

Building a High-Quality Workforce

The Federal Career Intern Program



A Report to the President and the Congress of the United States
by the U.S. Merit Systems Protection Board

THE CHAIRMAN



U.S. MERIT SYSTEMS PROTECTION BOARD
1615 M Street, NW
Washington, DC 20419-0001

September 2005

The President
President of the Senate
Speaker of the House of Representatives

Dear Sirs:

In accordance with the requirements of 5 U.S.C. 1204(a)(3), it is my honor to submit this U.S. Merit Systems Protection Board report, "Building a High-Quality Workforce: The Federal Career Intern Program."

The Federal Career Intern Program (FCIP) was established in July 2000 as another tool to help Federal agencies meet their workforce needs. Along with other hiring programs that provide training and development opportunities to employees, such as the Presidential Management Fellows Program and the Student Career Experience Program, the FCIP was established to enable agencies to generate a steady stream of high-potential individuals for possible conversion to permanent appointment in the competitive service. Such a stream is necessary because it is projected that approximately 500,000 employees will retire by 2013.

As an alternative to the Government's traditional hiring method, the competitive examining process, the FCIP has relatively few eligibility and procedural requirements giving agencies flexibility in recruiting, assessing, and selecting candidates. Nevertheless, agencies hiring under the FCIP must still comply with merit system principles as well as veterans' preference and equal employment opportunity rules.

Our study shows the program has had an auspicious beginning. The number of FCIP hires dramatically increased from about 400 in fiscal year 2001 to over 7,000 in 2004. Further, our survey of career interns and their supervisors show that both groups have positive views and experiences about the program. However, our study found that agencies relied on limited tools to recruit applicants to the program, used weak pre-hire assessment tools and failed to use the internship as a trial period to correct weak assessment tools. Others did not provide training and development activities to career interns as required. This report recommends actions Federal agencies and the Office of Personnel Management may take to improve the program.

I believe you will find this report useful as you consider issues regarding the ability of the Federal Government to build a highly qualified workforce.

Respectfully,

A handwritten signature in black ink, appearing to read "Neil A.G. McPhie".

Neil A.G. McPhie

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EXECUTIVE SUMMARY

Executive Order 13162 established the Federal Career Intern Program (FCIP) in July 2000 as another step in helping agencies meet their workforce needs. Along with other hiring programs that provide training and development opportunities to employees, the FCIP was established to help agencies develop hiring strategies intended to provide a steady stream of high-potential individuals who can be converted to a permanent appointment in the competitive service. This U.S. Merit Systems Protection Board (Board or MSPB) report takes an early look at the FCIP to evaluate whether it has helped agencies meet their workforce needs and whether it has been implemented in accordance with the merit principles. The report is based on personnel data for career interns hired from fiscal year 2001 through 2004, and survey data from career interns and their supervisors.

The program has had an auspicious beginning. Of all the different hiring methods that can be used across government to hire new entry-level employees, only the FCIP showed a dramatic increase in the number of hires from fiscal year 2001 through 2004. In addition, survey data the Board has gathered show that career interns and their supervisors have positive views about and experiences with the program.

The FCIP is a formal training and development program that agencies can use to attract “exceptional” individuals to Federal Government service and prepare them for careers in analyzing and implementing public programs. Individuals are hired for 2-year internships in the excepted service and may be converted to permanent appointments in the competitive service upon completing the program and meeting all qualifications, suitability, and performance requirements. As an alternative to the Government’s traditional hiring method, the competitive examining process, the FCIP has relatively few eligibility and procedural requirements, a feature that gives agencies flexibility in recruiting, assessing, and selecting candidates, as well as in training and developing new employees.

With these flexibilities, the FCIP offers Federal agencies a streamlined hiring tool that can help them meet their workforce needs. As more and more Federal workers retire in the next decade, the FCIP is a hiring tool that can provide agencies workforce continuity and smooth transition by producing a steady stream of high-quality individuals ready and able to take over from many who leave. However, in order to maximize the value of the FCIP, agencies need to recognize and address a number of issues the Board has identified while conducting the study. Some of these issues are discussed below.

Lack of comprehensive recruiting strategies

Agencies have the flexibility to recruit applicants to the FCIP; however, they must observe the merit principles that require them to recruit qualified individuals from all segments of society and to make selections based on merit

after fair and open competition. Agencies did use a variety of recruiting tools for their FCIP jobs, but the Board found that they relied heavily on campus visits and career fairs to attract applicants. While these methods are effective recruiting tools, over-reliance on them can preclude from consideration other groups of qualified individuals, such as those who are not pursuing college degrees or who have already graduated but may be interested in FCIP jobs. Without intending to, such targeted recruiting practices can create, at the very least, an appearance of preferential treatment to certain groups of individuals. Furthermore, by limiting their recruiting strategies, agencies could miss high-quality candidates who could have applied had agencies recruited more widely.

Use of weak pre-hire assessment tools

The FCIP allows agencies flexibility in the way they evaluate applicants' qualifications to identify who would be best for the job. However, the assessment tools agencies use have weaknesses in making distinctions among qualified applicants. The Board acknowledges that no assessment tool can guarantee a perfect selection every time. Still, appropriate use of professionally developed assessment tools generally will enable agencies to make better selections than they would by using weak assessment tools.

Failure to address and use trial periods during internships

Because most of the pre-hire assessment tools agencies use have limited utility, the use of the internship as a trial period is the most comprehensive opportunity agencies have to correct or strengthen their assessment process. Unfortunately, the importance of the trial period during the internship appears to be inadequately emphasized or not well understood by agencies using the FCIP. Thus, it is likely that some undeserving career interns have been given permanent appointments in the competitive service.

Furthermore, agencies' failure to address trial periods in their FCIP plans can have unintended consequences. Since the trial period is a time to assess new employees to determine job fit, it is appropriate that it is also a time for new employees to earn employment rights, such as the right to appeal to the Board certain adverse actions that may be taken against them. 5 U.S.C. 7511(a)(1)(C) defines an excepted service employee who has appeal rights to the Board as one who is either "(i) ...not serving a...trial period under an initial appointment pending conversion to the competitive service; *or* (ii) who has completed 2 years of current continuous service...under other than a temporary appointment limited to 2 years or less." If agencies do not address the length of trial periods in their FCIP plans and/or in their excepted service employment policy, a literal reading of the statute may unintentionally give career interns appeal rights immediately. Another troubling result is the negative effect it can have on preference eligibles since their trial period is set

for 1 year in accordance with 5 U.S.C. 7511(a)(1)(B). Therefore, a literal reading of 5 U.S.C. 7511(a)(1)(B) and (C) would penalize a preference eligible relative to a non-preference eligible by requiring the preference eligible to serve a 1 year trial period while the non-preference eligible could earn appeal rights immediately.

Absence of training and development activities for career interns

Training and development are the cornerstone of the FCIP and are important not only to help career interns achieve individual job success but also to help agencies to lay the foundation upon which to transform any current areas of weakness and build a high-quality workforce. Although FCIP regulations require formal training and development activities, agencies have flexibility as to the amount, topic, or format of the activities they will provide to their interns. Even so, while many agencies provided training to a majority of their interns, other agencies provided limited training or no training at all.

The Office of Personnel Management (OPM) must extend its oversight role

OPM is responsible for developing appropriate merit-based policy and procedures for recruiting, screening, selecting, placing, and continuing training and development of career interns. On December 4, 2000, OPM published an interim rule now codified at 5 C.F.R. 213.3202(o) to implement the Executive Order. Effective September 1, 2005, the interim rule is adopted as a final rule with several changes based on agency comments. The final rule has clarified many issues of the FCIP, such as the types of positions appropriate for the program and the duration of the appointment. However, it failed to address one major issue—the trial period—that the Board believes is critical for the success of the program. In addition, findings from our study suggest that OPM needs to exercise its oversight role more fully over the FCIP.

Recommendations

1. To address these issues and to improve the career intern program, the Board recommends that agencies do the following:

Improve recruitment by:

- Using varied recruiting methods to ensure that interested applicants from all segments of society are given the opportunity to apply. For example, in addition to career or job fairs and posting vacancy announcements on the

web or on bulletin boards, agencies may strategically use paid advertisements (electronic, radio, or print), for-fee recruiting agencies, and referrals from employees, alumni associations and membership organizations.

- Posting clear and concise vacancy announcements for jobs to be filled under the FCIP on their web sites, USAJOBS, and/or another public forum.
- Ensuring that information about their FCIP is readily available to anyone who seeks it or may be interested in it.
- Ensuring that recruiters and supervisors fully inform applicants about the specifics of their organization's FCIP plan, including the nature or conditions of employment as career interns, during recruiting and when making an offer of employment.

Improve assessment by:

- Using multiple hurdles or a combination of valid and reliable pre-hire assessment tools to identify high-potential applicants for internships.
- Including in their FCIP plans a provision on the length and purpose of trial periods and using the whole period of the internship as a trial period. Agencies should also ensure that supervisors use the trial period as the final tool in assessing fitness and suitability before converting career interns into the competitive service. To ensure this result, agencies should develop a process—such as requiring supervisory certification—to use prior to the end of the internship when converting career interns. Conversions should not be made by default.
- Ensuring that internships of marginal and poorly performing career interns are terminated promptly. But, we suggest that before taking any such action, the agency should first consider whether the intern has had adequate training.

Improve performance management by:

- Setting standards of behavior and performance and rigorously assessing interns against those standards.

Improve training by:

- Providing and funding formal training for career interns, as is required by regulations.
- Ensuring appropriate on-the-job training, rotational assignments, and mentoring.
- Developing and establishing individual development plans for each career intern.
- Aligning training program with agencies' strategic goals and workforce planning.

Improve program effectiveness by:

- Educating supervisors about their FCIP plan, its features, and their own responsibilities for its success.
- Ensuring systematic communication and coordination between supervisors of career interns and the human resources staff.
- Having an accountability system in place to gauge program success.
- Soliciting feedback from applicants, interns, and supervisors to gauge how effective their recruitment, assessment, selection processes, and training and development programs are in building and transforming their workforce.

2. In addition, the Board recommends that the Office of Personnel Management assist agencies in improving their career intern programs by:

- Continuing its leadership role in providing clearer guidance to agencies on how to implement and evaluate their FCIP. OPM guidance should include a reminder to agencies to include in their FCIP plans a provision that addresses the length and purpose of trial periods.
- Exercising its oversight role more fully to ensure that agencies are implementing their programs in accordance with the merit system principles, veterans' preference, and equal employment opportunity rules.
- Holding agencies accountable for providing training and development activities to their career interns.
- Developing and promoting better assessment tools and ensuring that agencies have access to such tools.



INTRODUCTION

Executive Order 13162 established the Federal Career Intern Program in July 2000 as another step in helping agencies meet their workforce needs. Along with other hiring programs that provide training and development opportunities to employees, the FCIP was established to help agencies develop hiring strategies intended to provide a steady stream of high-potential individuals for possible conversion to permanent appointment in the competitive service. Such hiring strategies are necessary because it is projected that some 500,000 employees will retire by 2013.¹ Hiring high-quality employees in a timely manner to ensure continuity and smooth transitions is a challenge to many agencies. The FCIP is intended to help agencies face this challenge by providing them with a steady stream of high-quality individuals ready and able to take over for those who leave. This pipeline of readily available well-trained individuals helps ensure that the Government has the workforce necessary to provide services and security to the American people.

