

FACTS ON DON/DOD INTERNSHIPS

Advanced Management Program

Team 2

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Introduction and Background:

It is our intent to demonstrate that the Department of the Navy (DON) can minimize the effect of the loss of graduating Interns by modifying its existing Civilian Intern Program as set forth by Executive Order (EO) 13162 (Appendix A). We will enumerate reason(s) that the government Intern program, more specifically those within the DON, is falling short of intended goals. To support our assertion, a survey has been conducted to seek feedback from DON Interns, past and present, relative to their satisfaction or dissatisfaction with the Intern program. In addition, a selection of the Fortune 500's 100 "Best Companies to Work For" were compared to the DON Intern Program and analyzed to introduce recommendations for improvement.

The current environment makes it imperative that we increase retention of our best and brightest candidates. According to the Senate Governmental Affairs Subcommittee on Oversight of Government Management, at least 660,000 current Federal employees will retire by the year 2010. Many of the retirees will be managers and supervisors who will take a wealth of knowledge with them. Currently one of the Government's most significant challenges is assuring that it can readily replace those who leave. The challenges are also manifested in basic attitudes about the government, the government's processes, and the ability of the government to provide the professional needs of those seeking employment within the public sector.

The DON's Intern Program falls under the Federal Career Intern Program designed to help agencies recruit and attract exceptional individuals into a variety of occupations. It is mandated by EO 13162 that initial Intern positions may only be filled at grade levels GS-5, GS-7, or GS-9. However, if warranted, the Office of Personnel Management (OPM) approval may be sought to fill at higher grades to meet unique or specialized training. In general, individuals are appointed to a 2-year internship on an excepted appointment. Upon successful completion of the Program, Interns may be eligible for permanent placement within an agency, if positions are available. There is no guarantee of employment no matter how well the Intern performs.

Agencies, including the DON, are responsible for developing and implementing their own Career Intern program. They must follow merit principles for filling vacancies, follow procedures for excepted appointments (including rating and ranking applications), and apply veterans' preference. In the case of an intern transferring from one agency to another, time previously spent under a Career Intern Program counts toward the completion of the 2-year period, provided the intern is reappointed without a break in service.

At their discretion, agencies may require additional training of interns to ensure that they meet the new agency's requirements. OPM must approve any extension of the training program beyond 2 years.

Environment:

Former President William Clinton signed EO 13162 to provide for the recruitment and selection of exceptional applicants for careers in the public sector. The intention of EO 13162 is to attract exceptional men and women to the Federal workforce who have diverse professional experiences, academic training, and competencies, and to prepare them for careers in analyzing and implementing public programs. The current and future environment makes it absolutely necessary that we foster steps in this process to ensure retention longevity when employing Intern candidates.

Section 4.b3 of EO 13162 states, “Except as provided in subsections (4) and (5) of this section, service as a Career Intern confers no rights to further Federal employment in either the competitive or excepted service upon the expiration of the internship period.”

The wording of this section is contradictory to the intent of the program. Clearly when it was written, it alluded to providing or at least forecasting employment beyond the initial Intern period. Is this the message the government intends to convey to aspiring interns?

The statistics show that the lack of an offer for a permanent non-competitive position sends a negative message resulting in low retention upon program completion.

A study conducted by the Department of the Army for recruiting young people into either the uniformed or civilian service indicated that the desire to work for DOD is directly

related to their motivation to work for the military. Up until the terrorist attacks of September 11, 2001, the military was most often considered as an afterthought in the minds of the public at large (Morgan 2001). The same impression has held true for Interns who were pursuing DON employment. Too many negatives, e.g. A-76, downsizing, and Base Realignment And Closure, influenced their decision whether to take a permanent position, or seek employment elsewhere.

Although there has been a significant increase in patriotism since September 11, there is still a "nearly unbridgeable cultural divide" (Kitfield, 1998) between certain parts of American society and DOD. These cultural divisions are based on class distinctions, political affiliation and popular misconceptions of the military, which in turn have impacts on Intern Program entrants and retention (Ibid.). This misconception of DOD is clearly expressed in the following quote: "Indeed, while our American culture espouses liberty and individuality, military culture downplays these values and emphasizes discipline and self-sacrifice (Collins, et. al. 2001)."

There is other evidence to support this cultural divide. According to well-publicized CNN poll results from the last presidential election, the military as an institution is overwhelmingly conservative. The military also has a personality sub-culture of its own. According to James Jagielski, of the Army Management Staff College, assessments using the Myers-Briggs personality test indicate that over 70 percent of those who work at the



professional level (Officers and Civilians) are mostly analytical, highly structured in their thought and behavioral processes, detail oriented, and social introverts.

The low wage and grade level currently offered by the government is hardly an incentive to enter an Intern position. A person in the Baltimore/Washington, DC area with 3 years job experience and a master's degree can expect to be hired at the GS-9 level, with a starting salary of \$37,428 (OPM). This coupled with the effect in an improved job market demonstrates why three-quarters of the graduates from Harvard's Kennedy School of Government went to work for the government in 1980, while today only one-third do (CNN, 2001). Those that do enter an Intern Program are more likely to enter either the State Department or the Central Intelligence Agency, as those organizations carry a much greater status appeal and earlier opportunities to excel (OPM).

