Senior Executive Service (SES) Performance Appraisal System Training
After this briefing, you will

- Understand the basis and benefits of the new SES performance system.
- Understand how to develop an SES Performance Plan.
- Understand how summary ratings are derived.
In 2011, a workgroup created through the President’s Management Council SES Initiative recommended the design of a standard SES Appraisal System.

A broad and diverse group of Federal agencies and organizations collaborated to develop a single performance appraisal system applicable to all organizations and their SES members.

OPM also consulted with a broad group of stakeholders throughout the process to ensure the new system incorporates leading practices and reflects all interests and needs, including: the President’s Management Advisory Board; SES members; and the Senior Executives Association.
## Benefits

<table>
<thead>
<tr>
<th>Guiding Principles</th>
<th>Foundational Benefits to SES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consistency</td>
<td>Created with a common language; promotes consistent evaluations across agencies</td>
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<tr>
<td>Integrity</td>
<td>Developed with Governmentwide collaboration and agreement</td>
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<tr>
<td>Fairness</td>
<td>Promotes equitable evaluation across Government</td>
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<tr>
<td>Leadership-Focused</td>
<td>SES members are accountable for demonstrating executive-level leadership, using the Executive Core Qualifications (ECQs) as a basis.</td>
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<tr>
<td>Clarity</td>
<td>Facilitates a clearer path to full certification</td>
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<tr>
<td>Flexibility</td>
<td>Agencies can customize performance metrics while maintaining the system’s overall consistency</td>
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<tr>
<td>Best Demonstrated Practice</td>
<td>Informed by best practices</td>
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## Comparison

<table>
<thead>
<tr>
<th>Current System</th>
<th>New System</th>
</tr>
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<tbody>
<tr>
<td>Two standard Department-wide elements + three to six position specific performance elements</td>
<td>Five standard elements based on ECQs with government-wide performance requirements + agency and/or bureau performance requirements</td>
</tr>
<tr>
<td>All performance elements are weighted equally</td>
<td>Weighting of elements is variable, however, Results Driven element will have highest weight</td>
</tr>
<tr>
<td>Percentage driven derivation formula</td>
<td>Standard numerical rating derivation formula</td>
</tr>
<tr>
<td>Relatively few executives rated “Fully Successful”</td>
<td>Clear, descriptive performance standards and rating score ranges that establish mid-level ratings as the norm and top-level ratings as truly exceptional</td>
</tr>
<tr>
<td>Certified by OPM through 12/08/14, which allows us to compensate executives at the maximum allowable rate of $181,500 (EX-II)</td>
<td>We have received an extension through 06/08/15 given our implementation of the new system.</td>
</tr>
<tr>
<td>Date</td>
<td>Key Milestone</td>
</tr>
<tr>
<td>---------------------</td>
<td>-------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>June 2014</td>
<td>System approved by OPM</td>
</tr>
<tr>
<td>June/July/August 2014</td>
<td>Train Executives/Executive Resources Coordinators</td>
</tr>
<tr>
<td>October 2014</td>
<td>New system begins October 1st.</td>
</tr>
<tr>
<td>November 2014</td>
<td>Sample performance plans submitted to Executive Resources Division.</td>
</tr>
<tr>
<td>December 2014</td>
<td>Submit formal certification request to OPM.</td>
</tr>
<tr>
<td>March 2015</td>
<td>Expected decision on certification from OPM.</td>
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</table>
How to Develop a Performance Plan
Three important aspects to planning performance include -

1. Link performance plan to organizational goals.
2. Develop Results Driven performance requirements.
3. Consult with executives on the development of their performance plans.
Performance plans **must** clearly link to

- Presidential Orders and Initiatives
- Mission Statements
- Strategic Plans
- Organizational Goals
- Budgetary Priorities
Develop the Performance Plan
Overview

- Critical Elements
- Performance Requirements
- Applying the Basic Performance Standards
- Developing the Results-Driven Requirements
The **five** critical elements are based on the Executive Core Qualifications (ECQs)

- Leading Change
- Leading People
- Business Acumen
- Building Coalitions
- Results Driven
The basic SES appraisal system establishes performance standards for each performance level and are part of the performance plan.

