

Senior Executive Service Performance Management System

[Agency Name]

1. System Coverage

The [Agency Name] (hereafter referred to as the agency) Senior Executive Service (SES) performance management system applies to all career, noncareer, limited term and limited emergency [Agency Name] senior executives covered by subchapter II of chapter 43 of title 5, United States Code.

2. Definitions

- *Appointing authority* means the agency head or designee with authority to make appointments in the Senior Executive Service.
- *Appraisal period* means the established period of time for which a senior executive's performance will be appraised and rated.
- *Balanced measures* means an approach to performance measurement that balances organizational results with the perspectives of distinct groups, including customers and employees.
- *Critical element* means a key component of an executive's work that contributes to organizational goals and results and is so important that unsatisfactory performance of the element would make the executive's overall job performance unsatisfactory.
- *Performance* means the accomplishment of the work described in the senior executive's performance plan.
- *Performance appraisal* means the review and evaluation of a senior executive's performance against performance elements and requirements.
- *Performance management system* means the framework of policies and practices that an agency establishes under subchapter II of chapter 43 of title 5, United States Code, for planning, monitoring, developing, evaluating, and rewarding both individual and organizational performance and for using resulting performance information in making personnel decisions.
- *Performance requirement* means a statement of the performance expected for a critical element.
- *Progress review* means a review of the senior executive's progress in meeting the performance requirements. A progress review is not a performance rating.
- *Ratings:*
 - *Initial summary rating* means an overall rating level the supervisor derives from appraising the senior executive's performance during the appraisal period and forwards to the Performance Review Board.
 - *Annual summary rating* means the overall rating level that an appointing authority assigns at the end of the appraisal period after considering a Performance Review Board's recommendations. This is the official rating.
- *Senior executive performance plan* means the written summary of work the senior executive is expected to accomplish during the appraisal period and the requirements against which performance will be evaluated. The plan addresses all critical elements established for the senior executive.
- *Strategic planning initiatives* means agency strategic plans, annual performance plans, organizational work plans, and other related initiatives.

3. Appraisal Period

- **Appraisal Period.** Executives must be appraised at least annually on their performance and an annual summary rating must be assigned for the relevant period of performance of each year (e.g., October 1 through September 30). [Agencies should include here the beginning and ending dates of their appraisal periods.]
- **Minimum Period.** The minimum period of performance that must be completed before a performance rating can be given is 90 days.
- **Adjusting Appraisal Period.** The agency may end an appraisal period at any time after the minimum appraisal period is completed, if there is an adequate basis on which to appraise and rate the senior executive(s).

- **Transition Period.** The agency may not appraise and rate any career executive within 120 days after the beginning of a new Presidential administration.

4. Summary Performance Levels

- The system includes five summary performance levels:
 - Level 5 (Outstanding)
 - Level 4 (Exceeds Fully Successful)
 - Level 3 (Fully Successful)
 - Level 2 (Minimally Satisfactory)
 - Level 1 (Unsatisfactory)

[If the agency wishes to use different labels for the five summary levels, it must designate those labels here and provide a crosswalk to the labels and levels used in the model appraisal system.]

5. Planning Performance: Critical Elements

- Supervisors must establish performance plans for senior executives in consultation with the senior executives and communicate the plans to them on or before the beginning of the rating period. Each senior executive performance plan shall include, as a minimum, the following critical elements and performance requirements:
 - **Leading Change**

Develops and implements an organizational vision that integrates key organizational and program goals, priorities, values, and other factors. Assesses and adjusts to changing situations, implementing innovative solutions to make organizational improvements, ranging from incremental improvements to major shifts in direction or approach, as appropriate. Balances change and continuity; continually strives to improve service and program performance; creates a work environment that encourages creative thinking, collaboration, and transparency; and maintains program focus, even under adversity.
 - **Leading People**

Designs and implements strategies that maximize employee potential, connect the organization horizontally and vertically, and foster high ethical standards in meeting the organization's vision, mission, and goals. Provides an inclusive workplace that fosters the development of others to their full potential; allows for full participation by all employees; facilitates collaboration, cooperation, and teamwork, and supports constructive resolution of conflicts. Ensures employee performance plans are aligned with the organization's mission and goals, that employees receive constructive feedback, and that employees are realistically appraised against clearly defined and communicated performance standards. Holds employees accountable for appropriate levels of performance and conduct. Seeks and considers employee input. Recruits, retains, and develops the talent needed to achieve a high quality, diverse workforce that reflects the nation, with the skills needed to accomplish organizational performance objectives while supporting workforce diversity, workplace inclusion, and equal employment policies and programs.
 - **Business Acumen**

Assesses, analyzes, acquires, and administers human, financial, material, and information resources in a manner that instills public trust and accomplishes the organization's mission. Uses technology to enhance processes and decision making. Executes the operating budget; prepares budget requests with justifications; and manages resources.
 - **Building Coalitions**

Solicits and considers feedback from internal and external stakeholders or customers. Coordinates with appropriate parties to maximize input from the widest range of appropriate stakeholders to facilitate an open exchange of opinion from diverse groups and strengthen

internal and external support. Explains, advocates, and expresses facts and ideas in a convincing manner and negotiates with individuals and groups internally and externally, as appropriate. Develops a professional network with other organizations and identifies the internal and external politics that affect the work of the organization.