Purpose of the study

MSPB conducted this study as part of its responsibility to gauge and report to the President and Congress on the health of the Federal merit-based civil service. The study takes an early look at the process agencies used to recruit, select, and retain Federal career interns during the FCIP's first 4 years. The study attempts to:

- Clarify certain aspects of the FCIP and restate, as needed, the foundation for how agencies should view, value, and use it;
- Look at whether agencies have implemented the FCIP in accordance with the merit principles, and to serve as an early diagnosis of potential problems; and
- Evaluate how the program has helped agencies meet their workforce needs.

Scope and methodology

This study covers career interns who were hired in fiscal years (FY) 2001 through 2004. The following sources of information were used to prepare this report:

¹ U. S. Office of Personnel Management, "Retirement Projections – FY 2004 through 2013," Apr. 30, 2004. This estimate is based on the number of full-time permanent employees as of Oct. 1, 2003.

1. Central Personnel Data File (CPDF) maintained by the Office of Personnel Management.² The CPDF is a computerized database that contains personnel information on Federal civilian employees in the executive branch of Government. From the CPDF, the Board collected and analyzed 4 years' (FY 2001 through FY 2004) worth of personnel data on career interns and, for comparison purposes, other new employees who were hired under other hiring authorities or programs. Information collected included: the number of career interns and other new employees hired, their occupations and grades, their demographics, and the agencies that hired them.
2. Agency questionnaire. To facilitate the Board's understanding of how agencies have implemented the FCIP, and to gauge the program's success in helping them meet their workforce needs, a questionnaire was sent to 17 departmental and 43 independent agency human resources (HR) officials in early 2004 asking them about their agencies' views and experiences with the FCIP. They were given the option to submit a consolidated departmental or agency response; or, if the authority for the FCIP had been delegated to subordinate agencies, bureaus, or components, to forward a copy of the questionnaire to the appropriate HR office staff for completion. Sixty agencies responded, 9 of which represented a consolidated departmental response. Of the 60 responding agencies, 26 had established an FCIP, 13 were in the process of establishing one, and 21 had not established a program and did not intend to do so.
3. Surveys of career interns and their supervisors.³ To learn more about how the program is working, MSPB selected a random sample of 1,290 Federal career interns from the more than 9,700 career interns hired from FY 2001 through 2003 and sent a survey asking a variety of questions about the FCIP.⁴ In addition, MSPB also surveyed supervisors of these 1,290 career interns. Sixty-seven percent of the interns and 61 percent of supervisors returned their surveys. The survey was conducted in the fall of 2004.

² The CPDF includes data on employees in the executive branch except the Postal Service, the intelligence agencies, and other agencies exempt from personnel reporting requirements.

³ To obtain a copy of the surveys, call (202) 653-6772, ext. 1350; or send an e-mail to studies@mspb.gov or a letter to U.S. Merit Systems Protection Board, Office of Policy and Evaluation, Washington, DC 20419.

⁴ CPDF data for FY 2004 became available to MSPB in April 2005, several months after the survey. For this reason, career interns hired in FY 2004 were not included in this survey.

PROGRAM OVERVIEW

Features of the Federal Career Intern Program

The Federal Career Intern Program is a recruitment, selection, and training and development tool that agencies manage themselves. The purpose of the program is to “attract exceptional individuals to the Federal workforce who have diverse professional experiences, academic training and competencies and prepare them...for careers in analyzing and implementing public programs.”⁵ Participants in the program start their careers as trainees in the excepted service.⁶ Career interns who successfully complete the program and meet all regulatory requirements may be converted and appointed in the competitive service without competition. (See box below for a list of the program’s other main features.)

Features of FCIP

- A 2-year internship in the excepted service;
- Participants can be placed in any occupation in General Schedule (GS) grades 5, 7, or 9 or equivalent; additional grades require approval from OPM;
- Subject to OPM’s qualification standards;
- No public notice of job vacancies is required;
- Competitive service placement assistance programs do not apply [e.g., Interagency Career Transition Assistance Program (ICTAP)];
- Open to any qualified individuals, including current Federal employees;
- Federal employees who have career or career conditional tenure in the competitive service and who fail to successfully complete the program have limited return rights;
- Veterans’ preference applies but agencies have several options on how to apply the rules; and
- Agencies can hire career interns anytime.

⁵ Executive Order 13162, Jul. 6, 2000.

⁶ The executive branch of Government that is governed by 5 U.S.C. is composed of three services: the competitive service, the excepted service, and the Senior Executive Service. Most of the executive branch’s civilian positions are part of the competitive civil service whose positions are filled through competition among applicants under competitive examining procedures administered by OPM. However, some positions (and even all positions in some agencies) are excepted from the competitive service and are not subject to those procedures. In addition, there are positions that would ordinarily be in the competitive service but are in the excepted service while occupied by individuals who are appointed under an excepted appointing authority established by law, the President, or OPM. FCIP positions are this type.

Because the FCIP is new, it is important to clarify key features of the program, which are discussed below and then in greater depth later in this report.

- Formal training and development is the FCIP's major feature. The FCIP can be used to hire qualified individuals in entry-level positions that require training and development to enable the employee to successfully perform the job.⁷ Thus, when supervisors hire a career intern, they are making a commitment—and are required by regulations—to provide formal training and developmental opportunities that will enable that intern to learn and succeed on the job. However, agencies have flexibility in what and how much formal training to provide to career interns.

Agencies may establish or extend internships up to 1 additional year.⁸ Such extensions are appropriate under rare or unusual circumstances, or when needed to give additional training and/or developmental activities to interns. For example, an agency may extend the internship of a career intern who moves to a different position, or one who transfers from one agency to another, to ensure that the intern receives the necessary training and is given the opportunity to learn the new job. Such an extension would also give the supervisor time to assess performance. Extensions are not appropriate, however, to provide additional training to poorly performing interns. If adequate training has been provided and still the intern shows a pattern of poor performance, he or she should be separated promptly.

- Career internships do not guarantee continued Federal employment. The Executive Order that established the FCIP clearly states that the internship does not “confer any rights to further Federal employment in either the competitive service or excepted service upon the expiration of the internship period.”⁹ However, in its final regulations implementing the FCIP, OPM clarified that since the internship permits the noncompetitive conversion to a permanent competitive service job, the appointment is not to be treated as temporary or time-limited.¹⁰ Even so, unless career interns are converted to permanent positions at the end of their internships, their

⁷ In its preamble to the final rule implementing Executive Order 13162, OPM provides clarification as to entry-level positions appropriate for the program. According to OPM, the following are examples of positions that are appropriate for the program: accounting and auditing, engineering, human resources management, information technology, law enforcement, and scientific research.

⁸ Agencies have the authority to extend internships up to 120 days; however, they need OPM approval for extensions beyond 120 days, up to 1 year. Comments some career interns wrote on their survey indicate that some DoD organizations have set 3-year career intern programs.

⁹ Executive Order 13162, sec. 4(b)(3), Jul. 6, 2000.

¹⁰ 70 FR 44219, Aug. 2, 2005.

Federal appointments terminate.¹¹ Hence, a career intern appointment is not a permanent appointment by and of itself; rather, it is a transitory stage towards a permanent appointment gained through the act of conversion. Conversions, therefore, should be deliberate acts that hiring agencies must do before internships end to keep their interns.

Still, career interns get the same pay and benefits as regular Federal employees at the same grade level. They are eligible to receive pay increases and to be promoted while serving their internships. Additionally, the program offers agencies the flexibility to accelerate promotions; that is, if stated in their program plan, agencies need not apply the 1-year time-in-grade requirement when promoting career interns.¹² Hence, interns may be promoted to the next higher grade in less than a year so long as they meet the qualification and other regulatory requirements for that higher grade, making this an appealing program for applicants.

- Career internships serve as the last phase of the assessment process. The entire internship is a time to train and mold individuals, and a time to carefully assess their qualifications and behavior against set standards. Although supervisors cannot expect the same level of proficiency or efficiency from an intern as they would from an experienced journeyman, supervisors can, and should, expect proficiency in training exercises and efficient completion of trainee-level work. The onus is on supervisors to use this time wisely. To fully benefit from internships, supervisors need to proactively make the decision to retain or to terminate, and they need to do so before the end of the internship. However, agencies must be mindful that some career interns already have or have earned employment rights during their internship and must therefore honor these rights when terminating interns.

¹¹ A career intern who held a permanent appointment in the competitive service immediately before entering the FCIP in the same agency and who fails to complete the program for reasons unrelated to misconduct or suitability has limited placement rights. That is, within an agency, the employee shall be placed in a permanent competitive service position with the same grade or pay the employee left to accept the position in the FCIP.

¹² Time-in-grade, the requirement that Federal employees in GS-5 and above positions serve 1 year in grade before being promoted, applies to competitive service employees but not to excepted service employees. However, agencies may choose to apply time-in-grade to their excepted service employees.

- The merit system principles apply when filling positions under the FCIP. Agencies, not the Office of Personnel Management, are the main source of information for jobs that will be filled through the FCIP. Thus, agencies are not required to notify OPM of their job vacancies to be filled through the FCIP or post vacancy announcements for their career internships on USAJOBS, the Government's official repository of job announcements.¹³ This is a departure from the traditional practice of posting vacancy announcements on USAJOBS. Agencies have the flexibility to use any recruiting tools they wish; however, they must adhere to the requirements of the first merit system principle, which states:

*Recruitment should be from qualified individuals from appropriate sources in an endeavor to achieve a workforce from all segments of society, and selection and advancement should be determined solely on the basis of relative ability, knowledge, and skills after fair and open competition which assures that all receive equal opportunity.*¹⁴

Role of OPM

The Office of Personnel Management is responsible for developing appropriate merit-based policy and procedures for recruiting, screening, placing, and continuing training and development of career interns. In addition, OPM has regulatory oversight responsibility for the program. That is, OPM is responsible for ensuring that agencies are using the program as intended and in accordance with OPM's implementing regulations. OPM officials responsible for developing FCIP regulatory guidance informed MSPB in February 2005 that OPM had not yet conducted an overall program review of the FCIP. Instead, OPM had conducted reviews of the FCIP in conjunction with its on-going program management evaluation of individual agencies' human resource management practices and compliance with law and regulations. According to OPM officials, these reviews have found that agencies are using the program consistent with their FCIP plans. However, findings from MSPB's study discussed later in this report suggest that OPM needs to provide more guidance to agencies on how to implement the FCIP¹⁵ and to exercise more fully its oversight role over the FCIP.

¹³ USAJOBS can be accessed through <http://www.usajobs.com>, <http://www.usajobs.gov> or <http://www.usajobs.opm.gov> on the World Wide Web and by telephone at (703) 724-1850 or TDD (978) 461-8404.

¹⁴ 5 U.S.C. § 2301(b)(1).

¹⁵ OPM published its final rule implementing Executive Order 13162 on August 2, 2005. (See 70 FR 44219.)

Role of agencies

Since agencies administer and manage their own FCIP, they must meet certain requirements prior to using the program to hire career interns. Agencies must first establish a program identifying the specific occupational series, grades, and geographical areas where the program will be applied, and design formal training and development program(s) that they will provide to career interns. Departmental agencies have the authority to delegate the responsibility for the program to their bureaus or components, and most have done so. When delegated the authority, the bureaus or components assume responsibility for establishing their own FCIP plans/regulations, and implementing and monitoring their program activities.



