consuming process. The examiners score candidates along the 13 different criteria described in Chapter 5. Of the roughly 2,000 candidates taking the oral examination each time it is offered, roughly 450 will meet the scoring to place them in a candidacy list and allow the in-processing of medical and security clearances.

As previously mentioned, the officers administering the oral exam were initially "blindfolded" to the candidates' backgrounds. Thus, capabilities not demonstrated during the day of the oral examination would not be considered—typical examples being foreign language capabilities or professional experience.[86] This system thus made it impossible to detect candidates who met the Department's special requirements. Only after passing the oral examination would a candidate submit an Application for Federal Employment to provide relevant biographical information and a Statement of Interest (SOI).

The policy of blinding was partially shelved in 2001 and will start to impact the intake of new candidates during examinations in 2002. Under a revised system, blindfolded examiners' evaluation of candidate's performances in the role-playing exercises is supplemented by an interview of the candidate by examiners familiar with his or her record. A final composite score is then tallied.

Completing the Process

Candidates who pass the oral examination face additional hurdles. Job offers are typically made to a couple hundred candidates with the top scores. Prior to being formally hired, candidates need to obtain the necessary security and medical clearances. In 2000, it could take anywhere from 20-27 months to go through the entire application process. Currently, the department is working to bring down the time it takes to get a new employee on-board to 8-12 months.

This goal will be difficult to sustain given the time it takes to grant security clearances—especially post 9/11 and in light of a growing backlog in the system. Presently, the clearance process considers factors such as:

[86] According to the Institute for Diplomacy, candidates would be admonished to avoid any autobiographical comments in the course of the assessment period.

- Registration for the Selective Service;
- Failure to repay a US Government-guaranteed student loan;
- Past problems with credit or bankruptcy;
- Failure to meet tax obligations;
- Unsatisfactory employment records;
- Violations of the law;
- Drug or alcohol abuse;
- A criminal record;
- Extensive travel;
- Education;
- Residence and/or employment overseas;
- Dual citizenship;
- Foreign contacts;
- Immediate family or relatives who are not citizens of the United States and/or a foreign born spouse; or
- A less than honorable discharge from the armed forces.[87]

Not all of these elements are easy to verify. Some will be more challenging than others depending on the candidate's particular situation and previous backgrounds. It is interesting to note that what would otherwise be deemed a positive experiences, such as living or working abroad, may become a serious liability during the clearance process. Candidates who cannot be given a security clearance, or are found to be incompatible with Foreign Service work as a result of the background investigation, are ineligible for appointment.

The last hurdle—before candidates are selected—is to go through a final review. The Final Review Panel, consisting of two examiners (who did not participate in the Oral Assessment or

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[87] http://careers.state.gov/officer/foreignservice/steps.html

personal interview process), evaluates the candidate's overall suitability for the Foreign Service. Even at this stage, months if not years into the process, candidates can be terminated. Those who pass the review are placed on the register of candidates qualified for employment as Foreign Service Officers. Placement on the list of eligible candidates does not automatically result in an assignment since hiring is contingent on the particular needs of the Service. For example, candidates seeking the popular political cone tend to get longer waiting periods, especially if they received a low passing score on the oral examination. In many cases, they are unlikely to get an offer before their 24-month eligibility expires (Kempelman, 2000).

Alternative Recruitment Processes

There exist a couple of alternative recruitment programs whose purpose is to boost the number of officers in deficit cones and increase the number of minority applicants. These programs are briefly described below.

The Alternate Examination Program (AEP)

Besides fulfilling the selection criteria necessary to take the Foreign Service written exams, applicants admitted under the AEP need to meet one of four additional criteria:

- Be a current federal employee;
- Be a former federal employee with reinstatement eligibility;
- Be eligible for veteran's preference; or,
- Have non-competitive eligibility.

Given these restrictions, the program tends to have only a few hundred applicants per cycle. The AEP uses mail-in-questionnaires and essays to assess candidates’ adequacy for a

Foreign Service career. Twelve one-page essays ask about achievements in six different competency groups:

- Goal setting and achievement
- Interpersonal skills
- Problem solving
- Professionalism
- Oral communication
- Written communication

Applicants are encouraged, but not required, to provide references vouching for their previous work. The reliance on "self-evaluation" has raised some concern over inflated responses, prompting the addition of staff to verify references. Those who pass the AEP move on to the full-day oral assessments. Of the roughly 575 applicants in the original AEP cycle, 200 were invited to the oral assessment—representing a 35% pass rate. From that group, 176 were orally assessed with 34 passing, representing a 19% pass rate (Kaplow, 1999).

While the AEP represents an interesting alternative to the written exam, its main limitation is its small target population—there are not many current or former federal employees with several years of experience who want to "start over" from scratch in another federal department. Moreover, the fact that it seeks to fill deficit cones usually means that openings are only available for the less than average popular posts. This in itself may discourage would-be applicants.

In spite of these limitations, it would be interesting to see how many applicants would select the AEP route if the eligibility criteria were expanded. It seems reasonable to expect that those most qualified would prefer this option to the written exam. The AEP looks at experiences and achievement; the written exam is based on multiple-choice questions, many of which require rote memorization.

From a financial perspective, the AEP program is less costly than the written exam. Developing and administering the written exam costs close to $1 million per offering—one of the main reasons why it previously was only given once a year.[88] The initial AEP pilot program cost $300,000 to create and administer. Since the program does not need new questions each year, it is estimated that future tests will be in the vicinity of $75,000 (Kaplow, 1999).

In 2002, two alternative exam programs will be offered for the entry level. However, reflecting the need to boost hard-to-fill cones, the tests will only be open for the administrative career track.

The Diplomacy Fellows Program (DFP)

The Diplomacy Fellows Program represents another alternative entry program. It is available to candidates interested in any of the five offered career tracks. The program is open to candidates who have been selected for one of five highly prestigious US government backed foreign affairs fellowship programs. Thus, applicants must have been slated to be part of either the Presidential Management Intern Program (PMI); Fascell Fellows; NSEP (Boren) Fellows; AAAS Diplomacy Fellows, or the Pickering Fellowship Program. This requirement for entry means that only a few applicants can take this route.

Of the five, the Pickering or Foreign Affairs Fellowship Program represents one of the more innovative programs for

[88] The $1 million figure does not include litigation costs that tend to accompany each testing occasion as complaints are lodged by test takers contesting the results.

recruitment.[89] Similar to the ROTC program, the fellowship assists students with college and graduate school expenses in return for service upon completion of studies. The fellowship covers tuition, room, board, book costs, and mandatory fees during the junior and senior years of college and during the first year of graduate study. The recipient of the award must commit to pursue a graduate degree in international studies at one of the graduate schools identified by the Woodrow Wilson National Fellowship Foundation.

Once the study period is completed, fellows are obligated to serve as FSOs for a minimum of four and a half years. However, prior to their assignment, candidates need to successfully obtain medical and security clearances. Those who do not complete the program or fail to obtain clearances may be subject to a reimbursement obligation to the State Department. Again, only a few candidates come through this route. In FY 1999, fifteen Pickering Fellows joined the Foreign Service. As of November 2000, there were 56 Foreign Affairs Fellows and graduate Foreign Affairs Fellows within State.[90]

Other Recruitment Incentives and Strategies

Other efforts used by State to recruit employees involve campus visits and participation in job fairs, including meetings with faculty, students, and professional groups. These efforts are complemented through information brochures and postings on the web.[91] These strategies are not extensive due to limited funding. For example, in FY 2000, $25,000 was dedicated for recruitment outreach activities and $14,000 to support Diplomat-

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[89] The program was introduced during the tenure of Secretary Albright.

[90] "Profiles in Leadership", radio interview with former Director General of the Foreign Service, November 16, 2000.

[91] Credit should be given to the State Department's website which has seen steady improvement in the last few years. Currently, it provides a host of information to prospective applicants and gives detailed examples of career patterns.

in-Residence recruiting.[92] The Outreach Branch has eight members and requires support by a number of the DIRs (nine in 1999-2000, eleven in 2001). It is telling that positions in the office of recruitment often go unfilled for long periods of time (Kampelman & Yost, 2001).