A 2001 review of Federal Intern programs, conducted by OPM back to 1982, indicated that at the end of the first three years of Federal employment only 77.6% of all Interns remained in those positions. By the fourth through the fifth year the report showed only 65.9% retention, and after 18 years only 56.3% were retained in Federal employment. Thus, the extent to which Federal Interns remain in the workforce over time can be considered one measure of the program's effectiveness.

The high Intern attrition rate may be very costly to DON. For each Intern hired from their Presidential Management Intern Program, OPM charges DON \$4,800 for

administrative costs. These costs do not include labor or training. Not only are all labor and training costs lost, you must also recruit and train replacements. This generates a vicious costly cycle.

A Comparison to Industry:

We looked at Fortune 500's list of the 100 "Best Companies to Work For" and zeroed in on the top ten plus a few randomly chosen others. Industry has what is referred to as "Interns" which one company defined as follows:

- Intern: A student who alternates between periods of full-time study and work. The assignment should be pertinent to the student's field of study. The assignment can be full-time or part-time and can be year round.

We noted some differences between intern-type programs offered by private industry and those we are familiar with in the Federal service. The following table highlights major differences in the programs.

Program	Government	Corporate
Length	2 yrs.	3-12 mos.
Salary	\$37,428	\$48,354
Health Care	Yes	Yes
Vacation	2.5 weeks/yr.	varies
Sick Leave	2.5 weeks/yr.	varies
Dental Care	No	Yes
Maternity Leave	No	Yes
Volunteer Work	No	80 hrs/yr
Stock Options	No	Varies



The lack of a retirement program is a specific result of hiring Interns as excepted service rather than as career conditional appointments. While there is rarely a guarantee of future employment for an Intern in private industry, companies seem to use these programs as key recruitment tools and approximately 90% of interns will ultimately return for full-time careers, compared to a mere 66% retention of federal Interns after five years. Two thirds of MBA graduates surveyed said they explicitly sought an Internship that could lead to a permanent position after graduation.

An informal survey conducted of current or recent DON Interns is summarized at Appendix B. Key points of interest in the responses indicate that the Federal Government and DON are not adequately marketing the Intern Program. More than half the Interns surveyed heard of the program through family and friends. Only 20% were informed through their University. While a slim majority of Interns rated the Program “Good”, just as many rated the program as “Average” or “Very Poor” as rated the Program “Very Good”. Interestingly, the highest rated single factor enjoyed about the Program was travel (38%).

A recent study conducted by the Merit Systems Protection Board also identified several problems with agency implementation of the Presidential Management Intern Program. The most significant of these problems involved management failure to provide Individual Development Plans (46% had none after six months), rotational assignments (37% had none), and help from Agency Career Development Group (54% reported none).

Conclusions And Recommendations:

The current Intern Program is need of upper management review. The high attrition rate represents a direct cost to DON of two years salary and benefits (~26%), as well as training and administrative costs, totaling in excess of \$100,000 for each intern lost.

It is our contention that DON should implement a pilot Intern Program within current civilian personnel regulations, which eliminates the major deficiencies of the current program as detailed above, and provides DON with a viable source of future leaders.

Specific recommendations follow.

- Offer guaranteed employment upon successful completion of the Intern Program. This can be accomplished by targeting and encumbering a portion (e.g. 20%) of specifically selected journeyman level (i.e. GS-11/12) positions vacated by retirement, etc. specifically for employment of graduating Interns. This has the added advantage of identifying the skill base needed at the completion of the Intern Program.
- Employ Interns in Career Conditional rather than Excepted Service appointments. This will provide full benefits of government employment, including the retirement program. This will place an onus on those charged with Intern development to identify candidates not suited for DON employment. This decision must be made within the first year of the Intern Program while the Intern is in a probationary status. Industry Intern Programs find one year fully adequate for this purpose.

- Offer College Loan repayment as currently authorized by the Office of Personnel Management.
- Provide and strictly enforce a structured training program with planned rotational assignments and regular face-to-face review by upper management.

Given the advantages provided by this proposed pilot program, we believe that the following additional conditions can be placed upon those entering the program.

- Require an employment stability agreement to remain in federal civilian service for a period of three years following completion of the program. Failure to comply with the agreement should require prorated reimbursement of assessed training costs.
- Require a mobility agreement for the period of internship and the first permanent assignment following the Internship. This will give the Navy the flexibility to fill its personnel needs where most needed.

Finally, Market, Market, and when you are done MARKET the Intern Program. The Navy is offering an exciting and challenging career on the leading edge, and without the corporate stuffed shirt environment. Yet, when this team researched DON's Intern Program, finding information on the web was like searching for a needle in a haystack. It was painful. Our survey found the overwhelming majority of DON Interns learned of the program through word of mouth. DON must go to University campuses and sell the Internship Program to better attract the best graduates.

