



Department of Defense Results of the OPM Senior Executive Service Survey

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Contents of Presentation

- Review Results of the OPM SES Survey
- Understand Survey Implications for the Department

Background

- In 2004 agencies began to receive certification on their Senior Executive Service (SES) Performance Management Systems
- In May 2006 the Senior Executives Association (SEA) provided an opportunity for career SES to complete a survey regarding their experiences with and views of the pay for performance system
- A subsequent hearing with the Senate Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia – September 2006 – probed issues further
- In January 2008, OPM conducted a survey of all SES within the Federal Government to evaluate the new pay for performance system, and obtain information related to Executive Development



Background

- The SES survey contained 48 items focusing on:
 - New SES Pay-for-Performance System
 - Executive Development
 - Additional demographic items (e.g., age, tenure as an SES)
 - General attitudes toward their work

- 4,386 respondents
 - Received a 65% response rate (range from 51%-88%); DoD at 65%
 - Average respondent was a career employee with 4-5 years as an SES, over 20 years of Federal service, and between 50-59 years old

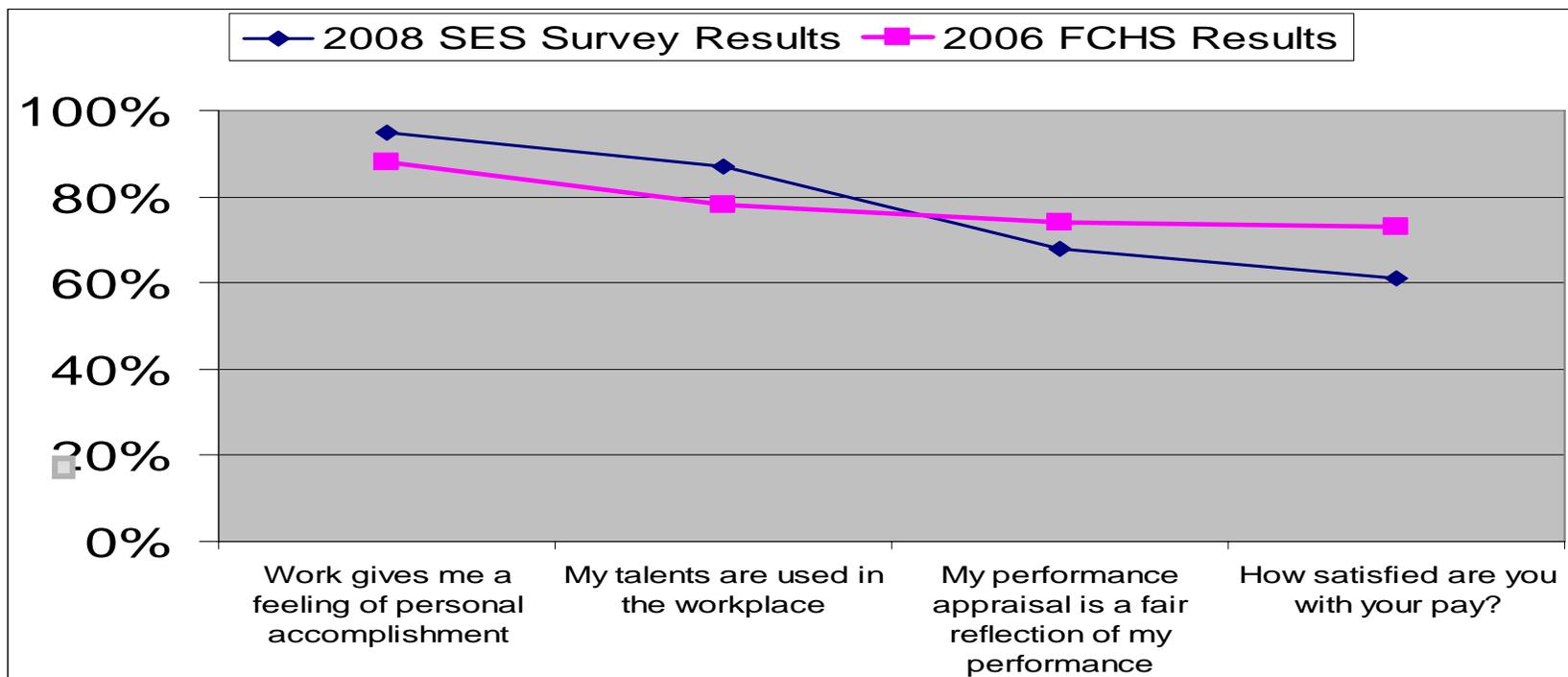
- In January 2009, DoD will administer **its first longitudinal study** (results over time) to explore greater depth in several areas
 - Organizational culture
 - Performance management process
 - Effects of pay increase and bonuses, tiers, rating scale
 - Relationship between P4P experience and career intentions



▪ **Executives Are Proud of their Federal Career:**

- Proud to be part of the SES corps (97% Federal/98% DoD)
- Work gives them a sense of accomplishment (95% Federal/96% DoD)
- Talents are well used (87%/Federal/88% DoD)