Finally, supplementing the programs described above are targeted efforts to recruit individuals of certain backgrounds. One example is diversity recruitment. In the 1960s, there were 17 Black FSOs among an employee pool of 3,732. With respect to women's possibilities, until 1971, a woman had to resign when she married. In 1995, 84 percent of the Senior Foreign Service consisted of White males—not surprising given the fact that they made up the majority of incoming classes (Jones, 1999). Currently, approximately 4 percent of State Department employees are Hispanic Americans, which is not close to the 12 percent Hispanic representation in the U.S. labor force. To address this imbalance, two recent steps were taken to boost the number of minority applicants. These were:

- The hiring of one full-time person to recruit Hispanic Americans;

- A signed agreement between Secretary Powell and the president of the Hispanic Association of Colleges and Universities to stimulate the number of minority applicants. (State Magazine, February 2002).[93]

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[92] Each year, the State department assigns Senior Foreign Service Officers to the position of Diplomat-in-Residence at certain colleges and universities throughout the United States. DIRs disseminate information about career opportunities within the State Department at both the university and the region where they are stationed.

[93] In late 2000, a Principles of Cooperation document was signed on between then-Secretary of State Albright and Howard University President Patrick Swygert to encourage more African Americans graduates to consider Foreign Service careers.

Hopefully, additional steps will be taken as these will not be sufficient for the long-run.

SUMMARY

Traditionally, the State Department was in an ideal position to recruit qualified individuals for service abroad given limited competition from other sources.[94] With the passage of time, the level of competition for limited talent has stiffened—impacting State's ability to attract needed individuals.

The State Department still relies on the traditional examination process it has used over the last decades to select incoming employees: a combination of a written and oral exams. A clearance process follows the exams, potentially dragging out the total application period for up to two years. The time consuming and arduous process translates to many dropouts, and in the end, the Department may be discouraging qualified and needed applicants who are not willing to go through the lengthy process. Alternative entry routes, while numerous, have their own stringent criteria that limit their usage.

A similarly worrisome aspect of the recruitment process is State's inability to effectively target outstanding applicants. For example, the recently abandoned "blinding" system meant oral examiners could not know if an applicant had highly valued skills and knowledge. With respect to the written examination, limited entrance criteria result in a significant number of

[94] Being in an ideal position did not necessarily mean that only the most qualified individuals were offered positions at State. Other factors, such as personal background, played an important part in the selection process.

applicants, most of which do not meet the requirements for successful performance.

The recruitment system used at State needs modification. Ideally, the system should have selective entrance criteria yielding a smaller group of applicants. Consistent with practices at other organizations, curriculums should be gauged to attain a better picture of candidates and their capabilities. An added benefit would be a faster application pipeline. Given these findings, a set of recommendations for improved recruitment are presented in Chapter 9 to fully answer the second research question.

CHAPTER 8: RETENTION ISSUES AT STATE

> "To represent the United States well, the Department must recruit talented people, but it must also offer the best public sector incentives for them to stay."[95]

From the perspective of human resources, retaining employees is an important component for maintaining and attracting qualified individuals to the organization. As such, it serves both internal and external purposes. This chapter analyzes the main elements relating to retention within the State Department, including salary levels, quality of life, career advancement opportunities, and professional development. Thus, it also concerns the second research question, providing a detailed overview of retention issues at State, identifying problem areas.[96]

SALARIES AS AN ATTRACTING AND RETAINING MECHANISM

Overall, government salaries tend to be outpaced by the private industry.[97] For example, salaries at the mid-career level are usually 20 percent lower than their equivalent at private jobs; at higher levels they are not even comparable (Nye, 2001).[98] How does this relate to the State Department? In a nutshell, lower salaries at State complicate its ability to

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[95] State Magazine, January 2001.

[96] Given the findings here, recommendations to enhance retention are provided in Chapter 9.

[97] However, it should be noted that there is a fairly large, but outdated, labor economics literature from the 1970s and 1980s that concludes that government employees tend to be paid more than their private sector counterparts (see a summary of this literature in Donahue & Nye, 2002).

[98] It is important to underline that compensation can come in the form of both monetary and non-monetary benefits. Weighing these is not always easy and may shift over time. Other factors, such as job stability and the state of the overall economy are also important elements in deciding the overall value of a position.

retain or recruit well-qualified individuals—those who are increasingly needed in a globalized world.

Between 1993-1999, some 20 junior officers on average left the Foreign Service each year (Marquardt, 2000). According to Marquardt, the JOs who resign do so because of irreconcilable lifestyle issues that include—among others—spouses or partners with personal and professional reservations about a transient lifestyle, better pay in the private sector, and a desire to return to graduate school. Since entering classes in those years typically ranged from 200-350, the corresponding dropout rate was between 10 to 6 percent depending on the year—a sizeable number.

With respect to officers with longer service, the departure rate for FS-4s (five to ten years of service) has been rising steadily between FY 1994 and FY 1998. The rate was 2.5% per year in FY94, by FY98 it had crept up to 3.5% (Jones, 1999).

In general, government pay schedules make it very difficult to reward individuals with vast experience or those with special competencies—in spite of generous benefits such as free accommodations while serving abroad. Table 23 provides an overview of annual rates based on the January 2001 schedule.

Table 23: Remuneration Given Selected Levels of Education

Background and Education	Level	Salary
General entry for all candidates without college a degree	FP 6, 1	$30,719
Candidates who have a Bachelor' degree in any field	FP 6, 5	$34,575
Candidates who have a Master's, a law degree or both	FP 5, 5	$38,675
Candidates with a Doctorate or a Master's degree in law	FP 5, 7	$41,030

NOTE: FP-6 salary range is $30,719 to $45,112. FP-5 salary range is $30,719 to $50,462.

SOURCE: US State Department, FS Salary and Benefits (http://www.state.gov/www/careers/rfssalary.html)

The ranges portrayed in Table 23 reflect straight salaries for individuals with different educational levels. It is noteworthy that there are small differences in the categories. For example, someone with a Bachelors degree will only make around $321 (on average) more per month than someone without a Bachelors degree, all else equal. Only $200 per month (on average) separates someone with a Masters degree and a doctorate. It is a strong signal for highly educated individuals to look elsewhere if they want a higher return to their education. While these figures may be comparable to salaries within other federal departments, they are not even close to private sector salaries. For example, the median salary for an attorney with zero to three years of practical experience is $73,000 in the corporate sector.[99] The entry salary for an FSO is less than what some unionized customer service agents make at the Verizon telephone company (Perlez, 2000).

Fortunately, salaries can be adjusted, to some degree, according to levels of work experience. Candidates with Bachelor's degrees get an additional step for each year of professional experience. For example, a candidate with a Bachelors degree plus five years of professional experience receives an FP-6, Step 10 salary ($40,081). This system applies to all entering FSOs, even those without a college degree. Thus, a candidate without a college degree and 11 years of professional experience can match the $40,081 salary (FP-6). While these adjustments provide some flexibility in the system, the amounts may not be sufficient to either attract or maintain qualified individuals.

A government wide survey by PricewatershouseCoopers placed low salary levels as the principal challenge for recruiting

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[99] Based on calculations at www.salary.com

future career leaders within government (Table 24). The same 1999 survey places salary as the main challenge vis-à-vis retaining employees (Table 25). While these categorizations are not necessarily generalizable to the State Department, they highlight likely obstacles faced by the Department.[100]

Table 24: Obstacles to Retaining Future Career Leaders

Obstacle	% Rating obstacle as highly significant (9 or 10)
Salary	49%
Poor management	21
Negative perception of working for government	17
Lack of recognition	15
Limited advancement opportunities	15

NOTE: N=346
SOURCE: 1999 Survey of Federal Executive, PricewaterhouseCooopers, p. 9.