○ **Results Driven**

This critical element includes specific performance results expected from the executive during the appraisal period, focusing on measurable outcomes from the strategic plan or other measurable outputs and outcomes clearly aligned to organizational goals and objectives. At a minimum, the performance plan will include performance requirements (including measures, targets, timelines, or quality descriptors, as appropriate) describing the range of performance at Level 3 for each result specified. It is recommended to also establish the threshold measures/targets for Levels 5 and 2.

The Results-Driven critical element must also identify clear, transparent alignment to relevant agency or organizational goals/objectives, page numbers, from the Strategic Plan, Congressional Budget Justification/Annual Performance Plan, or other organizational planning document in the designated section for each performance result specified.

- Executive performance plans must include the Governmentwide SES performance requirements as written and may include additional agency-specific performance requirements written as competencies or specific results/commitments associated with the element.
- Senior executive performance plans must include additional, specific performance requirements for each objective listed under the Results-Driven element. Performance requirements for the Results Driven element must include measures, targets, and timelines.
- The performance requirements in the executive performance plan describe performance at the fully successful level, as established in the Fully Successful performance standard contained in section 6 of this document. (If the agency wishes to require/permit additional levels of performance requirements, it must specify the policy here.)
- Each critical element must be assigned a weight value, with the total weights adding to 100 points.
 - The minimum weight that can be assigned to the Results Driven critical element is 20 percent.
 - The minimum weight that can be assigned to the other four critical elements is 5 percent.
 - No single performance element can be assigned a greater weight than the Results Driven element. (Agencies may indicate here whether they require consistent element weighting for all executives in the agency or permit variable weighting depending on the responsibilities of the individual executive. Agencies should also specify if they are establishing permanent weights or allowing them to vary year to year. If variable weights are used, the agency should specify who has the authority to establish them.)
- The gaining organization must set performance goals and requirements for any detail or temporary assignment of 120 days or longer and appraise the performance in writing. The executive's rating official will factor this appraisal into the initial summary rating.

6. Planning Performance: Performance Standards for Critical Elements

The performance standard for each critical element is specified below.

- **Level 5:** The executive demonstrates exceptional performance, fostering a climate that sustains excellence and optimizes results in the executive's organization, agency, department or government-wide. This

represents the highest level of executive performance, as evidenced by the extraordinary impact on the achievement of the organization's mission. The executive is an inspirational leader and is considered a role model by agency leadership, peers, and employees. The executive continually contributes materially to or spearheads agency efforts that address or accomplish important agency goals, consistently achieves expectations at the highest level of quality possible, and consistently handles challenges, exceeds targets, and completes assignments ahead of schedule at every step along the way. Performance may be demonstrated in such ways as the following examples:

- Overcomes unanticipated barriers or intractable problems by developing creative solutions that address program concerns that could adversely affect the organization, agency, or Government.
 - Through leadership by example, creates a work environment that fosters creative thinking and innovation; fosters core process re-engineering; and accomplishment of established organizational performance targets.
 - Takes the initiative to identify new opportunities for program and policy development and implementation or seeks more opportunities to contribute to optimizing results; takes calculated risks to accomplish organizational objectives.
 - Accomplishes objectives even under demands and time pressure beyond those typically found in the executive environment.
 - Achieves results of significant value to the organization, agency, or Government.
 - Achieves significant efficiencies or cost-savings in program delivery or in daily operational costs of the organization.
- **Level 4:** The executive demonstrates a very high level of performance beyond that required for successful performance in the executive's position and scope of responsibilities. The executive is a proven, highly effective leader who builds trust and instills confidence in agency leadership, peers, and employees. The executive consistently exceeds established performance expectations, timelines, or targets, as applicable. Performance may be demonstrated in such ways as the following:
- Advances progress significantly toward achieving one or more strategic goals.
 - Demonstrates unusual resourcefulness in dealing with program operations or policy challenges.
 - Achieves unexpected results that advance the goals and objectives of the organization, agency, or Government.
- **Level 3:** The executive demonstrates the high level of performance expected and the executive's actions and leadership contribute positively toward the achievement of strategic goals and meaningful results. The executive is an effective, solid, and dependable leader who delivers high-quality results based on measures of quality, quantity, efficiency, and/or effectiveness within agreed upon timelines. The executive meets and often exceeds challenging performance expectations established for the position. Performance may be demonstrated in such ways as the following:
- Seizes opportunities to address issues and effects change when needed.
 - Finds solutions to serious problems and champions their adoption.
 - Designs strategies leading to improvements.
- **Level 2:** The executive's contributions to the organization are acceptable in the short term but do not appreciably advance the organization towards achievement of its goals and objectives. While the executive generally meets established performance expectations, timelines and targets, there are occasional lapses that impair operations and/or cause concern from management. While showing basic ability to accomplish work through others, the executive may demonstrate limited ability to inspire subordinates to give their best efforts or to marshal those efforts effectively to address problems characteristic of the organization and its work.
- **Level 1:** In repeated instances, the executive demonstrates performance deficiencies that detract from mission goals and objectives. The executive generally is viewed as ineffectual by agency leadership, peers,