Federal Human Capital Survey Results





- **Executives Are Held Accountable for Performance Results**
 - Pay should be based on performance (93% Federal/94% DoD strongly agree/agree)
 - Held accountable for achieving results (91% Federal/90% DoD strongly agree/agree)
 - Most participated in the development of their performance plan (89% Federal/95% DoD strongly agree/agree)



- **Executives See a Mixed Picture in Effectiveness of Pay for Performance**
 - Over half (63% Federal/65% DoD) of the respondents believed discussions with their supervisors about performance are worthwhile
 - Over half (65% Federal/64% DoD) Satisfaction with recognition received for doing a good job
 - Fewer than half (43% Federal/45% DoD) of respondents believe pay for performance promotes better organizational performance in their agencies
 - Only 26% Federal/23% DoD of respondents believe their agencies deal effectively with executives who perform poorly
 - Few respondents believe pay (26% Federal/25% DoD) and bonus (32% Federal/29% DoD) distinctions are meaningfully different among executives
 - Most respondents (61% Federal/48% DoD) are satisfied with their pay
Note: This number is lower than results on a comparable question in the 2006 Federal Human Capital Survey (73%)



■ DoD Implementation Processes Can Be Improved

- Executives received performance plan in the first few months of the performance cycle (84% Federal vs. 75% DoD)
- Executives had mid year progress discussions (75% Federal vs. 69% DoD)
- Performance evaluation considers the most important parts of an executive's job (71% Federal/72%)
- Executives received a briefing or training on their performance management system (64% Federal vs. 56% DoD)
- Executives have less understanding of the pay system (salary increase – 58% for Federal/ 54% DoD; bonus – 56% Federal/30% DoD) than the appraisal system (83%)
- Executives not well informed of the aggregate results of the annual performance appraisal data . Responses ranged from a low of 35% to a high of 63% (49% in DoD).
- Most performance ratings are based on performance of their organizations (67% Federal/64% DoD)
- Few executive performance ratings consider customer perspective (43% Federal/52% DoD); and employee perspective (Federal 29%/30% DoD)



■ Bottom Line – Pay For Performance (P4P)

– Improve implementation processes of DoD P4P management system

- Develop performance plans on time and provide feedback to executives, conduct meaningful in-progress reviews- OPM Certification Criteria
- Link performance results and performance rating to both individual and organizational performance – Legal and OPM Certification Criteria
- Include customer and employee perspective in achieving results and use as a basis for performance rating – OPM Certification Criteria
- Train ALL executives annually (www.cpms.osd.mil/sespm); hold executives and supervisor accountable for training

– Improve Communication to Executives – Value Transparency

- Communicate individual and organizational expectations, share aggregate results of annual performance appraisal process (ratings, payouts, etc), share methodology for calculating pay increases and bonuses, know the system

– Lead the Journey to a Pay for Performance Culture

- Leverage NSPS and SES performance management systems as tools to drive higher levels of organizational and individual performance



Highlights - Executive Development

- **Survey responses confirm commonly held perception that once an individual becomes an SES member, further development may be neglected**
 - Discussions with my supervisor about my development are worthwhile (50% Federal vs. 51% DoD)
 - My last performance review helped me identify my strengths (53% Federal vs. 48.7 DoD)
 - My last performance review helped me identify areas for improvement (23% Federal vs. 26% DoD)
 - My development needs are assessed (33% Federal vs. DoD 32%)
 - 55% of Executives were satisfied with their development

- Note:** In a study conducted by Development Dimensions International with private sector executives, a little over 50% indicated satisfaction with development opportunities

- **Executives are open to the prospect of continual learning and many believe in the benefit of job changes**
 - Over half (55% Federal/56% DoD) of executives believe job changes improve performance
 - The majority (77% Federal/73% DoD) of respondents believe SES members should be able to perform successfully in a wide range of career positions
 - Few executives changes jobs to work in different agencies (10% Federal/12% DoD)
- **DoD must deliberately plan to sustain the continuity of executive talent**
 - Expectations of high turnover among the senior ranks in the near future; 39% Federal/36% DoD of career SES said they plan on leaving in 3 years; 60% Federal/58% DoD plan to leave in the next 5 years)



▪ Bottom Line – Executive Development

– Ensure institutionalization of the 21st Century SES Initiative (DoD Directive 1403.03, “The Career Lifecycle Management of the SES Leaders in DoD”)

- Moves from Ad hoc lifecycle management to deliberate and systematic management
- Requires SES culture of continuous learning
 - In consultation with supervisors and mentors, SES to be guided through a structured series of developmental and educational experiences including reassignments to more challenging positions
- Values a diverse portfolio of experience and Joint experience/knowledge
- Requires talent management and succession planning to sustain continuity of executive leadership

– Lead the Journey

- It is an executive’s responsibility to develop talent – identify and develop the future bench for SES positions

Additional Information on 2008 SES Survey results:

**DoD Analysis by DoD and Component on
DoD SES Website**

http://www.cpms.osd.mil/sespm/reports_studies.aspx

**OPM SES Survey Results by
Federal Agencies (including DoD)**

http://www.opm.gov/ses/SES_survey_results_complete.pdf