Table 25: Challenges to Retaining Federal Employees

Obstacle	% Rating obstacle as highly significant
Salary	46%
Negative perception of working for gov't	31
Inflexible selection/hiring procedures	31
Ineffective recruiting/marketing	21
Limited opportunity to hire mid-level staff	19
Limited career advancement opportunities	16

NOTE: N=346; Highly significant is a rating of 9 or 10
SOURCE: 1999 Survey of Federal Executive, PricewaterhouseCooopers, p. 9.

While a host of workarounds and solutions are identified to improve retention, there is little faith in their implementation. As Table 26 shows, career and political executives regard "further development training" as the

[100] Light (2000) found that while higher pay and more aggressive recruiting is part of the solution, interviews with graduates revealed that the federal government also has to make the work more inviting.

workaround with best chances of implementation. It is concerning to observe that non-traditional solutions, such as having a more flexible salary scale are deemed to be unlikely options for implementation.

Table 26: Career and Political Executives' Suggested Solution to Recruiting and Retaining Career Government Leaders, and Their Opinion on the Likelihood that the Solutions Will be Adopted

Workaround	% Who Rate solution as very helpful	% Who think gov't will adopt the solution
Offer salaries comparable to private sector	72%	5%
Have a more flexible salary scale	52	24
Modify the performance review system	35	55
Make it easier to leave and then return to government	27	25
Further develop training and the Candidate Dev. Program	24	78
Improve recruiting/ marketing	20	56
Encourage movement of staff between agencies	17	50
Recruit more leaders from outside government	14	44

NOTE: N=346
SOURCE: 1999 Survey of Federal Executive, PricewaterhouseCooopers, p. 9.

QUALITY OF LIFE

Individuals considering a career in the Foreign Service who visit the State Department's website are encouraged to take a self-test to judge if they are suited for a career in the Foreign Service. Of the 40 questions, 20 are "affirmation" questions and 20 are "gut check" questions. Table 27 provides a sample of both types of questions.

Table 27: Is the Foreign Service Right For You: Sample Questions

Questions: Would you Enjoy…
"Affirmative" questions
Working and interacting with very important and interesting people?
Learning about and living in new and different cultures?
Having a long-term career of 20 years or more?
Traveling frequently to foreign lands?
"Challenge" questions
Tolerate living in a location that does not have employment or quality educational opportunities for my family?
Enjoy spending two-thirds of the next 20 years living overseas?
Change jobs and locations every 2 - 4 years?
Live and work anywhere in the world, even in locations considered "hardship" posts?

SOURCE: http://www.foreignservicecareers.com/rightforme/right.html

As Table 27 shows, the "gut check" questions are mainly related to quality of life issues. These include employment for the accompanying spouse, educational opportunities for children, and conditions in the posting country—spanning from living arrangements to medical access. To retain, and to a lesser degree attract, qualified individuals, it is important that the State Department ensure that employees are given adequate support while living abroad. While the State Department is doing well in some areas, for example by providing free housing when serving abroad and generous health benefits, there is cause of concern in other areas. Some of this concern was described in Chapter 6 where OPM/NPRG data showed that State Department sentiments frequently were more negative, in comparison to DoD respondents, with respect to family support

The employment situation for a following spouse is a critical issue that will not go away any time soon. Traditionally, the State Department barely had to acknowledge the issue. A typical FSO would be a male whose female partner would stay at home. In fact, an older State Department publication from 1957, “Suggestions for Wives from Other Foreign Service Wives,” provided the following advice:

> “Being married to a man in the Foreign Service gives you the satisfaction of using your mind and developing your capabilities in working more closely with your husband than would be true in some other occupations. There is a real job for you to do in supporting your husband’s efforts, and satisfaction in doing so. You can be a great help to your husband in his career, and can live a rich and rewarding life by helping him in serving our country.”
>
> (Dorman, 2002)

With the passage of time, the relevance of this advice has waned, regardless of current State Department attitudes.

The Rise of the Dual Income Couple

Traditionally, being a diplomatic wife meant partaking in diplomatic women’s’ lunches or organizing festivities such as fundraisers, festivals, or celebrating traditional holidays. If the couple had children, the wife would see after them during their free time. This societal structure—with the male earning while the wife stays at home—has gradually given way over the last few decades to the dual career family. Recent data show that:

- Between 1970 and 1993, the percentage of dual-earner couples rose from 39 to 61 percent of all married couples;
- Between 1966 and 1994, the percentage of married women’s’ participation in the labor force increased from 35 to 61 percent; and,
- Between 1966 and 1994, the change in labor force participation rate for married women with children

> less than 3 years old was even more dramatic, going from 21 to 60 percent.[101]

These trends indicate that dual-earner couples are replacing the traditional married-couple model of a breadwinner husband and homemaker wife. From a retention perspective, the State Department needs to take active steps to ensure that spouses of FSOs can attain gainful employment while serving abroad. Data from September 2001 show that of today's 9,333 Foreign Service employees, roughly 66 percent are men and 34 percent are women (Dorman, 2001). A 1999 survey by the Family Liaison Office (FLO)—in which 150 posts were surveyed—showed that 55 percent of eligible family members were not working, 33 percent were working inside the mission, 5 percent held jobs in education, 3 percent were doing freelance work, 3 percent worked in other kinds of jobs, and the remaining 1 percent worked for an American company (Dorman 2002).

Entering FSOs may be able to take one or two "deployments" with the spouse staying at home; however, for the long run, such an arrangement may turn out to be untenable and result in attrition from the service. From an economic standpoint, giving up the career of one of the family members is a costly decision. According to Ray Leki, of the Foreign Service Institutions Transition Center, while spouses can have careers, they are "probably not going to be the ones they envision." In addition, "[m]ost people will not have a good idea of what they are getting themselves into until after their first assignments."[102] Many incoming FS employees complain to this day that they were "not informed about the spousal employment situation" (Dorman 2002).

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[101] Winkler, 1998
[102] Quoted in Dorman 2002.

This is especially critical given the "positive assortative mating phenomena": more highly educated (higher wage) men tend to pair with more highly educated (higher wage) women.[103] A recent survey found that 83 percent of FS family members had college degrees and 29 percent had advanced degrees (Dorman, 2001). It should be noted that there are about 450 tandem couples (where both spouses work for the State Department), and an additional 81 "interagency tandems," in which one spouse works for another foreign affairs agency (Dorman, 2002). To accommodate the stationing of both of qualified individuals—preferably to the same country—represents a challenge in itself. If the State Department wants to recruit and retain the "best and the brightest", it needs to better accommodate the spouses of these individuals.

It is only recently that the State Department has acknowledged the need to take steps in this area. It is interesting to note that one of the warning signs concerning the importance of this issue came from outside the State Department. The internal report on the State Department conducted by McKinsey & Co. noted that an emphasis on quality of life would be essential if the State Department was to retain employees over the long-term.[104]

What is Currently Being Done by State?

The State Department has implemented several measures to improve the conditions for spouses. One of main initiatives is to increase the number of "Bilateral Work Agreements". These represent official agreements between the USG and the host country enabling family members to seek employment in the local

[103] Using a sample drawn from the March 1993 Annual Demographic File of the Current Population Survey (CPS), Winkler (1998) found that approximately 50 percent of husbands in dual-earner couples had the same level of education as the wives.

[104] Edward W. Gnehm, State Magazine April 2000.

economy. Up to 2000, the FLO had negotiated over 135 bilateral work agreements (State Magazine, December 1999, and April 2000).

Complementing this process, the FLO in 2000 commenced a pilot program (MESA) in three Mexican cities to have a specialist in international employment assist spouses with the full range of employment counseling.[105] These services include tips on writing resumes, resume posting, advice on interviewing, and salary scale negotiation. If the program is successful in Mexico, the program will be expanded to 10 additional countries (State Magazine, April 2001). According to the FLO, the pilot produced "mixed results", mostly because some family members thought it was a job placement program as opposed to a less ambitious program providing contacts and a network, as well as resume and career management assistance.