or employees. The executive does not meet established performance expectations/timelines/targets and fails to produce – or produces unacceptable – work products, services, or outcomes.

7. *Monitoring Performance*

- **Monitor and Provide Feedback.** A supervisor must monitor senior executive performance in accomplishing elements and requirements and provide feedback, including advice and assistance on improving performance, when needed, and encouragement and positive reinforcement, as appropriate.
- **Progress Review.** Each senior executive must receive at least one progress review during the appraisal period. At a minimum the executive must be informed how well he or she is performing against performance requirements.

8. *Rating Critical Elements*

[Where an agency includes multiple components in an element, the agency must explain here the method for determining the rating for such critical elements. For example, if the Results Driven element has 8 objectives, describe how the rating official will determine the overall rating for the element.]

9. *Deriving the Summary Rating*

- **Critical Element Point Values.** Once the rating for each critical element is determined, the following point values will be assigned to the element ratings:
 - Level 5 = 5 points
 - Level 4 = 4 points
 - Level 3 = 3 points
 - Level 2 = 2 points
 - Level 1 = 0 points
- **Derivation Formula.** The derivation formula is calculated as follows:
 - If any critical element is rated Level 1 (Unsatisfactory), the overall summary rating is Unsatisfactory. If no critical element is rated Level 1 (Unsatisfactory), continue to the next step.
 - For each critical element, multiply the point value of the element rating by the weight assigned to that element.
 - Add the results from the previous step for each of the five critical elements to come to a total score.
 - Assign the initial summary rating using the ranges below:
 - 475-500 = Level 5
 - 400-474 = Level 4
 - 300-399 = Level 3
 - 200-299 = Level 2
 - Any critical element rated Level 1 = Level 1
 - Example, with the initial summary rating determined to be Level 4 (Exceeds Fully Successful):

Critical Element	Rating Level	Weight	Score	Summary Level Range
	Initial Element Score		Initial Point Score	
1. Leading Change	4	15	4 x 15 = 60	475-500 = Level 5 400-474 = Level 4 300-399 = Level 3 200-299 = Level 2 Any CE rated Level 1 = Level 1
2. Leading People	5	15	5 x 15 = 75	
3. Business Acumen	3	15	3 x 15 = 45	
4. Building Coalitions	4	15	4 x 15 = 60	
5. Results Driven	4	40	4 x 40 = 160	
Total		100%	400	

- **Initial Rating.** The rating official will develop an initial summary rating, in writing, and share the initial rating with the senior executive.
- **Opportunity for Written Response.** A senior executive may respond in writing to the initial appraisal.
- **Opportunity for Higher Level Review (HLR).** The senior executive may request review by an employee, or (with the consent of the senior executive) a commissioned officer in the uniformed services serving on active duty, in a higher level in the agency than the official who prepared the initial rating before the rating is presented to the PRB. The higher level reviewer may not change the initial rating but may recommend a different rating to the PRB and the appointing authority. The agency will provide HLR, unless the agency has determined HLR is not possible (e.g., the initial rater is the head of an executive agency and there is no employee at a higher level in the agency). Upon the request of an affected executive, the agency must provide a complete explanation of its basis for concluding that HLR, as defined in law and regulation, is not possible.
- **Forced Distribution.** A forced distribution of rating levels is prohibited.
- **Job Changes or Transfers.** When a senior executive who has completed the minimum appraisal period changes jobs or transfers to another agency, the supervisor must appraise the executive's performance in writing before the executive leaves and the appraisal will be forwarded to the gaining agency.
- **Transferred Ratings.** When developing an initial summary rating for an executive who transfers from another agency, a supervisor must consider any applicable ratings and appraisals of the executive's performance received from the former agency.
- **Extending the Appraisal Period.** If the agency cannot prepare an executive's rating at the end of the rating period because the executive has not completed the minimum appraisal period or for other reasons, the agency must extend the executive's rating period and will then prepare the annual summary rating.
- **Authority for Rating.** The annual summary rating must be assigned by the appointing authority (and may not be delegated to an official who does not have authority to make SES appointments) only after considering the recommendations of the Performance Review Board.