THE ROLE OF THE FCIP IN HIRING

The Government uses a variety of methods to hire employees; however, the competitive examining process is the primary or traditional method for filling positions in the competitive service. In addition to competitive examining, agencies may also use the Veterans Employment Opportunity Act (VEOA),¹⁶ direct hire,¹⁷ and the Outstanding Scholar and the Bilingual/Bicultural programs¹⁸ to fill competitive service jobs. In addition, agencies can use certain excepted appointing authorities or programs to fill positions that ordinarily are in the competitive service. While occupied by individuals appointed under an excepted appointing authority or program, these positions are in the excepted service. These excepted appointments serve as alternative entry into the competitive service by providing individuals the possibility of noncompetitive conversion to the competitive service. The FCIP is one of these programs along with the Presidential Management Fellows Program¹⁹ and the Student Career Experience Program.²⁰ Excepted service appointing authorities include the Veterans Recruitment Appointment Authority²¹ and authorities to hire people with mental, physical, or emotional disabilities.

¹⁶ VEOA, enacted in October 1998, gives veterans the opportunity to compete under internal merit promotion procedures that are normally applicable only to Federal employees who have or have had permanent appointments in the competitive service. To be selected, the veteran must be found to be among the best qualified.

¹⁷ Direct hire authority may be used when there is a shortage of applicants or where there is a critical need for certain skills. Direct hire does not require agencies to rate and rank qualified applicants or apply veterans' preference.

¹⁸ The Outstanding Scholar and the Bilingual/Bicultural programs were created in 1981 as part of an agreement under the *Luevano* Consent Decree that settled a lawsuit against the Federal Government. The lawsuit alleged that the Professional and Administrative Careers Examination used at the time to test for more than 100 entry-level professional and administrative occupations had an adverse impact upon Black/African American and Hispanic job applicants. To be eligible for Outstanding Scholar appointment, applicants must have earned a grade point average of 3.50 or above in a 4.0 scale in all undergraduate courses, or be in the top 10 percent of their graduating class. To be eligible for a Bilingual/Bicultural appointment, applicants must pass a Government examination and have Spanish language proficiency or have knowledge of the Hispanic culture.

¹⁹ This program is limited to individuals finishing their professional or graduate-level degrees. To be considered for employment, graduating students must first be nominated by their school officials and then pass OPM's assessment.

²⁰ To be eligible, applicants must be enrolled in high school, college, or graduate school.

²¹ Veterans Recruitment Appointment Authority is an authority to hire veterans within 3 years after being honorably discharged from military service (disabled veterans and veterans who have been awarded a Campaign Badge, Armed Forces Expeditionary Medal or Armed Forces Service Medal have indefinite eligibility) for positions at grade GS-11 or below.

Hiring under FCIP versus competitive examining

What is the difference between the FCIP and the competitive examining in hiring new employees? Both must adhere to the merit system principles, both are open to the public, and both require the application of veterans' preference. Beyond these similarities, the FCIP has fewer procedural requirements compared to competitive examining. That is, the FCIP is exempt from applying the procedural requirements of competitive examining, such as announcing vacancies to the public through USAJOBS, following stringent rating and ranking of applicants' qualifications, and giving priority consideration to current or former Federal employees who will be or have been separated through a reduction in force. Moreover, although required to follow veterans' preference rules, agencies have several options on how to apply these rules as long as preference eligibles are granted preference in referral for selection. Hence, the FCIP offers agencies more flexibility in how they recruit, assess, and select their career interns.

Federal hiring in FY 2001 through FY 2004

In order to put the FCIP into perspective, the Board examined how frequently the different authorities and programs were used to hire employees in FY 2001 through FY 2004.

Appointment straight into the competitive service

For comparison, data in table 1 show appointments to fill professional, administrative, and technical positions at entry-level grades only. Table 1 shows that the bulk of the appointments were through the competitive examining process. In addition to competitive examining, agencies used the VEOA, direct hire, and the Outstanding Scholar and Bilingual/Bicultural programs to appoint new employees straight into the competitive service. Although total hiring (which includes competitive and excepted service appointments) remained virtually the same from FY 2001 through FY 2004, the number of competitive service appointments using these various methods decreased, except for the VEOA.²²

²² Appointments using the Outstanding Scholar Program may further decline as a consequence of the Board's recent *Dean* decision. (See *Dean v. Department of Agriculture*, MSPB Docket No. AT-0330-03-0076-I-1, Opinion and Order (Aug. 5, 2005).) In *Dean*, the Board found that an applicant's veterans' preference rights, who applied and was found qualified under a competitive examining process, were violated when the agency, using the Outstanding Scholar Program, hired an individual with no veterans' preference for a position covered under the *Luevano* Consent Decree.

Table 1. Total accessions by authority or program (full-time non-temporary Professional, Administrative, and Technical positions at the GS-5/6/7/8/9 levels)

Authority or Program	FY 2001	FY 2002	FY 2003	FY 2004
Competitive Examining ^a	18,158	18,626	14,476	11,473
Veterans Employment Opportunity Authority	2,191	2,156	2,334	2,557
Direct Hire	1,046	711	364	433
Outstanding Scholar Program	1,841	1,860	1,506	1,060
Bilingual/Bicultural Program	405	343	456	92
Federal Career Intern Program	423	3,006	6,122	7,017
Presidential Management Fellows Program	308	262	284	256
Veterans Recruitment Appointment	2,466	2,288	1,958	1,943
Student Career Experience Program ^b	50	72	62	79
All Other Appointments ^c	11,692	11,871	12,207	13,365
TOTAL	38,580	41,195	39,769	38,275

^a Includes accessions from OPM's certificates, through agencies' delegated examining authority, and from the use of the Administrative Careers With America (ACWA) written test.

^b Excludes high school students and those in the Student Temporary Employment Program (STEP).

^c Includes all other appointments not listed above—e.g., appointments in the Transportation Security Agency and the Federal Aviation Administration.

Table 2. Percent of total accessions by authority or program (full-time non-temporary Professional and Administrative positions at the GS-5/7/9 levels^a)

Authority or Program	FY 2001	FY 2002	FY 2003	FY 2004
Competitive Examining	48	47	34	26
Veterans Employment Opportunity Authority	5	4	4	5
Direct Hire	4	3	1	1
Outstanding Scholar Program	8	7	6	4
Bilingual/Bicultural Program	2	1	2	< 1
Federal Career Intern Program	1	8	21	28
Presidential Management Fellows Program	1	1	1	1
Veterans Recruitment Appointment	5	5	4	4
Student Career Experience Program ^b	< 1	< 1	< 1	< 1
All Other Appointments	25	24	26	30

^aThe lowest grade level for a professional or administrative job is GS-5. In most instances, the even-numbered grades below GS-12 are not used for these jobs.

^bThe low number of students hired under this program is partly because it requires a bachelor's degree or higher to qualify for grades GS-5 or higher. Most of the students hired under this program are pursuing their undergraduate degrees.

Appointment in the excepted service

Table 1 also shows the number of appointments in the excepted service using the FCIP, Veterans Recruitment Appointment Authority, Presidential Management Fellows Program, and Student Career Experience Program. The number of appointments under excepted hiring authorities remained flat or slightly decreased except for the FCIP, which dramatically increased from a little over 400 in FY 2001 to more than 7,000 in FY 2004.

A closer review of occupations filled through the FCIP and all other hiring methods shows that agencies' hiring strategies have shifted towards the FCIP, especially when filling entry-level professional and administrative positions (table 2). This increase could be attributed simply to agencies' starting to implement and use the FCIP once it became available, or may be the result of supervisors finding that the FCIP is relatively quick and easy to use when hiring career interns.

Any preference for the FCIP is understandable: Not only does it have fewer procedural requirements than competitive examining, but it also has fewer eligibility requirements than other programs. For example, the FCIP is open to any qualified applicants much like competitive examining but unlike the Presidential Management Fellows Program, does not require a master's or other higher level education. Similarly, the Outstanding Scholar Program requires a 3.5 or higher grade point average, while the Bilingual or Bicultural Program requires proficiency in Spanish or knowledge of Hispanic culture, and the Student Career Experience Program requires one to be a student. Given the lack of restrictions on eligibility, the FCIP provides agencies the opportunity to look more broadly when recruiting for entry-level employees.

It appears that the FCIP is becoming the hiring method of choice, as this comment from a supervisor suggests: "Best program ever developed. The only way to hire." The FCIP's convenience and ease of use has the potential to supplant the competitive examining process—which is viewed as complicated and time consuming—as the primary means of entry to the competitive service. However, because the FCIP has few eligibility and procedural requirements, agencies must be extremely mindful and observant of the merit principles and the rules of equal opportunity and veterans' preference when using the FCIP. Otherwise, agencies could unwittingly violate these principles and rules.

PROGRAM IMPLEMENTATION

Some agencies developed, established, and implemented their career intern programs soon after OPM published its interim regulations in December 2000. Data from the Central Personnel Data File show that 11 agencies started using the program in FY 2001. By FY 2004, the number of agencies using the FCIP had almost tripled to 29. This number is likely to increase. Thirteen agencies responding to MSPB's questionnaire in early 2004 indicated that they were in the process of establishing their FCIP; some may already have done so by the time of this report.

Agencies using the program

From FY 2001 through FY 2004, the top 10 users of the FCIP hired 92 percent of all career interns. They were the Departments of the Army, Homeland Security, the Treasury (mostly the Customs Service while still part of Treasury), Defense, the Navy, Agriculture, the Air Force, and Veterans Affairs, plus the Social Security Administration (SSA) and the General Services Administration. During this 4-year period, SSA hired about 31 percent of all career interns, followed by Army with 14 percent. Close behind was Homeland Security at 13 percent, almost all of whose hires were in the Bureau of Customs and Border Protection. Appendix A lists the agencies and the total number of career interns agencies hired from FY 2001 through FY 2004.

Occupations and grades

The FCIP can be used to hire trainees in any occupations, but as can be seen in table 3, the program is generally used to hire in professional, administrative, and technical occupations.

Table 3. Percent of FCIP hires by occupational groups

Occupational Group	FY 2001	FY 2002	FY 2003	FY 2004
Professional	5	29	33	40
Administrative	32	41	51	50
Technical	58	30	16	9
Clerical	2	< 1	< 1	< 1
Other White-Collar	3	< 1	< 1	1

Career Interns were hired in 18 different pay plans, but most (96 percent) were in the General Schedule (GS) or similar pay plans. Generally, agencies hired career interns at the GS-5, 7, and 9 levels. But as table 4 shows, agencies tended to hire most frequently at the GS-7 level.

Table 4. Grade distribution of career interns, FY 2001-FY 2004	
GS Grade	Percent
GS-5	29
GS-7	52
GS-9	15
All other	4

Career interns were placed in 194 different occupational series. As is reflective of the jobs commonly found in the top 10 users of the program, almost 70 percent of all career interns were placed in the following top 10 occupations in descending order (the last 2 were tied in 10th place):

- Customs Inspector, GS-1890
- Contact Representative, GS-962
- Social Insurance Specialist, GS-105
- Auditor, GS-511
- Electrical Engineer, GS-855
- Contract Specialist, GS-1102
- Mechanical Engineer, GS-830
- General Legal, GS-901
- Information Technology, GS-2210
- Veterans Claims Examiner, GS-996
- Program Analyst, GS-343

Demographics

Considering career interns entering professional, administrative, and technical positions only, career interns have an average age of 30 years. Fifty-three percent of career interns were men and 47 percent were women. Most career interns were new in the civil service with 80 percent having had no prior service. About 7 percent had veterans' preference.

Table 5 shows the race or national origin composition of career interns. Overall, 36 percent of career interns were minorities. However, as table 5 also shows, the Social Security Administration was much more successful in hiring minorities through the FCIP than other agencies, especially in the hiring of Hispanic and Black/African American career interns.