In spite of mixed reviews, the follow-on program in 10 additional countries is to be implemented during FY 2002.[106] The expanded program, known as "SNAP" (Spousal Networking Assistance Program), aims to help spouses find local employment. Unlike the Mexico program, SNAP does not rely on a US contractor; rather, it requires a strong commitment from Mission management. The FLO will retain the functional and funding dimensions while monitoring the effectiveness of the program.[107] Over the summer months (2002), representatives of the FLO visited each participating post to check on the status of program implementation. Besides these programs, the FLO has instituted other (smaller) programs to assist spouses finding employment abroad. These include:

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[105] The cities in question are Mexico City, Guadalajara, and Monterrey.

[106] The countries in question are Mexico, Buenos Aires, Santiago, Warsaw (and Krakow), Brussels, London, Singapore, Tokyo, Seoul and Cairo.

[107] The Family Liaison Office, State Department.

- The Family Member Employment Working Group consisting of employee relations personnel from the FLO and related HR offices. The group meets weekly to discuss spousal employment issues;

- A number of publications on job searching techniques, portable careers and skills, federal government employment, volunteer work, and other employment options. In January 2001, the FLO published the second edition of *Employment Options for Foreign Service Family Members*;

- The Family Member Employment Report Program is a database. It contains a range of information on local employment options from posts worldwide. The database can only be accessed via State's intranet site;

- The Family Liaison Office has also launched a Resume Connection that allows family members' resumes to be electronically sent to their next overseas post; and,

- The home-based "businesses in USG property" overseas program gives family members the opportunity to conduct limited commercial or professional activities in their homes. A necessary condition is compliance with local laws and approval from the chief of mission.

While these programs represent a good starting point, they are probably not sufficient over the long run. As such, the State Department should expect certain attrition due to the difficulty of spouses finding meaningful employment while abroad. With a greater number of dual career families—especially among well educated and qualified applicants—the State Department needs to consider future steps to lower this source of attrition. Successful strategies could also facilitate recruiting future candidates who so far may have bypassed a career in the FS due to the employment restrictions that would be imposed on family members. With more women joining the Foreign Service, it will be important to try to accommodate the growing number of husbands “following” their wives. Just like the accompanying women, this potential growing pool of men will be unlikely to accept a homemaker lifestyle as an option for an extended period of time.

CAREER PROGRESSION

Today’s younger workers expect advancement decisions to be based more on performance than longevity (Kaden, 1999, Light 2000). In other words, JOs expect to advance at a reasonable pace given their qualifications, experience, and productivity. If progression is slow or there are perceptions that the system is skewed or not transparent, it is likely to have retention implications.

Career progression at the State Department follows a fairly standard route depending on the career track chosen and time in-service.[108] After their initial training, JOs are sent to their first post abroad, typically to serve the consular section for at least a year. After 1-4 years in service, the officers enter the mid-career stage that will span the next 4-16 years. Officers rotate between post abroad in ranks usually ranging from second secretary to counselor and serving as desk officers at the State Department. After 16 years of service, the diplomat enters the senior stage of his or her career. For the next ten years, they take on increasingly senior management positions, crowned with the position of Deputy Chief of Mission.[109] It is

[108] Political affairs, economic affairs, administrative affairs, consular affairs, or public diplomacy.

[109] In Washington, these individuals may become a Country Director or Deputy Assistant Secretary for one of the regional or functional policy bureaus.

also possible to reach the ambassadorial level although many of these are reserved for political appointees. Table 28 provides an outline of the different diplomatic ranks. As seen, there are many different positions demarcating a possible career progression.

Table 28: Diplomatic Rank in a US Embassy

Title (ranking top-down)
Ambassador Extraordinary and Plenipotentiary
Ministers Plenipotentiary (one DCM)
Ministers
Minister-Counselors
Counselors
Army, Naval and Air Attachés
Civilian Attachés not in the Foreign Service
First Secretaries
Second Secretaries
Assistant Army, Naval and Air Attachés
Civilian Assistant Attachés not in the Foreign Service
Third Secretaries and Assistant Attachés

NOTE: Not all positions exist in every embassy. Also, this list is specific to an Embassy without a Consul General. Besides embassies, consulates will have their own officials, including a Consul General, Consul, and other staff. Military staff is under the authority of their respective military commanders. Chargé d'Affaires is the title given to the person ranked under the ambassador when s/he is not present who then temporarily carries out the functions of ambassador. If no ambassador is destined to a particular country over the long-term, the ranking diplomat has the title of Chargé d'Affaires ad hoc or pro tempore.

SOURCE: Overseas Briefing Center, Department of State.

The Evaluation System used at State

Multisource and upward feedback appear to be widely used within organizations for developmental purposes, administrative decisions—such as promotion and remuneration—and executive appraisals (London & Smither, 1995; Timmreck, 1995; Graddick &

Lane, 1998). [110] Multisource feedback refers to the collection of multiple performance evaluations for each employee from several resources. Upward feedback consists of supervisors receiving ratings from multiple subordinates. The issue of performance evaluations and feedback increasingly relies on non-traditional sources such as subordinates, peers, and customers (London & Smither, 1995).[111]

The State Department uses a yearly performance evaluation system to determine an employee’s career progression; and indirectly, his or her periodic geographic destination.[112] If someone is not promoted within a specified time-period, they are involuntarily separated from the Foreign Service. The Office of Performance Evaluation (PE) administers the annual Foreign Service Selection Board.[113] Currently, all board members receive two days of training on the precepts and procedures for evaluation (State Magazine, February, 2001). Each year, the Bureau of Human Resources receives over 16,000 evaluations (Davis, 2002).

Unfortunately, the performance evaluation system is no longer the ideal vehicle to manage the careers current and future diplomats. As phrased by Bob West, Chief of the Bureaus of Human Resources management division in the Office of Overseas Employment, “a new evaluation system is needed”. He compares the current job classification system to a 53 Chevy pickup: “it will get you there, but it’s hard to operate and maintain and it’s slow. It beats walking, but it doesn’t meet our needs.” (State Magazine, June 2001).

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[110] Cited in Walker & Smither (1999).

[111] Ibid.

[112] Typically, assignment to prestige posts (e.g. embassies in Europe) lead to faster advancement and open up better career opportunities.

[113] According to the Foreign Service Act of 1980, the PE determines tenure, promotion, low rank and selection out for Foreign Service employees who fail to meet class standards.

The reasons for the system’s inadequacy are manifold. From the perspective of the State Department, the liabilities of the system are connected to individual participants in the system. For example:

- The Personnel Bureau’s Performance Evaluation Office estimates that as many as 30 percent of Employee Evaluation Reports fail to reach that office by the annual May 15th deadline.[114]

- Even after several weeks of reminders, some 10% of EERs are still missing. This in turn damages chances for career advancement for those whose files are not received—a tardy EER becomes too late for that year’s board to review (State Magazine April 1998).[115]

- While the Selection Board attaches much value to the employees’ own comments in the “Rated Employee’s Statement”, not all employees take the opportunity to fill them out.

- The rater (and implicitly the person being rated) loose credibility if the Board “finds misspelled words, garbled sentences or other signs of haste and sloppiness.” (Davis, 2002)

From the individual employee perspective, a less visible criticism of the system relates to its subjective nature—especially concerning postings. With evaluations written by

[114] EERs are typically written in April of each year.

[115] It should be noted that supervisors responsible for delinquent reports are ineligible for performance pay, presidential awards or meritorious step increases for a year (Davis, 2002). As of February 2001, a pilot program has been outlined to allow these documents to be sent electronically (State Magazine, February 2001).

supervisors and processed by fellow FSOs in Washington DC, there are strong incentives to influence the process by any means available—be it lobbying or forging connections.[116] Thus, a growing number of FSOs argue that the system is highly skewed, as these sample quotes illustrate:

- "Serving in the more unpleasant spots does not bring us any clout in bidding on nice places such as London and Paris…Bureaus should not be able to give all their posts to people they know from previous assignments."