10. Performance Review Boards (PRBs)

- **PRB.** The agency shall establish one or more PRBs to make written recommendations on annual summary ratings to the appointing authority on the performance of senior executives and has appointed members in accordance with 5 CFR 430.310.
- **Membership Number.** Each PRB must have 3 or more members selected by the agency head or designee(s) in a manner that ensures consistency, stability, and objectivity in SES performance appraisal. PRB appointments must be published in the Federal Register before service begins.
- **Career Membership.** More than one-half of the PRB's members must be career appointees when considering a career appointee's appraisal or performance award. PRB members may not be involved in deliberations involving their own appraisals.
- **Review Ratings.** The PRB must review and evaluate the initial appraisal and summary rating, the senior executive's response and any recommendation by a higher-level reviewer, and conduct any additional review necessary to make written recommendations to the appointing authority on annual summary ratings, bonuses and (as applicable) pay adjustments for each senior executive.
- **Executive Response.** The PRB must not be provided a proposed initial summary rating to which the executive has not been given the opportunity to respond in writing.
- **Agency/Organizational Performance.** The PRB must be provided and take into account appropriate assessments of the agency/organization's performance when making recommendations.

11. Dealing with Poor Performance

- **Performance Actions.** The agency must: 1) reassign, transfer or remove from the Senior Executive Service a senior executive who has been assigned a Level 1 (Unsatisfactory) final rating; 2) remove from the Senior Executive Service an executive who has been assigned two final ratings at less than

Level 3 (i.e., Level 2 or a combination of Levels 2 and 1) within a three year period; and 3) remove from the Senior Executive Service an executive who receives two Level 1 (Unsatisfactory) final ratings within five years. Non-probationary career appointees are removed under procedures in 5 CFR 359 subpart E. Probationary career appointees are removed under procedures in 5 CFR 359 subpart D. (Nothing here shall be interpreted to limit removal of probationary SES employees as permitted by current regulations.) Guaranteed placement in a non-SES position will be provided under 5 CFR 359 subpart G when applicable.

- **Appeal Rights.** Senior executive performance appraisals and ratings may not be appealed. The executive may file a complaint about any aspect of the rating process the executive believes to involve unlawful discrimination (EEOC) or a prohibited personnel practice (Office of Special Counsel). A career appointee being removed from the SES under 5 U.S.C. 3592(a)(2) shall, at least 15 days preceding the date of removal, be entitled, upon request, to an informal hearing before an official designated by the Merit Systems Protection Board.

12. Other System Requirements

- **Appraisal Results.** Results of performance appraisal will be used as a basis for adjusting pay, granting awards, determining training needs and making other personnel decisions.
- **Organizational Assessment and Guidelines.** The agency must assess organizational performance (overall and with respect to each of its particular missions, components, programs, policy areas, and support functions). The agency must also ensure its assessment results and evaluation guidelines based upon them are communicated by the agency head (or another official designated by the agency head) to senior employees, rating officials, higher level review officials and PRBs so that they may be considered in preparing performance appraisals, ratings and recommendations.
- **Oversight.** The agency head or the official designated by the agency head provides organizational assessments and evaluation guidelines and is responsible to oversee the system and to certify: 1) the appraisal process makes meaningful distinctions based on relative performance; 2) executive ratings take into account assessments of organizational performance; and 3) pay adjustments, awards and pay levels accurately reflect individual and organizational performance. The responsible official designated to provide evaluation guidelines and oversee the appraisal system must do so for the entire executive agency.
- **Performance Distinctions.** Rating officials and PRBs will make meaningful distinctions based on relative performance that take into account assessment of the agency's performance against relevant program performance measures.
- **Differences in Pay Based on Performance.** Senior executives who have demonstrated the highest levels of performance will receive the highest annual summary ratings and the largest corresponding pay adjustments, cash awards and levels of pay, and will be appropriately positioned in the pay range.

13. Training and Evaluation

- **Training.** The agency will provide information and training for executives on the requirements and operation of the agency's performance management and pay-for-performance system, including the results of the previous appraisal period.
- **Evaluation.** The agency will periodically evaluate the effectiveness of the performance management system(s) and implement improvements as needed.

14. Additional Agency-Specific Requirements

[Agencies may insert additional system requirements or authorities here.]