Table 5. Percent of career interns by race or national origin (RNO), FY 2001-FY 2004

RNO	Total	SSA	Non-SSA
Asian/Pacific Islander	8	11	7
Black/African American	15	25	10
Hispanic	13	21	9
Native American	1	2	1
White	64	42	74

Note: Will not total 100 because of rounding.

Quality of Career interns

Career interns are a highly educated group. During the 4-year study period, 61 percent of career interns hired had bachelor's degrees, while an additional 13 percent had master's or higher degrees.

Responding supervisors also appear to regard the quality of their career interns highly. A large majority of supervisors (80 percent) rated their interns' overall quality as excellent (45 percent) or above average (35 percent). A mere 4 percent rated their interns marginal or poor. It is not surprising, therefore, that 92 percent of supervisors were satisfied with the quality of work of their career interns, and almost all (99 percent) indicated that they had converted their career interns who completed the program. When asked how likely they would be to use the FCIP again to hire new employees, 81 percent indicated they were very likely (66 percent) or likely (15 percent) to again use the program. A mere 2 percent indicated that they were not likely to use the program again.

Timeliness of the hiring process

Timeliness of the hiring process is a measure of staffing speed and one of the concerns of selecting officials and job applicants. In 2003, the General Accounting Office (now called the Government Accountability Office) reported that HR directors thought it took too long to fill a vacancy through the competitive examining process. HR directors identified the cumbersomeness of the competitive examining process as one cause of delay in filling jobs.²³ The FCIP was established partly to enable agencies to fill their jobs quickly by exempting the FCIP from certain regulatory and procedural requirements in competitive examining, which we discuss in more detail later in this report.

What do supervisors and career interns think is a reasonable time to hire an intern? As table 6 shows, an overwhelming majority of responding supervisors thought 2 months or less from the date interns apply for the internship to the date they report for work to be reasonable. Although many supervisors still found 3 to 4 months wait time as reasonable, the percentage dropped to 69 percent, and dropped further to less than 50 percent beyond 4 months. As expected, the perception of reasonableness of time to hire varied between supervisors and career interns. Table 6 indicates that much like their supervisors, a majority of career interns thought 2 months or less from the time they applied to the time they reported to work to be reasonable. But, unlike their supervisors, career interns were less inclined to think the time of 3 months or longer to be reasonable.

Table 6. Percent of supervisors and interns indicating reasonableness of time to hire

Time from job application to reporting to work	Percent of supervisors who thought time is reasonable	Percent of interns who thought time is reasonable
< 1 month	98	97
1-2 months	93	83
3-4 months	69	55
5-6 months	46	42
6 months or more	48	30

²³ U.S. General Accounting Office, "Opportunities to Improve Executive Agencies' Hiring Processes," GAO-03-450, Washington, DC, May 2003, p. 11.

How does the FCIP conform to these expectations? Responses from supervisors who were involved in recruiting career interns (71 percent of all responding supervisors) suggest that hiring under the FCIP can be done quickly. Of the supervisors involved in recruiting, 64 percent indicated it took 2 months or less to hire their interns. An additional 27 percent of these supervisors said it took them 3 to 4 months and 9 percent took them 5 months or more.

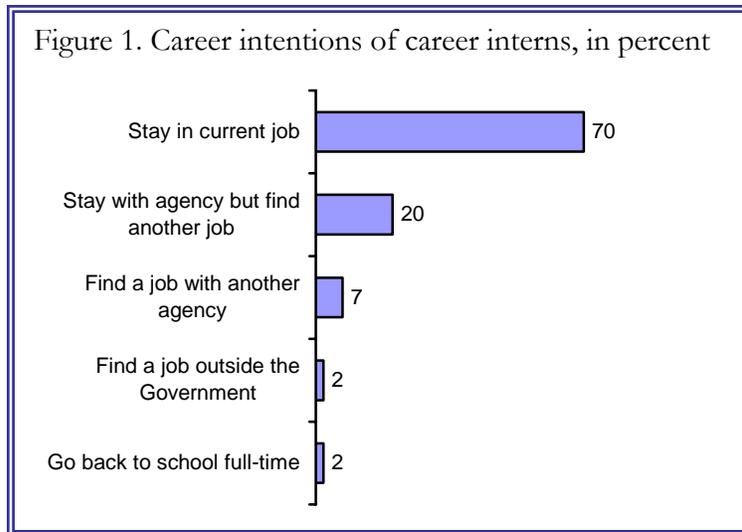
Generally, Social Security Administration supervisors hired their interns the most quickly, with 77 percent waiting 2 months or less for their career interns to report to work. On the other hand, 76 percent of the Department of Homeland Security (DHS) supervisors waited 5 months or more for their interns. DHS supervisors had to wait longer because their career interns were required to obtain security clearances and pass physical examinations prior to reporting to work. These pre-employment requirements are not FCIP requirements but pre-employment requirements for customs and border protection jobs. As the Board found in its study of job search experiences of new hires, pre-appointment requirements, such as background checks or security clearances, can significantly add to the lag between job offer and reporting for work.²⁴

Supervisors' impact

Impact on career interns' intention to stay

Most career interns intended to stay in their current jobs or stay federally employed at least for the year following MSPB's survey. When asked what their career intentions were for the next year based on their experience thus far, the majority of career interns (70 percent) indicated they would stay in their current job (fig. 1). An additional quarter intended to stay in Federal service but in a different job. A small percentage of career interns intended to find a job outside the Government or go back to school full-time.

²⁴ U.S. Merit Systems Protection Board, "Competing for Federal Jobs: Job Search Experiences of New Hires," Washington, DC, February 2000, p. 11.



Not surprisingly, their supervisors and their working environment appear to influence interns' career intentions. For example, career interns who said they intended to stay in their current jobs were more likely to agree than those who planned to leave their current jobs that they were given work assignments that helped them succeed in their jobs or that they are satisfied with their work assignments. Furthermore, career interns who intended to stay in their current jobs were more likely to agree that they were treated with respect in their workplace or that their supervisors looked out for their welfare or took time to help them succeed (table 7).

The high percentage of career interns planning to stay with the Government is an encouraging finding. Research that the Corporate Leadership Council (CLC) has conducted on employee engagement in private sector companies and a few public organizations found that employees who are dissatisfied with their supervisors are more likely to express intent to leave. This is especially true of high-value employees (i.e., employees who are in the top 20-25 percent in terms of performance), who are the first to leave when the quality of their supervision is unsatisfactory.²⁵ For the Government to lose a high percentage of its career interns would be unfortunate since turnover is costly. Not only would agencies be unable to recoup their recruitment costs, but more importantly, they would not realize productivity gains that may have occurred as a result of the training and development they provided to the career interns who left.

²⁵ Corporate Leadership Council, "Employee Retention: New Tools for Managing Workforce Stability and Engagement," Corporate Executive Board, Washington, DC, 1998, pp. 134-135.

Table 7. Percent of career interns who intended to stay or to leave their current jobs and who agreed to the following statements, FY 2001-FY 2003

Statement	Stay in current job (n=575)	Stay with agency but look for another job (n=161)	Look for a job in another agency (n=53)	Find a job outside Government (n=20)	Go back to school full time (n=15)
My work assignments as an intern will help/have helped me succeed in my job.	93	80	66	40	60
In general, I am treated with respect in my work unit.	92	82	60	68	80
In general, I am satisfied with the work assignments given to me as an intern.	90	69	62	45	73
In general, my work assignments as an intern have made good use of my knowledge, skills, and abilities.	84	66	53	30	27
My supervisor looks out for my personal welfare.	81	66	35	45	73
My supervisor takes time to help me succeed in my internship.	81	67	35	35	53

Informing career interns of agency expectations

Supervisors have the primary responsibility to communicate agency expectations to career interns. And it appears that generally they do this. When asked whether they have informed their interns about the standards of performance required for conversion to permanent appointment, 91 percent of supervisors agreed that they have. In addition, 97 percent of supervisors said they have communicated what they expected for satisfactory performance. These responses are largely supported by a majority of interns: 85 percent agreed that their supervisors had informed them of what was expected from them on the job. Only 5 percent disagreed that they were informed. Again, these findings are encouraging. CLC also found that when employees clearly understand performance goals and expectations, they are much more productive and more willing to go above and beyond what's expected of them.²⁶ It is, therefore, important that all supervisors clearly communicate expectations to their career interns to help ensure that the interns are productive in their jobs.

²⁶ Corporate Leadership Council, "Driving Performance and Retention Through Employee Engagement," Corporate Executive Board, Washington, DC, 2004, pp. 41a-41b.



RECRUITING CAREER INTERNS

Recruiting is an ongoing process of attracting quality applicants. It is not limited to filling current vacancies but, rather, is a “long-term investment in attracting a high-quality workforce....”²⁷ The Government needs efficient and effective recruiting strategies in order to compete for talent with the private sector. Recruiting strategies can include paid advertising (electronic, radio, or print), job fairs at schools and community events, for-fee recruiting agencies, alumni associations and membership organizations, and posting vacancy announcements on USAJOBS, agency web sites or bulletin boards. To have an effective recruiting strategy, it is advisable that agencies use a variety of tools to attract a high-quality, diverse applicant pool. Reliance on fewer tools could potentially disenfranchise certain groups of applicants, a situation that contravenes the Government’s merit values of fair and open competition.

Public notice

Public notice is only one part of recruiting, but the primary way in which the Government adheres to the merit principle of fair and open competition. Public notice is a statutory requirement when filling jobs through the competitive examining process; the statute requires agencies to notify OPM of these vacancies and to post vacancy announcements on USAJOBS.²⁸

Because the FCIP is exempted from the competitive examining process, and because the FCIP is an agency-administered program, public notice through USAJOBS is not required to fill FCIP jobs. However, agencies may elect to use this method and some agencies do. Although exempt from the public notice requirements of competitive examining, agencies are not exempt from the first merit principle that requires them to recruit qualified individuals from all segments of society and to select based on merit after fair and open competition. Hence, agencies must still ensure that job seekers can find the information about jobs they intend to fill through the FCIP; they are just not required to do so through OPM or USAJOBS.

Recruiting methods agencies use

Responses to the agency questionnaire suggest that campus visits and career fairs are the preferred recruiting methods agencies use to fill FCIP jobs. When

²⁷ U.S. Merit Systems Protection Board, “Managing Federal Recruitment: Issues, Insights, and Illustrations,” Washington, DC, September 2004.

²⁸ 5 U.S.C. § 3327 and 3330.

agencies were asked what their 3 best recruiting methods were for attracting high-quality applicants to their FCIP, 9 out of 10 agencies selected campus visits and job or career fairs as the top 2 methods; a distant third was posting vacancy announcements on USAJOBS, selected by 4 out of 10 agencies. Job fairs and career fairs are events not held solely on campus and, therefore, if held outside campus may attract a broader audience. However, informational materials the Board obtained from agencies' web sites indicate that agencies often use the FCIP "as a campus recruiting program." OPM also encourages agencies to use the FCIP, along with other student employment programs such as the Student Career Experience Program, to compete on campus.²⁹ Clearly, job/career fairs are more likely held during campus visits and are agencies' recruiting methods of choice for the FCIP.

Why the preference for campus visits and job/career fairs? One advantage agencies mentioned is that these methods enable them to target schools with a more diverse student body. They also found career fairs to be more conducive to face-to-face interaction with applicants, enabling recruiters and applicants to discuss the job in detail.