- "Problem is the personnel system we are forced to work under is blatantly unfair, and forces us to devote most of our energies to lobbying in order to have a chance to serve somewhere nice. Experience, ability, and proven ability means almost nothing—what counts is the amount of time and energy available to travel to Washington and lobby."

- "I just returned to Asia after a week of lobbying in Washington, and used annual leave for that purpose."[117]

While it is difficult to gauge the impact of these perceptions, the growing sentiment of a partial system has strong repercussions on morale, and in the long run, for continued productive service among those who perceive that they have been unjustly evaluated by the system.

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[116] According to Kinney (2000), many FSOs see the system fostering a "Kiss Up, Kick Down" mentality.

[117] From AFSA C Street Discussion (www.afsa.org)

Promotions

Among the five cones, JOs coming from the political affairs, economic, and public diplomacy cones tend to have faster promotion rates in comparison to those in the administrative or consular cones.

Table 29: 2000 FS Promotions: FS-4 to FS-3

	Number Competed	Number Promoted	Percent Promoted	Promotees' Avg. Service length
Admin. Generalist	39	22	56.4	5.7
Consular	34	21	61.8	5.9
Economic	35	28	80.0	5.3
Political	29	27	93.1	5.1
Public Diplomacy	28	16	57.1	5.4

NOTE: This reflects promotions for FSO who have served between 4-6 years.
SOURCE: State Magazine, February 2001, p. 34-35.

Tables 29 and 30 summarize promotion data for JOs in 2000 and 2001. As the tables indicate, individuals in the administrative and consular cones tend to have a longer average service period than those in the economic, political, or public diplomacy cones. In particular, FSOs in the consular cone seem to have slower promotion rates; they almost have a full year of additional service in comparison to their peers before getting promoted to the FS-3 level.

At more senior levels, the promotion system may also have repercussions for retention. Senior diplomats with 30 or more years of service usually cap their careers as counselors or career ministers. Becoming a DCM is the highest position attainable while a few will make ambassador. Just like the military, advancement to the top positions is increasingly difficult given the smaller number of slots available. The pressure on the selection boards for ambassadorial and DCM positions are increased by competition from political appointees. With such bleak possibilities to reach the upper echelons of their occupations, officers may simply choose alternative careers.

Table 30: 2001 FS Promotions: FS-4 to FS-3

	Number Competed	Number Promoted	Percent Promoted	Promotees' Avg. Service length
Admin. Generalist	61	56	91.8	4.3
Consular	65	57	87.7	5.0
Economic	49	44	89.8	4.1
Political	44	42	95.5	4.1
Public Diplomacy	22	17	77.3	4.3

NOTE: This mostly reflects promotions for FSO who have served between 4-6 years.
SOURCE: State Magazine, February 2002, p. 28-29.

Additional tension has developed with the establishment of the up-or-out system after the passage of the 1980 Foreign Service Act (FSA). The FSA set up time-in-class limits for the Senior Foreign Service; previously, those promoted to the Senior Foreign Service could stay in until retirement. In recent years, more and more officers from the senior ranks are designated for early retirement: between 1995 and 1997, 458 senior FSO and FS-1s were retired. Their departure results in a significant loss of experience that may hurt the Department. On the other hand, if their positions can be filled adequately, it represents an opportunity to procure talent that will facilitate the shift towards 21st century diplomacy.

These trends signal to many incoming JOs and mid-level officers that they may not become tomorrow's senior leaders. Instead, they may face "early retirement" when having another 10 to 15 years to contribute. Even the *Limited Career Extensions* program implemented by the FSA for quality officers who had not been promoted and would otherwise be retired has been gradually disregarded by the State Department (Jones, 1999).

PROFESSIONAL DEVELOPMENT

Access to professional development represents an important dimension for retention. It allows for skill upgrading that benefits both the individual and the organization as a whole. From the career professional's standpoint, professional development enhances their mobility and desirability, keeping them abreast of KSAs needed to succeed at the workplace. From the organization's perspective, training boosts productivity as employees attain needed skills while retention levels are enhanced.

The Foreign Service Institute (FSI)

The State Department relies on the Foreign Service Institute (FSI) to provide professional development to JOs and mid-career officials. Established in 1947, the FSI provides training for the foreign affairs community.[118] The curriculum ranges from language classes to functional training. The FSI also offers courses to develop new competencies such as strategic planning, performance measurement, business process reengineering, team building, diversity, leadership, and change management (State Magazine, September-October, 1997).

At FSI, 62 different languages are taught to some 1,700 students a year. Outside the classroom, employees can reinforce instruction by listening to the recordings of native speakers at the Multimedia Center of the National Foreign Affairs Training

[118] It was only in 1990 that the Institute introduced the program for Civil Service workers (State Magazine, March 1998).

Center. In addition, employees have access to computer stations with web access so they can retrieve the day's newspapers and other information in the language being studied over the Internet.

The FSI recently created the Leadership and Management School to place stronger emphasis on management skills. The Leadership Competencies Development Initiative is targeted to civil service employees. As of December 2000, about 1,000 civil service employees had signed to participate in this program that is voluntary (State Magazine, November 1999). For those who cannot access available courses, State offers the "Leadership and Management Training Continuum" booklet that should be available at every post. It describes how employees can use formal training to attain the competency requirements of their current job and how to reach those of their next posting (State Magazine, November 1999).

Given the opportunities provided by the State Department, what are the perceptions regarding the training provided? FSOs surveyed by Kinney gave the FSI high marks for its long-term economics course and its foreign language, administration and consular training. However, reviews were more mixed with regard to area studies, tradecraft, management, and global issues training (Kinney, 2000). Other interviews point to a different challenge: difficulties in taking the time to undergo training in Washington DC; something that explains State's current efforts to try to implement distance training.[119] Survey results from the NPR/OPM survey show that perceptions of training at State are fairly similar to those at DoD and other federal organizations. Figures 28, 29, and 30 show the trends for the 1998-2000 time-period.

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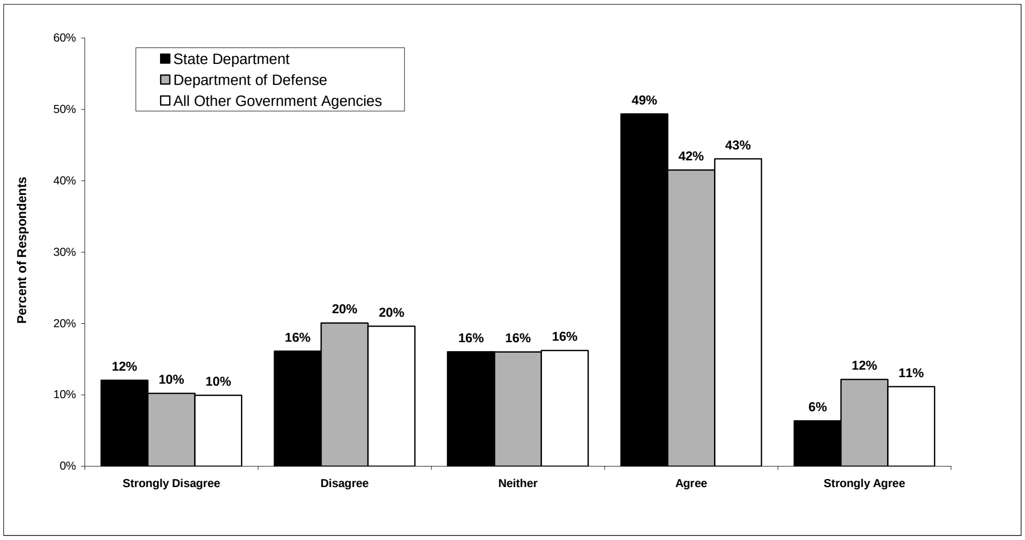
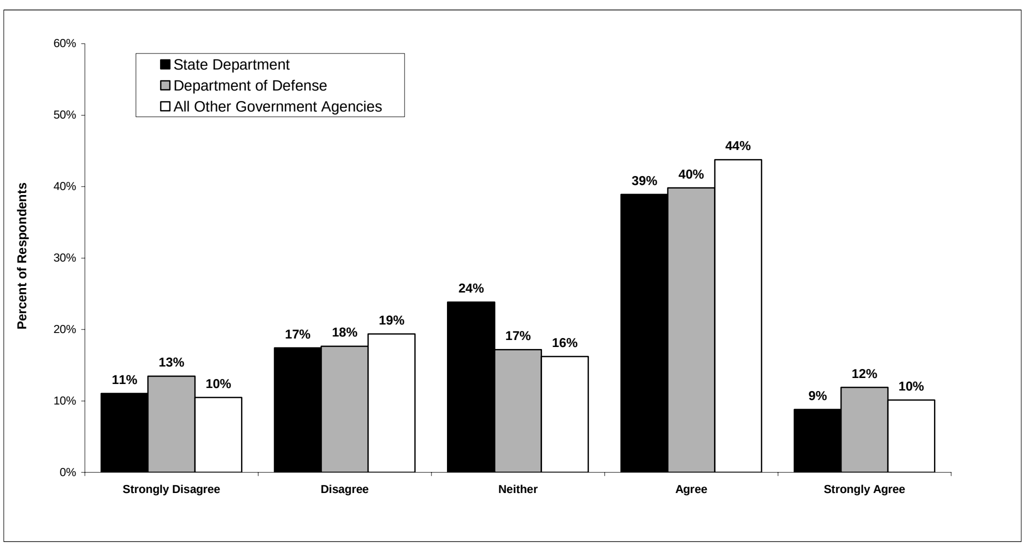
[119] From interviews with State Department personnel for the RAND IC project (Bikson et al, 2002).