The performance requirements and standards are used together to rate executive performance.
The basic SES appraisal system description requires that all critical elements be weighted.

- **Results Driven** = at least 20%
- **All other Critical Elements** = at least 5%
- **No single critical element can weigh more than the Results Driven element**
- **Sum of the weights** = 100%
Individual Bureaus or equivalent offices will assign standard or variable weights based on the challenges anticipated for the upcoming performance cycle.

Assigned weights will be reviewed annually and changes will be made as appropriate.

Assigned weights meet minimum weighting requirements and total 100%.

Bureaus and offices must provide a summary to the Executive Resources Board describing how their executives will be weighted.
The basic SES appraisal system description has language addressing Government wide performance requirements for all critical elements except the Results Driven critical element.

DOI may add agency-specific or individual performance requirements for the Leading People, Leading Change, Building Coalitions, and/or Business Acumen elements.

For example –
- Small business contracting goals
- Internal controls
- Diversity

No decisions have been made about agency specific elements.
Executives must develop the performance requirements for their Results Driven element that are clearly linked to organizational goals.

Must have between 3 to 5 performance requirements for the Results Driven critical element.

Results Driven performance requirements must include effective performance measures that:

- Are indicators or metrics that are used to gauge performance.
- Can either be output or outcome measures.
At a minimum, performance requirements must describe performance expected at Level 3 or the “Fully Successful” level.

Level 3 performance requirements should be high enough to be challenging but not so high that it is not achievable, and it must be able to be exceeded.

Optional: Define measures for Level 5, “Outstanding”, as well, so the executive understands the range of performance.
General measures include

- Quality
- Quantity
- Timeliness and/or
- Cost-Effectiveness
Quality

- How well work is performed
- Often measured by accuracy, effectiveness, usefulness, reliability, or security
- Consider whether the customer/stakeholder cares about the quality of the result

Examples
- The agency has a 95-97% accuracy rate in case completion
- Program policy supports the Administration’s initiative
- Policy incorporates stakeholder feedback
- 70-80% customer satisfaction rate with agency service
Quantity

- Amount of work performed or outputs produced
- Often measured by raw numbers, percentages, or level of productivity
- Consider the customer/stakeholder needs for numbers achieved or produced

Examples
- Backlog reduced by 50-55%
- An average of 100 cases resolved per month over the year
- A 60-75% increase in stakeholder use
- The percentage of lead in the water is reduced by 10-15%
Timeliness

- How quickly work is completed
- Often measured within a certain time period or by a certain date
- Consider whether customers/stakeholders care when a result is achieved
- Consider whether it is important to accomplish a result by a certain time or date

**Examples**
- Result achieved by June 1
- Project meets quarterly milestones
Cost-Effectiveness

- How much time or money is saved in development or acquisition, or by using a more efficient product, service or process
- Often measured as reduced labor hours or reduced financial cost to perform the same work
- Consider whether it is important to complete work or produce results within certain cost constraints

**Examples**
- Reduced expenses by 1-3%, maintaining quality
- Reduced waste by at least 5%, maintaining quality
- Completed project within 5% of budget, without exceeding budget
For each result identified for the Results Driven element (output and/or outcome), ask:

- How can the [quantity, quality, timeliness, or cost-effectiveness] of the result be measured?
- Is there a number or percent that can be tracked?
- If not, who can determine that the performance result met expectations and what are the factors that person would look for?
- What can be observed and reported to verify the performance level achieved?
Tips to consider when developing performance requirements for the *Results Driven* element:

- **DON’T** list tasks and activities (e.g., hold five meetings; visit eight field locations).
- **DON’T** focusing on processes. Focus on more than process or operational data. Focus on the longer-term measures of customer satisfaction, employee satisfaction, product/service quality, and public responsibility.
- **DO** identify the desired outputs, outcomes. If you’re having difficulty turning an activity into a measurable output or outcome, try this trick to getting your thoughts moving in the right direction... Just fill in the blanks in the following:
  
  I will *(do what?)* by *(when?)* resulting in *(what?), and my success can be verified using *(how is it measured?).*
Rating Performance
<table>
<thead>
<tr>
<th>Level</th>
<th>Current System</th>
<th>New System</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Exceptional</td>
<td><strong>Outstanding</strong></td>
</tr>
<tr>
<td>4</td>
<td>Superior</td>
<td><strong>Exceeds Fully Successful</strong></td>
</tr>
<tr>
<td>3</td>
<td>Fully Successful</td>
<td>Fully Successful</td>
</tr>
<tr>
<td>2</td>
<td>Minimally Successful</td>
<td><strong>Minimally Satisfactory</strong></td>
</tr>
<tr>
<td>1</td>
<td>Unsatisfactory</td>
<td>Unsatisfactory</td>
</tr>
</tbody>
</table>
Rating Officials will determine the overall rating for the Results Driven element as follows:

- **Outstanding** – A majority of the performance requirements for the Results Driven element are rated Outstanding.
- **Exceeds Fully Successful** – A majority of the performance requirements for the Results Driven element are rated at least Exceeds Fully Successful with none below Fully Successful.
- **Fully Successful** – A majority of the performance requirements for the Results Driven element are rated at Fully Successful with none below Fully Successful.
- **Minimally Satisfactory** – One or more performance requirements for the Results Driven element are rated at Minimally Satisfactory with none below Minimally Satisfactory.
- **Unsatisfactory** – One or more performance requirements for the Results Driven element are rated at Unsatisfactory.

If the performance requirements are equally divided between Outstanding and Exceeds Fully Successful, then the overall rating will be at the Exceeds Fully Successful level. If the performance requirements are equally divided between Exceeds Fully Successful and Fully Successful, the overall rating will be at the Fully Successful level.
1. Appraise each Critical Element and assign the corresponding points for the performance level.

- Level 5 = 5 points
- Level 4 = 4 points
- Level 3 = 3 points
- Level 2 = 2 points
- Level 1 = 0 points

(Note: If any Critical Element is rated Level 1, the overall Summary Rating is Level 1 - Unsatisfactory)
2. Derive the initial point score for each Critical Performance Element by multiplying the performance level point value by the assigned weight.

- E.g., “Leading People” assigned Level 4 (4 points) and is weighted 20% → initial point score = 80.

3. Derive the total point score by adding the initial point score from each Critical Element.
4. Assign the Initial Summary Rating using these ranges.

- 475 – 500 = Level 5 (Outstanding)
- 400 – 474 = Level 4 (Exceeds Fully Successful)
- 300 – 399 = Level 3 (Fully Successful)
- 200 – 299 = Level 2 (Minimally Satisfactory)

- Any Critical Element rated Level 1 = Level 1 (Unsatisfactory)
A total point score of 400 yields a Level 4 Summary Rating
### Deriving the Initial Summary Rating

**Example**

<table>
<thead>
<tr>
<th>Critical Element</th>
<th>Element Rating</th>
<th>Initial Element Score</th>
<th>Weight</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Leading Change</td>
<td>5</td>
<td>20</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>2. Leading People</td>
<td>5</td>
<td>10</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>3. Business Acumen</td>
<td>4</td>
<td>10</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>4. Building Coalitions</td>
<td>5</td>
<td>10</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>5. Results Driven</td>
<td>5</td>
<td>50</td>
<td>250</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>490</strong></td>
<td></td>
<td></td>
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A total point score of 490 yields a Level 5 Summary Rating
DOI SES Toolbox
http://www.doi.gov/pmb/hr/ses-toolbox.cfm

Linking and Developing Measurable SES Results - Focused Performance Requirements – Online Course

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