There is no question that campus visits and career fairs are effective recruiting methods. Even so, preference and reliance on these methods can potentially preclude from consideration other groups of qualified individuals, such as those who are not pursuing college degrees or who have already graduated. Without intending to, such targeted recruiting practices can create at least an appearance of preferential treatment towards persons holding degrees from certain colleges or universities. Furthermore, by limiting their recruiting strategy, agencies could miss high-quality candidates who could have applied had agencies recruited using a variety of sources. In an illustrative example to demonstrate their method for assessing recruitment effectiveness, three researchers found that even when applicants are drawn for similarly titled positions (associate engineer) from the same narrow applicant population (students from a southeastern university), differences in the quality of applicants can be substantial.³⁰ Thus, although campus visits and career fairs may have been effective in the past, they will not guarantee high-quality selection every time. In addition, the practice of limiting their recruitment source runs counter to the first merit principle that requires agencies to recruit "from all segments of society." It is, therefore, important that agencies have other avenues open to enable applicants who cannot be reached through campus visits or career fairs to apply and receive consideration for career internships.

²⁹ Kay Coles James, U.S. Office of Personnel Management director's memorandum for Chief Human Capital Officers on "Ten Things You Can Do To Improve Federal Hiring," Feb. 10, 2004.

³⁰ Kevin D. Carlson, Mary L. Connerley, and Ross L. Mecham III, "Recruitment Evaluation: The Case for Assessing the Quality of Applicants Attracted," *Personnel Psychology*, 2002, vol. 55, Iss. 2, pp. 461-490.

Transparency of the hiring process

Applying for Federal jobs, including those in the FCIP, requires transparency in the hiring process. Potential applicants must have ready access to information about when, where, and how to apply for internships, and the basis on which they will be assessed. Responses to MSPB's surveys indicate, however, that information about agencies' FCIP may be limited and not easily found. A quarter of career interns did not agree that information about their agency's intern program could easily be found by anyone interested in it. The Board also found that information about the FCIP on agencies' web sites varies from agency to agency: from comprehensive, to broad and vague, to nothing. And although agencies can hire interns at any time, not all agencies—including those that have previously used the program—have information or instructions on how to apply for career internships posted on their web sites.

For agencies to meet the requirements of the first merit principle of fair and open competition, potential applicants need to have the opportunity to learn about planned recruiting activities. If agencies fail to provide easily accessible information about their recruiting activities, hiring could become a closed system where agencies can literally handpick the people who they want to recruit and limit those who can apply. This clearly was not the intent when agencies were given the flexibility in methods of recruiting for career interns.

Furthermore, information about the job and conditions of employment has to be clearly communicated during recruitment through the time of the job offer and the time of bringing the intern on board to enable job seekers to make informed decisions regarding whether to pursue or accept the internship. Otherwise, agencies may make hiring decisions that result in interns accepting job offers and reporting to work with limited or inaccurate knowledge of what they are getting into, as the following comments from some interns suggest:

I honestly wasn't aware when I first started that I was hired under the FCIP. It wasn't until I received this survey that I began to research my current career status. [Career Intern]

I had no idea I was an intern. The job description that I looked at mentioned a 1-year probation period and not as an intern. When I completed all the documents necessary to join the agency, I signed the internship agreement without fully understanding it. [Career Intern]

These comments show that at least some agencies need to do much better at making their FCIP hiring process transparent and easily understandable. Because agencies have a variety of hiring authorities they can use, it is only fair that applicants be informed of the nature of their employment beyond the title, grade, duties, benefits, and salary of the job. Information about the terms and conditions of employment is necessary because different hiring authorities have varying conditions of employment even for the same type of job, such as the length of the probationary or trial period, or the fact that participation in the FCIP does not guarantee further employment in the civil service upon the expiration of the internship.

Complying with the principle of fair and open competition

As stated, the FCIP gives agencies great flexibility in how they recruit career interns. Notably, the FCIP does not require public notice—the traditional means of assuring that the process for filling Federal jobs is fair, open, and transparent. However, agencies must still comply with merit system principles of *recruitment from all segments of society and selection after fair and open competition* when hiring career interns.

For this reason, agencies must consider carefully (1) how they will use the FCIP to fill jobs and (2) how they will recruit and select employees under the FCIP. The Board cautions agencies against practices—such as using the FCIP as the sole or primary means of filling a particular type of job, combined with heavy reliance on recruiting methods that restrict the pool of applicants—that have the cumulative effect of limiting citizens’ access to job opportunities.³¹ The Board is concerned that such practices, although technically compliant with formal FCIP requirements, could make the hiring of career interns too restrictive if they become standard practice. The FCIP does enable agencies to recruit at specific sites or from targeted groups to meet their unique workforce needs, but it is not to be used to create a “closed” system of employment where only favored groups or individuals can be considered for and appointed to Federal jobs. The public interest is better served if agencies target competencies that they need and develop recruiting strategies that will attract a diverse pool of applicants with the requisite competencies.

³¹ The caution also applies to appointing authorities, such as the Outstanding Scholar Program, that limit eligibility to a particular group or that allow agencies to relax or eliminate substantive elements of the competitive examining process. Exceptions to fair and open competition that are legitimate and reasonable on a selective basis are problematic if they become standard practice.

ASSESSING AND SELECTING CAREER INTERNS

Personnel assessment is a systematic approach to gathering information about individuals in order to make employment decisions.³² It is a good business practice for agencies to assess applicants' qualifications before selection to ensure that they find career interns who have the potential to perform at the journeyman or full performance level (the target grade) of the job. Well-developed assessment instruments are the most valuable tools agencies can have at their disposal to ensure that they hire the right employees.

Rating qualifications

When evaluating qualifications of applicants for career internships, agencies are required to follow OPM's implementing regulations applicable to employment in the excepted service.³³ Unlike in the competitive examining process, the FCIP allows agencies flexibility in rating and ranking applicants. In competitive examining, agencies must either assign numerical ratings to rank applicants or place applicants in quality groupings or categories. Such rating and ranking generally are done after the public notice has ended or at a specified cut-off date.

In contrast, agencies may evaluate the qualifications of applicants for career intern positions at any time before an appointment is made. When all qualified applicants will be offered immediate appointment, agencies are not required to assign numerical ratings. In this situation, the evaluation involves only basic eligibility, and eligible candidates can be referred for selection while observing veterans' preference rules. As a result, it may be possible for certain career interns to be selected with no more than a cursory or minimal assessment of their qualifications. When there is an "excessive number of applicants," agencies may assign numerical ratings only for a sufficient number of the highest qualified applicants to meet anticipated needs within a reasonable period of time while, again, observing veterans' preference rules.³⁴ But if agencies do not assign numerical ratings to all candidates, or at least all qualified applicants, agencies will not know for sure who the "highest qualified" applicants are. It is this exemption from the stringent rating and ranking process that requires career interns to be given excepted appointments

³² Department of Labor, "Testing and Assessment: An Employer's Guide to Good Practices," Washington, DC, 2000, p. 1-1.

³³ 5 C.F.R. 302.

³⁴ 5 C.F.R. 302.302.

and that makes it crucial for supervisors to carefully assess their career interns' performance and suitability against set standards.

Assessment tools agencies use

Agencies may use a variety of tools to assess applicants, including written tests, interviews, training and experience ratings, assessment centers, and performance tests. The Uniform Guidelines on Employee Selection Procedures, which provides the framework for employee selection, requires that assessment tools be valid (i.e., measure the competencies appropriate for the job to be filled) and reliable (i.e., consistent or stable in measuring a person's competence over time) and be unbiased and fair to all applicants.³⁵ It must be acknowledged that there is no one assessment tool that is completely accurate in measuring individual characteristics or predicting future performance. Still, appropriate use of professionally developed assessment tools generally will enable agencies to make better selections than if selections are made without the benefit of such tools. Agencies can improve overall assessment weaknesses by not relying on one assessment tool but instead using a combination of tools or a multiple hurdle approach to get an even more valid and reliable measure of applicants' competencies.

Based on responses to the questionnaire, the most common tools agencies use to assess applicants for internships are: job interviews, ratings of training and experience, recommendations, and grade point average (GPA).

Interviews

A job interview is a meeting between an employer and an applicant to determine the applicant's fitness for the job. In a report on the use of job interviews, the Board pointed out that a structured interview is much better than an unstructured interview for assessing applicants' qualifications.³⁶ If developed and conducted properly, the structured interview has the highest validity and reliability of all the instruments agencies typically use. For structured interviews to be effective in assessing FCIP applicants, interview questions should not focus on past job performance but on potential. Agencies must remember that they are interviewing for jobs that may not require experience but rather the ability to learn a job. Thus, questions pertaining to specific job knowledge and the application of that knowledge may not be appropriate since inexperienced but high-potential applicants could be unduly eliminated from internships.

³⁵ U.S. Equal Employment Opportunity Commission, Civil Service Commission, Department of Labor, and Department of Justice, "Uniform Guidelines on Employee Selection Procedures," Washington, DC, 1978.

³⁶ U.S. Merit Systems Protection Board, "The Federal Selection Interview: Unrealized Potential," Washington, DC, February 2003, pp. 13-18.

Training and experience rating

The training and experience rating method (T&E) is one of the most common assessment methods used in the Government.³⁷ T&E ratings are developed by determining what knowledge, skills, abilities, and other characteristics (KSAO's) are required to successfully perform the job. Applicants are then asked to describe their work accomplishments related to the KSAO's.

The use of T&E is based on the premise that past performance is the best predictor of future performance. Applicants are rated against the KSAO's using rating schedules (or crediting plans) that assign points for work experience or training related to the job. If well developed, T&E can be an effective assessment tool. But the Board's study on assessment tools showed that many T&E rating schedules are poorly developed (e.g., rating levels are ill-defined or unclear) or not clearly tied to behavioral benchmarks and, therefore, not particularly effective tools in making distinctions among applicants.³⁸ This approach is also not an effective assessment tool for entry-level positions because it puts too much emphasis on experience, which many applicants for internships may lack. Agencies can compensate for T&E's weaknesses by combining it with another assessment tool, such as a written test or structured interview.

Grade point average

Grade point average is a measure of academic achievement and a popular measure to use for entry-level jobs. However, studies have found that undergraduate GPA has only a minimal relationship with job success.³⁹ As one supervisor told us, its use could result in the hiring of career interns who have "outstanding GPA's but do not have the skills required to work and communicate with clientele." Additionally, its limited utility is further restricted to only those instances where the applicant's program of study is directly related to the requirements of the position to be filled. For these reasons, GPA is too limited in its ability to predict job success to be a useful tool in assessing applicants for the FCIP.

In addition to its poor validity and reliability, agencies should be aware of GPA's potential adverse impact. Studies have found that cumulative GPA increases as students progress through college; however, this is more pronounced among whites than among blacks. Cumulative GPA's of whites tend to rise in their senior year, while GPAs of blacks remain fairly stable.⁴⁰

³⁷ U.S. Merit Systems Protection Board, "Assessing Federal Job Seekers in a Delegated Examining Environment," Washington, DC, December 2001, pp. 27-29.

³⁸ Ibid.

³⁹ Philip L. Roth, Craig A. BeVier, Fred S. Switzer III, and Jeffery S. Shippman, "Meta-Analyzing the Relationship Between Grades and Job Performance," *Journal of Applied Psychology*, American Psychological Association, October 1996, pp. 548-556.

⁴⁰ Philip L. Roth and Philip Bobko, "College Grade Point Average as a Personnel Selection Device: Ethnic Group Differences and Potential Adverse Impact," *Journal of Applied Psychology*, vol. 85, No. 3, June 2000, pp. 399-406.