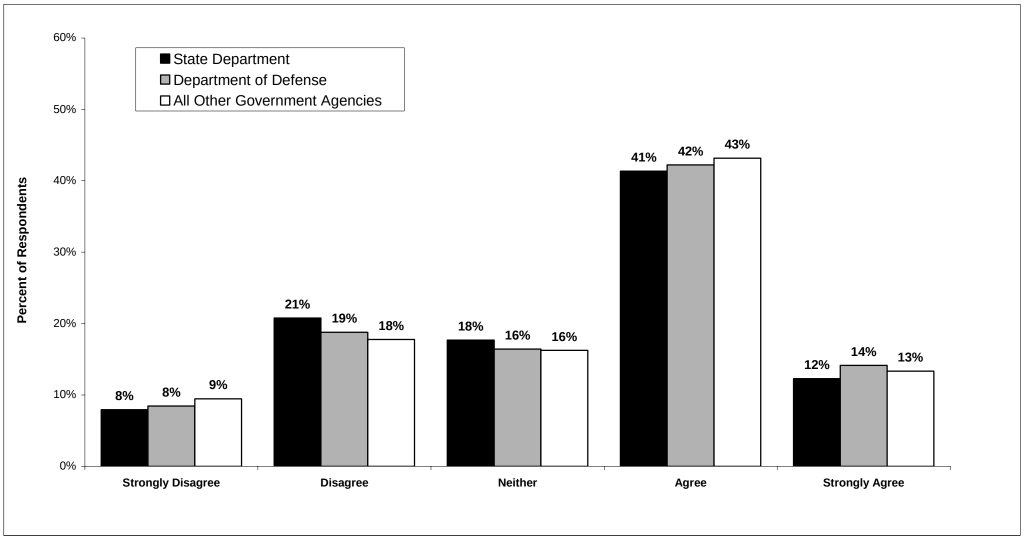
NOTE: Totals may not add up to 100% due to rounding.

Figure 28- Employees Receive Training they need to Perform Their Jobs: 1998



NOTE: Totals may not add up to 100% due to rounding.

Figure 29- Employees Receive Training they need to Perform Their Jobs: 1999



NOTE: Totals may not add up to 100% due to rounding.

Figure 30- Employees Receive Training they need to Perform Their Jobs: 2000

Analysis of variance confirms that there are no significant differences in mean ratings between State, DoD, and all other federal agencies surveyed; only in 1999 were there significant differences at the p<0.05 level.

Table 31: RAM: Employees Receive Training Needed

	Agreement Means		
Year	State	DoD	All Other Orgs.
1998	3.22	3.25	3.26
1999*	3.17	3.19	3.24
2000	3.29	3.35	3.33

NOTE: Responses fell into 5 categories (strongly disagree, disagree, neither disagree nor agree, agree, and strongly agree). A "1" denotes "strongly disagree" while a "5" stands for "strongly agree". The following annotations are used to indicate significance of differences in agreement means for organizations in a given year (no annotation indicates differences are not statistically significant): *p<.05; **p<.01; ***p<.001; *t* .05<p<.10.

Summary

It is only recently that the State Department has geared some of its resources to address retention issues. Traditionally, when State did not have to compete with many other organizations for personnel, retention was not a concern. Employees would serve within the organization for the entire span of their careers; spouses and significant others would join the effort to promote American interests abroad.

With the passage of time, the situation for State has changed. Today, there is competition for talent from a number of organizations. State’s low salary levels leave it vulnerable to higher paying organizations looking for seasoned individuals with international experience. Dual income families are less likely to give up one partner’s career for employment abroad—especially with State’s current salary offers. From a different vantage point, less than ideal promotion possibilities affect morale, ultimately impacting retention levels.

State is beginning to address these issues, becoming more flexible in its salary structure and providing more assistance to family members abroad. Professional training opportunities are plentiful although staff cannot always benefit from them due to time constraints.[120] These steps are modest and not likely to be sufficient in the long-run. Thus, State needs to pay closer attention to retention issues, especially if it aims to recruit highly qualified individuals. Given these findings, a set of recommendations for enhanced retention are forwarded in Chapter 9 to fully answer the second research question.

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[120] This is typical for mid-careers in organizations across all three sectors (Bikson et al 2002).

CHAPTER 9: CONCLUSIONS AND POLICY RECOMMENDATIONS

During the past several decades, the world has seen much change. Besides the fall of the Berlin Wall in 1989 and its ensuing political ramifications, there has been a continual drive towards increased globalization along economic, technological, and social dimensions. The revolution in information technology and increased international trade has fueled the process in recent years. Today, the State Department is no longer the primary player in international circles. It is joined by an array of organizations representing the private, public, and non-profit sector.

With respect to State Department competency needs, a changed international environment brings with it several implications. From Chapters 1, 5, and 6, we see that modern diplomats need to be knowledgeable in a multitude of areas and proficient with a variety of tools. Besides traditional competencies such as knowledge of local language and culture, they need relevant expertise in “new” fields such as health, the environment, demographics, and terrorism. They require stronger quantitative skills to analyze and act on increasingly complex economic and social situations. In addition, today’s diplomats must be comfortable with a variety of technologies, ranging from the typewriter to the satellite phone. They require stronger teamwork/partnering skills to collaborate with other groups, such as humanitarian organizations operating in the same host country.

These new competency requirements are partially reflected in State’s traditional HR requirements outlined in Chapter 5. The thirteen dimensions used to gauge prospective applicants (listed in the section entitled “Insights From the Oral Examination”) are general enough to facilitate the procurement of a wide range of competencies that encompass both traditional and new needs.

Unfortunately, the general nature of the competencies and State's lack of prioritization among them complicate the procurement of the right KSA combinations and slow down the adaptation process to identify new needs. For example, it was only recently that State added quantitative skills as a requirement. This reactive structure maybe explains why technology competency is still not identified as an important attribute for successful performance within State. As such, State needs to prioritize and update its KSA requirements—matching its mission and objectives with the competencies needed to achieve those goals. A more proactive State in world affairs means less attachment to traditional goals such as cable writing which required good writing and communication skills.