APPENDIX A

THE WHITE HOUSE
Office of the Press Secretary
(Philadelphia, Pennsylvania)

For Immediate Release July 10, 2000

EXECUTIVE ORDER 13162 Federal Career Intern Program

By the authority vested in me as President by the Constitution and the laws of the United States of America, including sections 3301 and 3302 of title 5, United States Code, and in order to provide for the recruitment and selection of exceptional employees for careers in the public sector, it is hereby ordered as follows:

Section 1. There is hereby constituted the Federal Career Intern Program (Program). The purpose of the Program is to attract exceptional men and women to the Federal workforce who have diverse professional experiences, academic training, and competencies, and to prepare them for careers in analyzing and implementing public programs. "Career Intern" is a generic term, and agencies may use occupational titles as appropriate.

Sec. 2. The Program is another step in the Administration's effort to recruit the highest caliber people to the Federal Government, develop their professional abilities, and retain them in Federal-departments and agencies. Cabinet secretaries and agency administrators should view the Program as complementary to existing programs that provide career enhancement opportunities for Federal employees, and departments and agencies are encouraged to identify and make use of those programs, as well as the new Program, to meet department and agency needs.

Sec. 3. (a) The Office of Personnel Management (OPM) shall develop appropriate merit-based procedures for the recruitment, screening, placement, and continuing career development of Career Interns.

(b) In developing those procedures, the OPM shall provide for such actions as deemed appropriate to assure equal employment opportunity and the application of appropriate veterans' preference criteria.



Sec. 4. (a) A successful candidate shall be appointed to a position in Schedule B of the excepted service at the GS-5, 7, or 9 (and equivalent) or other trainee level appropriate for the Program, unless otherwise approved by the OPM. The appointment shall not exceed 2 years unless extended by the Federal department or agency, with the concurrence of the OPM, for up to 1 additional year.

(b) Tenure for a Career Intern shall be governed by the following principles and policies:

(1) Assigned responsibilities shall be consistent with a Career Intern's competencies and career interests, and the purposes of the Program.

(2) Continuation in the Program shall be contingent upon satisfactory performance by the Career Intern throughout the internship period.

(3) Except as provided in subsections (4) and (5) of this section, service as a Career Intern confers no rights to further Federal employment in either the competitive or excepted service upon the expiration of the internship period.

(4) Competitive civil service status may be granted to a Career Intern who satisfactorily completes the internship and meets all other requirements prescribed by the OPM.

(5) Within an agency, an employee who formerly held a career or career-conditional appointment immediately before entering the Career Intern Program, and who fails to complete the Career Intern Program for reasons unrelated to misconduct or suitability, shall be placed in a career or career-conditional position in the current agency at no lower grade or pay than the one the employee left to accept the position in the Career Intern Program.

Sec. 5. A Career Intern shall participate in a formal program of training and job assignments to develop competencies that the OPM identifies as core to the Program, and the employing agency identifies as appropriate to the agency's mission and needs.

Sec. 6. The OPM shall prescribe such regulations as it determines necessary to carry out the purpose of this order.



Sec. 7. The OPM shall provide oversight of the Program.

Sec. 8. Executive Order 12596 of May 7, 1987, is revoked.

Sec. 9. Judicial Review. This order is intended only to improve the internal management of the executive branch. It does not create any right or benefit, substantive or procedural, enforceable in law or equity, by a party against the United States, its agencies, its officers or employees, or any other person.

WILLIAM J. CLINTON

THE WHITE HOUSE,
July 6, 2000.



APPENDIX B

Navy Past/Present Intern Survey Results

We conducted a survey of seven questions obtaining results from current interns or from recent Internship graduates (within past 5 years). The results of the questions are as follows:

Q1. How did you learn of the DOD Internship Program?

Family/Friend	57%
University Affiliation	20%
*Other	23%

*already employed with Government, Base wide emails, walked into contracting office, or interviewed for another job...

Q2. Are you currently in an Internship Program?

Yes	72%
No (graduated w/in last 5 years)	28%

Q3. Do you feel the internship meets/met your expectations

Yes	95%
No	5%

Q4. What did you enjoy most about the internship

Pay	19%
Benefits	10%
Travel	38%
People	10%
*Other	23%

*professional experience, job variety, starting career, rotations

Q5. How do you feel the Internship Program can better suit one's needs?

- a. Better Communication
- b. More Supervisor Involvement
- c. A need to know more about the organization before beginning

- d. More job specific training
- e. Notifying interns of major changes to their programs
- f. Better internal rotations
- g. Better internship sponsor program

One respondent wrote:

Place them in interesting and challenging positions. Give them responsibility, demonstrate to them that they are an important part of the workforce and recognize them for their educational and training achievements.

Q6. Overall rating of program

Very good	24%
Good	52%
Average	14%
Poor	0%
Very Poor	10%

Q7. Single most important reason for choosing the internship

Professional	52%
Pay	19%
Location	0%
Family	4%
*Other	25%
*(2 nd career, pay for grad school)	