Thus, if GPA is used alone, it is highly likely that some black applicants might be inappropriately screened out of the selection process. To ensure that this does not happen, GPA should be used with care and only in combination with other more valid and reliable assessment tools. The Board counsels agencies not to use GPA to screen out FCIP applicants or as the primary assessment instrument for selection.

Recommendations

Recommendations, which are often provided through written letters, are means to verify application information or to vouch for the character or performance of applicants. The value of recommendations as an assessment tool increases when they are turned into reference checks that solicit information beyond that normally provided in letters of recommendation. If additional information is not solicited, recommendations have very limited value as assessment tools because they are often vague and not directly related to the requirements of the job to be filled.

In a 1999 MSPB study of the Presidential Management Interns (PMI) Program (now called the Presidential Management Fellows Program), the Board found that graduate schools used recommendations from professors as an assessment tool in their PMI nomination process.⁴¹ When asked what they thought of the competitiveness of recommendations in their schools' nomination process, a majority of PMI's did not think of recommendations as competitive at all. PMI's indicated that students interested in the program tend to approach only those professors who are likely to give positive recommendations. Hence, in their view, the value of recommendations is diminished and not wholly credible as a basis for nominating students for the PMI program. While reference checks can provide useful information, the Board cautions agencies against using traditional letters of recommendation as part of the selection process. In fact, the use of recommendations could constitute a prohibited personnel practice if agencies consider recommendations based on information other than the provider's personal knowledge or records of job-related abilities or characteristics.⁴²

ACWA Self-Rating Schedule

Many of the GS-5 and 7 entry-level jobs that can be filled through the FCIP are covered under the *Luevano* Consent Decree.⁴³ To abide by the Consent Decree, OPM developed the Administrative Careers With America (ACWA) written test. The ACWA written test consists of two parts: a job-related

⁴¹ U.S. Merit Systems Protection Board, "Growing Leaders: The Presidential Management Intern Program," Washington, DC, August 2001, pp. 17-18.

⁴² 5 U.S.C. § 2302.

⁴³ See footnote 18 for a brief explanation of the *Luevano* Consent Decree.

abilities test and an individual achievement record (IAR).⁴⁴ OPM also developed a self-rating instrument, commonly called the Occupational Questionnaire. This self-rating questionnaire expanded the IAR and is composed of more than 150 questions that make distinctions among qualified applicants based on their education and life or work experiences.

Agency responses to MSPB's survey indicated that the ACWA self-rating schedule is a barrier to using the FCIP to fill ACWA-type jobs at the GS-5 and 7 levels.⁴⁵ When filling such jobs, agencies do not have flexibility in deciding how to rate and rank applicants. Because the Occupational Questionnaire results in numerical ratings, agencies have to use the Rule of Three or a category rating type of method when referring applicants for selection.⁴⁶

The perceived limitation of the Occupational Questionnaire as an assessment tool is not an FCIP shortcoming. Nevertheless, perhaps because of concerns about the questionnaire, agencies appear to be moving away from hiring career interns in ACWA-type jobs at the GS-5 and 7 levels. Instead, agencies are hiring more at the GS-9 level for these types of jobs, the level where the Consent Decree requirements do not apply. In FY 2001, the percentage of career interns hired at the GS-9 level for ACWA-type jobs was 5 percent. This had more than doubled to 12 percent by FY 2004. If agencies are hiring at the higher grade to escape the use of the ACWA assessment tool, this strategy could be costly. In most instances, it is more economical and makes more sense to assess an applicant as carefully as possible and then hire the person as a trainee at the lower level.

The Board understands agencies' concerns about the use of the Occupational Questionnaire to assess applicants for internships. The questionnaire covers topics that range from academic accomplishments to unpaid and paid work experiences in a wide range of occupational fields. The levels of accomplishments also range from beginner to expert level. For entry-level positions, many of the questions concern accomplishments beyond what someone fresh out of college, or one with limited work experience, is likely to have accomplished.

⁴⁴ The ACWA written test was abandoned in 1994 partly because of the move to delegate examining to agencies and partly because of a slowdown in Federal hiring. The ACWA written test, however, remains in OPM's inventory of assessment tools if agencies want to use it.

⁴⁵ There are more than 100 occupations covered under ACWA, which are grouped into seven major occupations: health, safety, and environmental occupations; writing and public information; business, finance and management; personnel, administration and computer occupations; benefits, review, tax and legal occupations; law enforcement and investigation; and positions with positive education requirements. For a list of ACWA-covered occupations, go to http://www.opm.gov/deu/Handbook_2003/DEOH-Appendix-4.asp.

⁴⁶ The Rule of Three limits hiring consideration to the three candidates with the highest numerical scores, except that veterans with compensable disability float to the top so long as they meet minimum qualifications for the job. Category rating is a method of rating that allows candidates to be grouped in two or more categories instead of ranked by numerical scores. All candidates within a group are treated as equally qualified. Veterans' preference rules continue to apply in category rating.

Part of an ACWA Occupational Questionnaire for a Management Analyst, GS-0343-7

18. Have you successfully taught a writing course or worked as a professional journalist, editor, or writer?
19. Have you received a grade of B or above on a class project that required working in a group?
20. Have you taken the initiative to learn new skills or acquire additional knowledge that improved your performance at work or school, or in leisure activities?
21. Have you successfully written reports that presented facts, findings, logical conclusions, and persuasive arguments (for example, wrote a thesis, briefing papers, policy papers, complex research papers, etc.)?
22. Have you successfully done work that regularly involved planning, prioritizing, scheduling, and monitoring work for 10 or more people?
23. Have you successfully planned an event such as a conference, fund-raiser, etc.?
24. Have you completed assignments on time and maintained an overall grade point average of (3.0) or higher on a (4.0) scale in post-high school courses while carrying a full course load?
25. Have you successfully prepared a budget for an office, department, or organization?
26. Have you developed a formal mechanism to learn more about a problem (for example, developed a survey, conducted interviews or focus groups, etc.)?
27. Have you successfully done work that regularly involved listening carefully to others to understand a need, problem, or situation (for example, investigative work, counseling, etc.)?
28. Have you written a play, script, or novel that was sold, published, or produced?

For example, some of the questions (see box above), taken from an announcement for a Management Analyst, GS-7, asked about having taught a writing course or worked as a professional journalist, editor, or writer. It is appropriate to ask applicants for this job about their writing ability: as management analysts they would be required to prepare written reports. However, it is highly unlikely that applicants who just graduated from college would have this level of experience. It is also possible that some applicants, after reading the list of questions, would feel discouraged not knowing how the items would be scored, and decide not to apply although they may have the competencies required to do the job well.

Furthermore, since the ACWA is a self-rating instrument, asking applicants to rate their knowledge, skills, and abilities for employment purposes can be problematic. Some applicants can, intentionally or unintentionally, inflate their ratings while others may rate themselves down. Studies have found that differences in self-ratings of general abilities and skills exist among men and women, with women tending to underestimate their skills and abilities more frequently than men.⁴⁷ Because of these obvious shortcomings, the utility of ACWA Occupational Questionnaire is debatable. Moreover, the reliance on this means of assessing applicants may preclude the use of much better assessment tools, which can assist agencies in making better personnel

⁴⁷ Jane L. Swanson and Suzanne H. Lease, "Gender Differences in Self-Ratings of Abilities and Skills," *Career Development Quarterly*, vol. 38, Iss. 4, June 1990.

selections. In the past, the Board has recommended that agencies encourage and cooperate with OPM in its efforts to develop valid applicant assessment tools,⁴⁸ a recommendation that the Board reiterates here. In addition, the Board, on numerous occasions, has recommended to OPM to develop and promote the use of better assessment tools and ensure that agencies have access to such tools.⁴⁹

Complying with the principle of selection based on relative ability

The first merit principle also requires that *selection be determined solely on the basis of relative ability, knowledge, and skills*. Selections based on merit can be accomplished by assessing candidates' qualifications to do the job. The Board reiterates that no assessment tool can guarantee that it will result in a perfect selection every time. However, using multiple hurdles or combining assessment tools can improve the value of assessment tools, and the FCIP provides agencies an ideal situation in which to accomplish this.

The FCIP gives agencies multiple opportunities to ensure that their assessment process results in good selections. First, agencies can use rigorous assessments to select individuals for the program. Building on that, the internship itself serves as a period during which agencies can strengthen or correct for weaknesses in the initial assessment. Career internships are job tryouts for entry-level employees with no prior work experience. During this period, interns' performance is observed and evaluated against previously set standards. Studies have found that job tryouts, if used appropriately—i.e., for observing and evaluating performance on the job and terminating those not meeting previously established standards for satisfactory performance—have substantial value in predicting future performance.⁵⁰ Therefore, it is essential for agencies to ensure that their supervisors recognize and embrace the important role the internship plays in the assessment process.

⁴⁸ U.S. Merit Systems Protection Board, "Assessing Federal Job Seekers in a Delegated Examining Environment," p. 39.

⁴⁹ See, for example, MSPB reports, "Making the Public Service Work: Recommendations for Change," Sep. 3, 2002, and "Entering Professional Positions in the Federal Government," March 1994.

⁵⁰ Frank L. Schmidt and John E. Hunter, "The Validity and Utility of Selection Methods in Personnel Psychology: Practical and Theoretical Implications of 85 Years of Research Findings," *Psychological Bulletin*, The American Psychological Association, Inc., vol. 124, No. 2, 1998, pp. 262-274.



CONVERTING CAREER INTERNS

Converting career interns is the final decision that supervisors must make before the internship ends. This decision to convert is one of the most important decisions supervisors have to make and should be made with great care and thought because of its long-term impact on the Government. The decision to convert should be based not only on the successful completion of the program, but more importantly, on the determination that the career intern meets all qualification, suitability, and performance requirements. Hence, conversions of career interns to competitive service appointments require some affirmative action on the part of the hiring agency. That is, agencies must generate an official personnel action to convert interns from the excepted service to the competitive service.

Career internship as a trial period

Excepted service appointments that are made with the intent of converting the employee to an appointment in the competitive service are served initially under a probationary or trial period.⁵¹ Thus, career interns who have had no prior creditable service serve a trial period, which is comparable to the probationary period for competitive service employees, a topic of a recent MSPB report.⁵² If agencies use pre-hire assessment tools of limited utility, the trial period is the last opportunity they have to correct or strengthen their assessment process. Supervisors, therefore, have a responsibility during this period as stewards of the Federal civil service to ensure that only those who are fully fit and qualified for duty are converted. The FCIP gives them a comprehensive opportunity to assess behavior and performance “up close and personal.” Supervisors must bear in mind that those conversions that occur without thorough and deliberate assessment of the career interns’ potential to perform the job can result in future performance problems. To ensure that conversions do not occur by default, agencies should establish a process whereby supervisors are strongly encouraged to deliberately address their interns’ conversions well before the end of internships. Such a process may include reminding supervisors at set intervals to assess their interns’ progress in the program against established performance standards. Then, the process should require supervisors to evaluate and certify in writing the performance of their interns and their fitness for conversion. And obviously, agencies must be systematic in letting supervisors know at once that a new career intern is coming on board and that they have the responsibility to ensure that any conversion at the end of the program must meet all agency and program requirements.

⁵¹ 57 FR 20041, May 11, 1992.

⁵² See U.S. Merit Systems Protection Board, “The Probationary Period: A Critical Assessment Opportunity,” Washington, DC, August 2005.