A comparative analysis of HR requirements among public, private, and non-profit organizations with international missions (Chapters 4 and 5) reveals that State is looking for KSAs similar to these organizations. Survey data analyzed shows that organizations with international dimensions are looking for individuals with:

- Strong cognitive skills;
- Interpersonal skills;
- Ambiguity tolerance;
- Teamwork skills;
- Cross-cultural competency; and
- Policy thinking capabilities

These are consistent with State requirements. The "direct competition" for talent between State and a growing body of international stakeholders across all three sectors implies growing competition for limited talent. This presents a challenging situation for State who traditionally had few direct competitors and could rely on the prestige of the Foreign Service to attract candidates. Thus, State now competes with private, public, and non-profit entities for talent. This requires effective recruitment and retention policies. In addition, there is a need to ensure that the working environment stimulates the use of critical competencies to boost performance.

Chapter 6 shows that State tends to lag DoD and other federal agencies with respect to managerial communication, levels of flexibility provided to carry out work tasks, understanding of personal life responsibilities, and access to technology. As integral components for a productive modern workplace (both at the individual and organizational level), State faces an uphill battle. Trend data show that improvements are only perceived in the area of technology access over the 1998-2000. A successful HR strategy at State needs to ensure both better identification of competency requirements and ensuring that these are rewarded in the work environment. On the positive side, State is doing well in terms of teamwork usage in comparison to DoD and other federal agencies.

State faces its greatest challenge in the recruitment side. Chapter 7 shows that State's policies have not kept up with the need for a faster, more effective and streamlined process—something required in today's highly interconnected environment characterized by greater competition for talent. Using current technology, it is easy for applicants to apply for multiple jobs across various locations. Speed and ease of the application process are increasingly important when candidates consider job options. State's 8-24 month application pipeline is hurting its ability to recruit highly qualified individuals with sought-after KSAs. Policy changes in this area represent a good starting point to procure the diplomat of the 21st century.

A final component demanding attention is retention. Successful organizations actively work to minimize attrition and the loss of valuable experience. Typically, retention challenges will be greater in public sector organizations that may be constrained in the options available (such as salary structure) to ensure high levels of retention.[121] State faces challenges in the areas of salary, quality of life, and career development. On the positive side, State offers ample professional development for its employees.[122]

State is increasingly recognizing these impediments, formulating and implementing workarounds to ensure a well-trained workforce ready to tackle today's diplomatic challenges. The following recommendations are offered to complement those efforts.

Recommendations

The following section provides recommendations for improved selection, recruitment, and retention.

Selection Process

1. *State needs to update current HR strategies; specifically, it needs to prioritize among the KSAs it is looking for and add a technology dimension.*

[121] For example, compared to private sector organizations, government sector organizations such as the State Department are subject to a greater range of rules, regulations, and procedures (Rainey, 1983). Cited in Robertson & Seneviratne (1995).

[122] While the opportunities for training are available, there are indications that staff—especially mid-career to senior—do not have the opportunities to take advantage of the offerings. State is considering making more courses mandatory that could work to "force" training on these employees. A follow-up study is warranted to better understand FSI usage by time-in service, location.

State currently uses a “shot-gun” approach whereby it looks for a multitude of KSAs, some more relevant than others in today’s complex environment. To procure diplomats that are effective under such circumstances, State should prioritize KSAs such as teamwork skills, partnering skills, strong cognitive skills, adaptiveness, and IT skills.[123] For example, someone with experience from the NGO sector could facilitate cooperation with humanitarian organizations tackling similar issues in the host country. Currently, State is basing its decisions on criteria listed for the oral examination (which are related to the 1997 Job Analysis study).

2. *State needs an integrated HR strategy for all cones.*[124]

Applicants to the State Department pick a cone before they are accepted into the service. Interestingly, all candidates, regardless of cone chosen, need to meet similar criteria regarding KSAs during the written and oral examinations. This reinforces the need to prioritize among existing KSAs required by State. Most likely, someone entering the consular cone needs different KSAs from someone joining the public diplomacy track. Shortfalls in the less glamorous administrative and consular cones exacerbate the problem by increasing the pipeline application time for the political and economic career tracks while straining administrative capabilities.[125] It is recommended

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[123] With respect to IT, a principal objective of Secretary Powell is to get all 30,000 employees access to OpenNet Plus, which allows Internet access and email on unclassified desktops. Currently, the State Department is exploring whether or not they can put classified and unclassified cables, emails, and memoranda. On the drawing board is a project for an unclassified computer network for the overseas posts that would enable them to communicate with their colleagues from other federal agencies working under the same embassy roof! “Cyber-tools for a 21st Century State Department, Colin Powell, State Magazine, June 2002, p.2)

[124] For more general reading on the topic of internal assessments please see (Van Wart, 1995).

[125] State is currently addressing imbalances caused by a hiring freeze in the mid-1990s.

that State look more at the KSA needs of other organizations and not rely to heavily on internal surveys that may reinforce traditional KSAs.

Recruitment Process

1. *More requirements should be required of those signing up to take the Foreign Service Written Exam.*

The State Department does not need to offer the written test to between 13,000-25,000 candidates each year when the end goal is to hire approximately 300 individuals.[126] A more targeted approach is more effective while ensuring better-qualified applicants with the required KSAs. A simple first step would be to attach additional requirements for those wanting to take the written exam. Examples might be certain levels of education, foreign language capabilities, experience in a relevant field, etc. A CV (which could be electronically attached to the application) would work. This is common practice for other organizations. In the medium to long-term, State may consider offering the FSWE on-line (ideal for multiple choice questions which make up the bulk of the exam today, the essay portion is only read for those who pass the multiple choice portion).[127]

Another option available to State would be to use a “point system” to gauge the quality and KSA potential of applicants. Applicants would be required to attain a certain number of

[126] In 2002, the State Department will hire 89 Administrative Officers, 70 Consular Officers, 97 Economic Officers, 103 Political Officers and 107 Public Diplomacy Officers for a total of 466 Junior Officers. This higher than normal figure is part of an exceptional hiring increase to gradually create a training float and correct some of the imbalances created by the hiring freeze of the mid-1990s.

[127] In educational field, this has been a reality for many years. Students can sign up and take exams such as the GRE on-line.

"points" before qualifying to take the exam (for example, a certain number of points for a Bachelors degree). A greater number of points should be attached to needed KSAs. The system could be modified from year to year to meet specific internal needs.

Should State want to take an even bolder step, it could do away with the written exam entirely and rely on a combination of a shortened Alternate Entrance Program (if it made available to all applicants who meet the educational requirement) and a CV to select candidates for the oral examination. Using this system would speed up the process and lower costs.

2. *Consider unblinding all portions of the Oral Examination and provide room for individual interaction with candidates.*

All examiners should have access to a candidate's curriculum vitae or other documents to carry out more detailed interviews to facilitate the identification of candidates with hard-to-acquire competencies.

In addition, examiners should have ample opportunities to individually interact with candidates and not only rely exclusively on group exercises or limited one-on-one encounters to gauge an applicant's KSAs. For example, during group exercises, it is possible for someone with a strong personality to dominate the exercises to the detriment of other highly qualified individuals.

3. *Shorten the chokepoints created by the clearance processes after the oral examination.*

Today, few well-qualified applicants are willing to wait up to 8-12 months before getting an offer. Unless specifically using a two-year time horizon, even fewer will be willing to wait up to 24 months for an offer. Typically, applicants interested in working abroad or with international issues apply to several different organizations at the same time and expect to hear back within weeks or a few months. In a July 2002 poll of collegians, 69 percent of respondents stated that they were unwilling to wait for more than four weeks for a job offer (Munn, 2002). Organizations with fast application turnarounds, such as private sector organizations, are the clear winners at this stage of the application process.

To be more competitive in this area, it is essential that State speed up the clearance process.[128] The principal strategy to shorten or eliminate post oral examination chokepoints would be to offer "conditional" employment after candidates pass their oral examinations (and it is likely that they will be offered a job once they enter the register of candidates).[129] The potential officers can then commence his or her training at the initial A-100 class at the FSI and take language classes as needed.[130] Since a JO can expect up to seven months of subsequent training—much of it involving language instruction—before the first overseas assignment, this would be an ideal time to process clearances. Currently, only candidates "who pass the oral assessment, and who receive security and medical clearances, may be offered time-limited appointment as Foreign Service Officer career candidates pending tenure."[131]

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[128] This is probably easier said than done given current backlogs in the system.

[129] With conditional employment offered only to those who have the highest scores in the oral examination up to the number of new employees the State Department requires for that particular year.

[130] This recommendation goes under the assumption that potential candidates are not exposed to classified material during their training.

[131] From the "Registration for the 2002 Foreign Service Officer: Written Examination Booklet".

What would happen to those who do not obtain clearances or pass the Final Review? Unfortunately, they would have to be separated from training unless other options are available. Hopefully, their numbers are small enough to warrant this strategy.

4. *Given increased competition between organizations representing different sectors, State should stress the differences that make working for State attractive.*

A better understanding is needed of what it is that currently draws individuals to the State Department. Is it the "prestige" of being a diplomat, the opportunity to formulate policy, the possibility to explore different countries, etc? State should capitalize on these "State-specific" attributes to recruit highly talented individuals who may not necessarily be aware of the unique aspects of State.

Retention Process

1. *Boost current programs aiming to help family members find employment abroad.*

The State Department has only recently begun to acknowledge the importance of the *entire* diplomat's family for successful performance. Steps that have been taken so far, such as SNAP, are limited and in the pilot stage. A continuation of these efforts with gradual expansion should help boost retention levels.

2. *Facilitate lateral entry and exit into the State Department.*

The average American today has eight to ten jobs and 2 to 4 career changes throughout their working careers. Thus, public service is "increasingly unattractive to a work force that will change jobs and sectors frequently" (Light, 1999, p. 1). Careers are seen more as a process rather than a path. Changing careers, either voluntarily or as a result of economics and technology, had become the norm (FLO, State Department 2002). This trend clashes with the hiring process used by the federal government, where mid-level positions usually are not open to outside applicants. For example, of the more than 60,000 federal positions filled at the GS-12 to GS-15 level in FY 2000, only 13 percent of competitively selected new hires came from outside government (Partnership for Public Service, 2002).

With increasing interlinkages, many employees in the private and non-profit actually work for government—their entry into the public sector would not require insurmountable adjustments. Surveys of graduates from the top graduate schools show that some 30 percent of students from the private sector and 27 percent from the non-profit sector reported that they spent at least 80 percent of their previous work time on projects funded by the government (Light, 2000).

Today's graduate students are entering school later in their career, bringing substantial work experience into the classroom—much of it from the private and non-profit sectors (Light, 1999). Facilitating the entry of these individuals, with highly developed KSAs, represents an effective method to circumvent current salary caps for entrants.

State should also consider avenues to facilitate lateral entry and exit into the State Department and gradually rely less on the concept of "growing their own". Besides making it possible to procure needed competencies at the mid-career level, the possibility to periodically leave the Department might serve to attract qualified individuals who are not interested in a life long career at State and need periodic experiences in other sectors. This flexibility may serve to boost retention, especially among Junior FSOs who increasingly are interested in sampling a variety of experiences before committing to an organization.

3. *Recognize that salary level is not the only policy lever to strengthen retention*.

Again, what are State-specific attractors to entering service? Entry-level professionals today are more focused on challenging work than security. According to Paul Light, “young Americans are not saying ‘Show me the money’ so much as ‘Show me the work’” (Light, 1999, p.3). In spite of lower salaries, challenging work, personal growth, impact, and advancement can serve as attractive motivators (Light, 1999).

4. *Improve evaluation procedures.*

Current evaluation procedures at State may affect retention, especially among employees who perceive subjectivity in the process. To decrease such perceptions, State needs to expand its pilot 360-degree review program to encompass all evaluations. The benefit of a 360-degree feedback or similar procedure is that both superiors and individuals below the person being evaluated have an opportunity to provide feedback.[132]

Besides minimizing perceptions of subjective evaluations, the use of upward or multisource feedback provides additional benefits such as increased accountability in organizations (Walker & Smither, 1999).

[132] Practical issues concerning the design and delivery of multi-source feedback (such as maintaining confidentiality, how to train managers and characteristics of feedback display) are addressed in a multitude of studies. See Bernadin & Beatty (1987); London & Beatty (1993); and Van Velsor & Leslie (1991).

5. *Establish a "permanent" Selection Board.*

Creating a Selection Board whose members are attached to the unit over their careers minimizes the potential for questionable promotions and appointments since members would have little to gain from lobbying efforts. Likewise, FSOs attached to the Board would not be able to give themselves priority posts after finishing their tenure. Over time, Board members would attain a fairly good organizational overview of those who make up the most productive segments of diplomats deserving promotions.

FINAL THOUGHTS

The findings presented here are not the end of the story. Clearly, there is additional research that can be done. Given a better understanding of the modifications needed to improve State's processes for identifying and procuring needed KSAs, how are such changes best implemented? Within an organization that has a strong organizational culture, this is a formidable challenge.

Looking further ahead, consideration should turn to the future needs of diplomacy. What kinds of KSAs will be required 5-10 years from now? Is there a way to modify HR processes to identify and procure them as they become available? From a different standpoint, what issues and questions will be central to American diplomacy in the coming decades? This study opens the door to these and other important research questions.

Appendix

A. NPR/OPM SAMPLED AGENCIES (2000)

Administration for Children and Families
Animal & Plant Health Inspection Service
Bureau of Consular Affairs
Bureau of the Census
Bureau of Land Management
Defense Logistics Agency
Department of Energy
Department of Housing and Urban Development
Department of the Air Force
Department of the Army
Department of the Navy
Environmental Protection Agency
Equal Employment Opportunity Commission
Federal Aviation Administration
Federal Emergency Management Agency
Financial Management Service
Food & Consumer Services
Food and Drug Administration
Food Safety & Inspection Service
Forest Service
General Services Administration
Health Care Financing Administration
Immigration & Naturalization Service
Internal Revenue Service
International Trade Administration
National Aeronautics & Space Administration
National Oceanic & Atmospheric Administration
National Park Service
Occupational Safety & Health Administration
Office of Post Secondary Education
Other Agriculture
Other Commerce
Other Defense (Not Air Force, Army, Navy)
Other Education
Other Health & Human Services
Other Interior
Other Justice
Other Labor
Other State
Other Transportation
Other Treasury
Other Veterans Affairs
Patent & Trademark Office
Small Business Administration
Social Security Administration
Student Financial Assistance
U.S. Customs Service
U.S. Office of Personnel Management
Veterans Benefits Administration
Veterans Health Administration

B. STATE DEPARTMENT CONES

Administrative Career Track

- Manage the property, finances and human resources of the post
- Supervise the host country national employees
- Identify resource requirements for achieving foreign policy objectives
- Prepare budget submissions and staffing plans
- Issue travel orders for official travel and management of high-level official visits
- Update computers and telecommunications

Consular Career Track

- Adjudicate visa applications
- Review applications for passports, renewals, and extensions
- Provide both emergency and non-emergency service to American citizens
- Prepare written reports on matters affecting U.S. citizens in the host country
- Have direct contact with host country citizens and officials
- Maintain leadership role in local American community

Economic Career Track

- Protect U.S. national interests in many areas
- Deal with environment, scientific, and technology matters in country and global context
- Provide assistance to the local American and foreign business community
- Establish and maintain contacts with host country officials and key members of public and private enterprises
- Provide the post and Washington D.C. with information and analysis on significant economic developments

- Represent the U.S. at official functions, serving as duty officer

Political Career Track

- Follow political events
- Report significant developments to the State Department
- Convey official communications from the U.S. Government to host country officials
- Evaluate local media reports
- Negotiate with appropriate officials on U.S. concerns

Public Diplomacy Career Track

- Serve as the post spokesperson and handle all media inquiries
- Set up and conduct press conferences for the Ambassador
- Explain the complexities of U.S. society, culture, and foreign policy agenda
- Use the World Wide Web as a direct and efficient communications tool
- Manage academic programs and encourage Bilateral programs
- Establish linkage at personal, institutional, and governmental levels

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