The trial period is important because it can help agencies ensure that the Government is expending its resources wisely. Career interns require training and developmental activities that are not available to many new employees. In view of this, it is appropriate to expect that only career interns who have successfully demonstrated their ability to perform their jobs will be converted and given permanent appointments in the competitive service. To ensure that this happens, supervisors should set reasonable standards of behavior and performance expectations. Career interns' work assignments should adequately challenge their capabilities and give supervisors the opportunity to fully assess their performance and to determine whether the intern will become an asset to the Government.

Unfortunately, the importance of trial periods seems not to be adequately emphasized or addressed in agencies' FCIP policies. A review of agencies' available information about the FCIP shows that the internship as a trial period generally is not addressed. Furthermore, internships as trial periods also appear to be not well understood. The few vacancy announcements for FCIP jobs posted on USAJOBS generally do not mention a trial period. If they do allude to one, the reference is a brief statement alerting potential applicants that they "may be required to serve a 1-year probationary period." It is not clear whether agencies truly have a 1-year FCIP trial period or if the statement is standard language that comes from their vacancy announcement templates used to post competitive service job vacancies.

Using the internship to correct for weak assessments

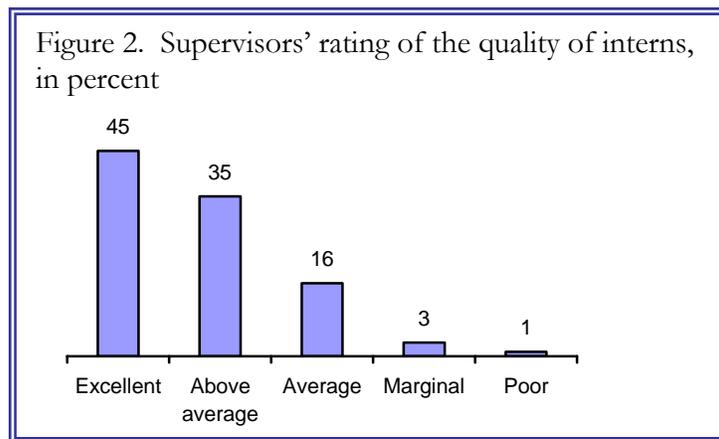
Because the internship as a trial period is not yet emphasized or well understood, its value as an assessment tool cannot currently reach its maximum potential. Based on CPDF information, a total of approximately 2 percent of career interns who completed their internship—i.e., those hired in FY 2001 and 2002—were terminated during their trial period (see table 8). An additional 3 percent were removed or terminated for reasons that may have been due to poor performance or misconduct. Additionally, some career interns may have resigned after being informed that they were not performing up to standard. While these removals and terminations may seem to indicate that the internship as a trial period is being used appropriately, a study the Board conducted on probationary periods as well as survey data from supervisors of career interns for the present study suggest that the trial period is not optimally being used.

Table 8. Turnover of career interns, in percent

	FY 2001	FY 2002	FY 2003	FY 2004
Still Federally employed	81	84	91	97
Resigned	14	11	8	3
Removed or terminated	3	3	1	< 1
Terminated during probationary/trial period	2	2	1	< 1

Note: will not total 100 because of rounding.

Figure 2 shows that 3 percent of supervisors rated the overall quality of their career interns marginal and another 1 percent rated them poor. At the very least, the internships for these marginal or poor quality career interns should be terminated. Furthermore, many of those rated average should probably be also terminated. This is because someone who is an average performer as an intern may be a marginal or poor performer when placed in the journeyman position. The Government is expending considerable resources on these interns and, to serve the public interest, should retain only those of high quality. However, that may not be happening based on data for a range of Federal hiring authorities. In its report on the probationary period, the Board found that some supervisors do not understand the purpose of the probationary or trial period. Furthermore, those who did understand reported they often did not act upon their assessment of their probationers.⁵³ Based on those findings and on supervisors' written comments for the present study, it is likely that some undeserving career interns will be given permanent appointments to the competitive service. This is a concern to the Board. Conversions to competitive service appointment are not intended to be automatic.



⁵³ Ibid.

However, not taking timely action to terminate poorly performing or unfit interns could lead to conversions by default. This could happen because FCIP appointments are not treated as temporary or time-limited appointments. Thus, supervisors who failed to take action to separate poorly performing career interns before the end of the trial period may take the path of least resistance and allow the conversion of their interns for reasons discussed below. Also worrisome are conversions resulting from the lack of effective communication between the human resources staff and supervisors as indicated by the following two quotes:

No one in this section was made aware that this employee was a career intern until HR called after the date had passed to inquire why we did not switch her to permanent. At that point, we were advised that we had no choice... Had I any idea she was an intern, I would have terminated her for being undependable. [Supervisor]

The intern was also converted automatically. While she is of average competence, her work ethic is weak and I would probably not have converted her had I known I had the option. [Supervisor]

Another function of trial periods

Agencies' failure to address the trial period or their lack of understanding it as it relates to the FCIP is understandable. Neither the Executive Order that established the FCIP nor OPM's implementing regulations say anything about whether interns are required to serve a trial period. Nevertheless, OPM's web site dealing with the FCIP addressed the issue of the probationary (trial) period. On its "Questions and Answers" page that explains the program in more detail, OPM had the following question and answer:

"Will career interns be subject to a probationary period after they are converted to the competitive service?"

"No. Career interns will not be required to serve a probationary period following their conversion to the competitive service. *The 2 years the employees spend on the excepted appointment will serve as the employees' probationary (trial) period.*"
[Emphasis added.]

OPM needs to clarify this conflicting information, i.e., is there or isn't there a trial period in the FCIP? The Board believes that clarifying this issue is critical to the success of the program. Trial periods have two functions. One relates to assessment. As discussed above, trial periods serve as an opportunity for new employees to prove fitness for the job and for agencies to evaluate employees' fitness for the position. The other function relates to employees earning employment rights, i.e., rights for due process and to appeal to the Board. Most excepted service employees who are serving their trial period can

be separated without going through a formal process. Since the Executive Order and OPM's regulations are silent on the trial period, it is unclear what procedure agencies should follow to terminate their interns and what rights interns have when terminated.⁵⁴

OPM's silence on the issue of trial periods in its FCIP regulations can cause difficulties for agencies because it may nullify the ease with which career interns can be terminated during the internship. Absent OPM guidance, agencies might not address the issue of trial periods in their FCIP plans or regulations. In contrast to the probationary period, which the law sets for 1 year, trial periods are set by agencies. Thus, the length of trial periods can vary depending on agencies' policies, but employee rights are set in law. 5 U.S.C. 7511(a)(1)(B) and (C) defines "employee" who has appeal rights to the Board as:

- “(B) a preference eligible in the excepted service who has completed 1 year of current continuous service in the same or similar positions –
 - (i) in an Executive agency; or
 - (ii) in the United States Postal Service or Postal Rate Commission; and
- (C) an individual in the excepted service (other than a preference eligible) –
 - (i) who is not serving a probationary or trial period under an initial appointment pending conversion to the competitive service; or
 - (ii) who has completed 2 years of current continuous service in the same or similar positions in an Executive agency under other than a temporary appointment limited to 2 years or less;”

If an agency's excepted service employment policy sets a trial period of, say, 1 year, and its FCIP plan does not specify a different period, e.g., 2 years, all career interns gain appeal rights to the Board after 1 year under conditions (B) (for preference eligibles) and (C)(i) (for others) above at the end of their first year in the program. By the same token, if an agency sets its trial period for 3 years, the preference eligible employee would have earned appeal rights after the first year regardless of the length of the trial period, but the non-preference eligible would have to accrue 2 years of continuous service before gaining such rights under condition (C)(ii). But if an agency sets a 6 month trial period, it would appear that a literal reading of the statute would make a non-preference eligible earn appeal rights after 6 months while the preference eligible would not since she/he would only become an "employee" after completing 1 year of current continuous service. An even more egregious situation would occur if an agency's excepted service employment policy *and* FCIP plan do not include

⁵⁴ See footnote 11 for more information about a career intern's placement rights if she or he had had a permanent appointment in the competitive service before entering the FCIP.

provisions on trial periods. Under this situation, it would appear that career interns without veterans' preference would have immediate appeal rights under (C)(i), but, again, a preference eligible would not.

For these reasons, the issue of addressing trial periods in OPM's regulations and agencies' FCIP plans is critical. Terminating a career intern who is not serving a trial period, and therefore has appeal rights, would require agencies to employ a more formal process, defeating the purpose of the trial period and of the internship program. It is, therefore, important that OPM's regulations include advice to agencies to address trial periods in their FCIP plans and for agencies to include a provision that covers the length and purpose of trial periods in their FCIP plans. Since conversions are allowed only after completion of the 2-year internship, establishing a trial period that equals the entire length of the 2-year internship would be appropriate. More importantly, by including such a provision in their FCIP plans, agencies send a clear message to career interns that they are trying out for the job, that nothing yet is permanent, that their performance and suitability are being judged, and that if judged unfit or unsuitable for the job, they can be terminated without appeal rights.

Complying with the principle of efficiency and effectiveness

Another requirement of the merit system principles is that managers and supervisors *manage their human resources efficiently and effectively*. Therefore, supervisors must consider this important issue when deciding whether to retain an intern. Marginal or poorly performing career interns who become permanent employees can be costly and especially difficult to deal with later. When career interns are converted into permanent employees in the competitive service, they can only be separated through formal procedures. In a 1999 study, the Board found that the complexity of effecting adverse actions makes many supervisors reluctant to take action against marginal and poor performers. The Board further noted that the presence of marginal and poor performers in the workforce—even if their number is small—has a much greater effect on the morale and productivity of a work unit than their number would suggest.⁵⁵

Agencies must use internships as trial periods judiciously in order to make sound final determinations to appoint career interns to the competitive service. These periods are of great importance for the FCIP because, as was discussed earlier, the assessment tools used to select career interns are often weak and can result in poor selections. Thus, the internship as a trial period becomes even more important in correcting the inevitable mistakes that can occur. Failure to use the internship as a trial period is a disservice to the Government, the interns, and the taxpayers. Federal supervisors have the responsibility to

⁵⁵ U.S. Merit Systems Protection Board, "Federal Supervisors and Poor Performers," Washington, DC, July 1999.

protect the public interest by ensuring that only those fully capable and fit for duty are given appointments to the civil service. Supervisors, too, should consider the interests of career interns by not retaining those who have little or no prospect of success on the job.



TRAINING AND DEVELOPING CAREER INTERNS

Training and development are the cornerstone of the FCIP. Such activities are important not only for career interns' individual job success but also for agencies' efforts to lay the foundation upon which to transform current areas of weakness and build a high-quality workforce.

Federal regulations for the FCIP require agencies to provide sufficient training and developmental activities to enable interns to learn their jobs and become proficient. But career interns also have obligations—to learn and apply what is learned. Once interns have been provided the normal range of training and development, any who fail to perform should not be given more of the same training in an effort to resolve the problem, although minor additional training to correct or strengthen a knowledge or skill that has been developed may be appropriate. Continuous remedial training is not the purpose of internships. Supervisors must exercise judgment as to how much remedial training they will provide in their effort to ensure that their career interns become an asset to the Government. When supervisors determine that any career interns they employ are unable or unwilling to learn and to perform proficiently after receiving adequate training, or that the Government will not realize a sufficient return on its training investment, supervisors should terminate the internship as soon as possible.

Individual development plans

To ensure that career interns' training and development activities are consistent with the agency's overall workforce plan, it is critically important to create individual development plans (IDP's) as soon as the interns come on board. While not required by FCIP regulations, IDP's are essential guideposts that outline what training and developmental activities are needed and how and when they should be provided.

However, when the Board asked career interns whether they had been given an IDP within 6 months after reporting for work, about a fifth responded that they did not know if they had an IDP, while another 16 percent indicated they did not have one. Supervisors of career interns reported an even greater lack of knowledge about the existence of IDP's and also acknowledged that some of their interns did not have plans. Specifically, more than one-fourth of supervisors (29 percent) did not know if their interns had IDP's within 6 months after reporting to work, while 10 percent indicated that their interns did not have an IDP. To be fair, formal training and development can take place without IDP's. However, IDP's allow agencies to customize their career

interns' training and development activities to the acquisition of competencies that agencies need to accomplish their missions and interns need to deserve conversion. IDP's also can help agencies make more accurate budget and staffing plans.

Formal training

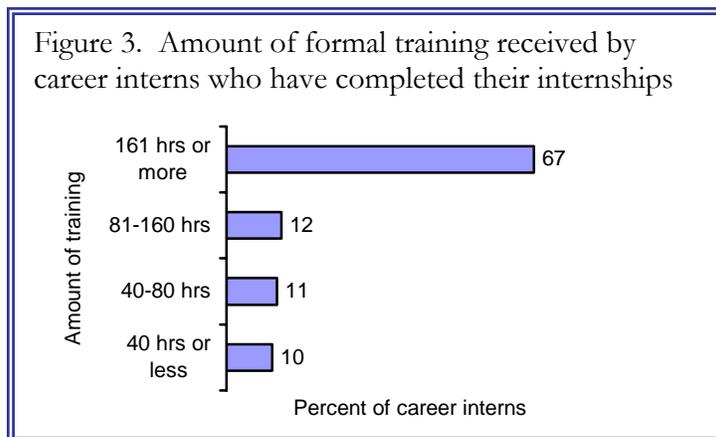
OPM's implementing regulations do not set the amount, topic, or format for training career interns. Thus, agencies can provide formal training in a variety of ways. Career interns can be sent to seminars and conferences or receive training through classroom attendance or interactive video. Agencies can also provide rotational assignments as a type of training, if they wish.

Generally, agencies are providing training to a majority of their career interns but, as might be expected, the amount of training provided to interns varies from agency to agency. Some agencies, such as the Bureau of Customs and Border Protection of the Department of Homeland Security and the Social Security Administration, have in place structured formal training programs for their major occupations for all new employees whether they are interns or not. But other agencies appear to provide limited or no training at all, even though, as previously stated, FCIP regulations require provision of training and development.

A majority (62 percent) of interns surveyed, including those who have already completed the program, indicated that they received 5 weeks or more of formal training. Although not required by the program, many agencies provide rotational assignments to their career interns. When asked how many rotational assignments they have received, 41 percent of interns indicated that they switched assignments one or more times. An overwhelming majority of career interns viewed both formal training and rotational assignments as beneficial (78 and 82 percent, respectively).

Unfortunately, as mentioned above, some interns received limited training and others no training at all (fig. 3). Of career interns who had already completed the program, 10 percent said they had received less than a week of formal training or none at all, while 23 percent received between 1 and 4 weeks of formal training. Not receiving training or receiving minimal training may have been due to lack of funding.⁵⁶ When budgets are tight, training for career interns could be reduced to on-the-job training. A well planned on-the-job training program can be effective, often more effective, in fact, than ill-planned formal training. However, on-the-job training can easily be disrupted and put aside as interns and their supervisors focus, as one intern wrote, on "workflow demands and meeting deadlines."

⁵⁶ U.S. Merit Systems Protection Board, "Leadership for Change: Human Resource Development in the Federal Government," Washington, DC, July 1995, pp. 12-15.



Furthermore, the success of on-the-job training partly depends on having a mentor, but interns did not always have one. Almost a fourth of responding career interns indicated that they did not have one. This is unfortunate. Mentorship is effective as a human resource development strategy. Mentors can help trainees learn more about the culture, the mission, and how things are done much more efficiently and effectively than if they work alone.⁵⁷ It would, therefore, be beneficial for agencies to include mentorship as part of their FCIP plans.

Poorly trained or untrained career interns can become poor performing employees. The FCIP was established to provide a way for agencies to create a pipeline of well trained individuals who can take over more responsibilities. If no formal training is provided or no mentor is provided to guide interns on the job, agencies are using the “sink or swim” method. This approach is a disservice both to career interns and to the agency, and defeats the major purpose of the FCIP. Moreover, some interns may leave because their expectations are not met. Alternatively, they could be separated due to poor performance, not because they were unable to learn and perform, but because they were untrained, or were poorly trained, on how to do their jobs. In either case, valuable resources will have been wasted. To ensure that this does not happen, agencies should consider, before terminating career interns for performance problems, whether adequate training has been provided.

Evaluating training programs

To ensure that training and development programs result in needed proficiencies and ultimately in increased productivity, agencies must evaluate these programs regularly. The Workforce Flexibility Act of 2004 requires agencies to evaluate training programs to ensure that they are aligned with their strategic plans. The act also requires that, based on their evaluations, agencies make modifications to their program. However, agency responses to the Board’s questionnaire for the present study indicated that career intern

⁵⁷ David J. Veale and Jeffrey M. Wachtel, “Mentoring and Coaching as Part of a Human Resource Development Strategy: An Example at Coca-Cola,” *Management Development Review*, vol. 9, Iss. 6, p. 19.

programs do not typically include evaluation plans to gauge success. According to agencies, this lack of evaluation plans is due in part to their lack of resources and expertise in program evaluation. Responding agency HR officials suggested that program evaluation is an area where OPM could provide more assistance and guidance to agencies. It is likely that the FCIP will reach its optimal level of effectiveness only if agencies evaluate their programs regularly and make modifications as warranted.



CONCLUSION AND RECOMMENDATIONS

The FCIP appears to have had a good beginning. More and more agencies choose the program for hiring because, in the words of supervisors, it is easy and quick to use. Supervisors also believe that they are generally hiring high-quality employees through the FCIP.

Supervisors' preference for the FCIP is understandable. The FCIP has fewer procedural and eligibility requirements than competitive examining or other hiring methods. The ability to recruit and hire someone quickly in the excepted service with the option to convert to a competitive service appointment at the end of the internship provides a good basis for selecting entry-level employees. In fact, it is highly likely that it could become the hiring method of choice when filling entry-level professional and administrative jobs.

The FCIP gives agencies great flexibility in hiring new employees. It gives them flexibility in recruiting, assessing, and selecting applicants. It gives them flexibility in training and developing career interns. But with flexibility comes responsibility. Because employment in the Federal civil service is a public trust, these flexibilities must be balanced with the public interest. Agencies must ensure that only those career interns who have demonstrated they are fully qualified and suitable for the job earn appointments to the competitive service.

With this in mind, the Board offers the following recommendations to agencies and OPM to improve the Federal Career Intern Program and to comply with regulatory requirements:

1. Agencies should

Improve recruitment by:

- Using varied recruiting methods to ensure that interested applicants from all segments of society are given the opportunity to apply. For example, in addition to career or job fairs, agencies may strategically use paid advertisements (electronic, radio, or print), for-fee recruiting agencies, and referrals from employees, alumni associations and membership organizations.
- Posting clear and concise vacancy announcements for jobs to be filled under the FCIP on their web sites, USAJOBS, and/or another public forum.

- Ensuring that information about their FCIP is readily available to anyone who seeks it or may be interested in it.
- Ensuring that recruiters and supervisors fully inform applicants about the specifics of their organization's FCIP plan, including the nature or conditions of employment as career interns, during recruiting and when making an offer of employment.

Improve assessment by:

- Using multiple hurdles or a combination of valid and reliable pre-hire assessment tools to identify high-potential applicants for internships.
- Including in their FCIP plans a provision on the length and purpose of trial periods and using the whole period of the internship as a trial period. Agencies should also ensure that supervisors use the trial period as the final tool in assessing fitness and suitability before converting career interns into the competitive service. To ensure this result, agencies should develop a process—such as requiring supervisory certification—to use prior to the end of the internship when converting career interns. Conversions should not be made by default.
- Ensuring that internships of marginal and poorly performing career interns are terminated promptly. But, we suggest that before taking any such action, the agency should first consider whether the intern has had adequate training.

Improve performance management by:

- Setting standards of behavior and performance and rigorously assessing interns against those standards.

Improve training by:

- Providing and funding formal training for career interns, as is required by regulations.
- Ensuring appropriate on-the-job training, rotational assignments, and mentoring.
- Developing and establishing individual development plans for each career intern.
- Aligning training program with agencies' strategic goals and workforce planning.

Improve program effectiveness by:

- Educating supervisors about their FCIP plan, its features, and their own responsibilities for its success.

- Ensuring systematic communication and coordination between supervisors of career interns and the human resources staff.
- Having an accountability system in place to gauge program success.
- Soliciting feedback from applicants, interns, and supervisors to gauge how effective their recruitment, assessment, selection processes, and training and development programs are in building and transforming their workforce.

2. OPM should assist agencies in improving their career intern programs by:

- Continuing its leadership role in providing clearer guidance to agencies on how to implement and evaluate their FCIP. OPM guidance should include a reminder to agencies to include in their FCIP plans a provision that addresses the length and purpose of trial periods.
- Exercising its oversight role more fully to ensure that agencies are implementing their programs in accordance with the merit system principles, veterans' preference, and equal employment opportunity rules.
- Holding agencies accountable for providing training and development activities to their career interns.
- Developing and promoting better assessment tools and ensuring that agencies have access to such tools.

Appendix A. Total number of career interns hired by agencies under the FCIP

Agencies	Total number of Career Interns hired*				
	FY 2001	FY 2002	FY 2003	FY 2004	TOTAL
Social Security Administration	406	1,338	2,300	1,228	5,272
Department of Army	2	376	714	1,307	2,400
Department of Homeland Security	--	--	845	1,426	2,271
Department of Navy	--	11	541	840	1,391
Department of Defense	1	235	313	593	1,142
Department of Agriculture	13	160	257	330	760
Department of Air Force	1	92	261	311	665
Department of Veterans Affairs	1	6	345	279	631
Department of Treasury	5	411**	131	69	616
General Services Administration	--	144	219	221	584
Department of Health & Human Services	1	45	80	122	248
Department of Housing & Urban Development	--	167	24	1	192
National Aeronautics & Space Administration	3	1	49	125	178
Environmental Protection Agency	--	15	42	106	163
Department of Justice	--	--	20	137	157
Department of Labor	--	4	61	61	126
Department of State	--	11	26	31	68
Department of Interior	--	10	16	30	56
Department of Energy	11	10	12	15	48
Department of Transportation	--	--	--	43	43
Office of Personnel Management	--	6	9	21	36
National Labor Relations Board	1	1	10	7	19
Department of Education	--	--	3	5	8
Government Printing Office	--	--	4	2	6
Farm Credit Administration	--	1	1	3	5
Securities & Exchange Commission	--	--	2	2	4
Chemical Safety & Hazard Investigation Board	--	--	--	4	4
Federal Deposit Insurance Corp.	--	--	--	3	3
Agency for International Development	--	--	1	--	1
National Science Foundation	--	--	--	1	1
TOTAL	445	3,044	6,286	7,323	17,098

*Total number includes career interns hired in professional, administrative, technical, clerical, and other white-collar positions.

**Mostly from the Customs Service before the agency merged with DHS.

U.S. Merit Systems Protection Board
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