

# SES-PAAT Questions and Answers

The following questions and answers provide instructions and explanations for the SES Performance Appraisal Assessment Tool (SES-PAAT) and include questions based on agency inquiries.

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## **General**

### **Q1. What is the purpose of the SES-PAAT?**

**Answer:** The SES Performance Appraisal Assessment Tool (SES-PAAT) provides agencies a method to evaluate their SES and SL/ST appraisal systems and performance plans against the required system certification criteria and to request certification by OPM, with OMB concurrence. As part of each agency's future request to OPM for certification, agencies will complete this self-assessment tool and submit the results to OPM for review and verification, usually 6 months before the end of the certification period.

### **Q2. How often will agencies need to submit the SES-PAAT?**

**Answer:** OPM requires the SES-PAAT to be completed and submitted to OPM 6 months prior to the expiration of the agency's current certification.

### **Q3. What must be included in the request package when an agency submits the SES-PAAT for certification review?**

**Answer:** Agencies must provide an electronic copy or 5 hard copies of the following:

- Request letter signed by the agency head or designee;
- The SES performance appraisal system description;
- The completed SES-PAAT;
- Sample performance plans, as designated by OPM; and
- Any support documentation as identified in the SES-PAAT sections.

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**Q4. For systems with full certification, how will OPM designate which performance plans the agency must submit?**

**Answer:** For agencies with systems with full certification, the agency will contact the OPM Human Capital Officer (HCO) assigned to that agency prior to sending the certification request to OPM. The HCO will advise the agency which performance plans to submit. OPM will identify plans that represent a cross section of the agency's SES occupations and/or organizations.

**Q5. How many sample performance plans will the agency send to OPM for review?**

**Answer:** For agencies with provisional certification or for first-time requests, the agency must send 10 percent of its performance plans, or 20 plans, whichever is more. For agencies with full certification, OPM will request a number of performance plans based on the number of SES members in the agency. Generally, the number of plans submitted with the SES-PAAT for agencies with full certification will be as follows:

- If less than 100 SES members, OPM will review 5 plans;
- If between 100 and 1,000 SES members, OPM will review 10 plans; and
- If over 1,000 SES members, OPM will review 20 plans.

OPM may request additional plans, as needed.

**Q6. What do agencies need to do to complete the SES-PAAT?**

**Answer:** The agency needs to conduct a comprehensive evaluation of its SES appraisal system and its results. The evaluation needs to include a review of the performance appraisal system description; training or briefings delivered to SES members, rating officials, and PRB members; the assessment of its organizational performance; the guidelines issued to rating officials and PRB members; the oversight performed of its performance management system; the ratings distribution and pay adjustments authorized; and a representative sample of SES performance appraisal plans.

**Q7. What does the SES performance appraisal system description need to include for certification?**

**Answer:** The system description must include policy statements requiring the following:

- Performance plans must include a critical element that holds the executive accountable for aligning subordinate performance plans with organizational goals and for rigorously appraising employee performance (for example, employees were appraised realistically against clear, measurable standards of performance and within established time frames);
- Performance plans clearly link to the agency's mission, GPRA strategic and annual performance goals, program and policy objectives, and/or budget priorities;
- Executive performance plans include at least one critical element that holds the executive accountable for achieving results;

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- A summary rating derivation formula such that each SES member's performance plan counts measurable results as at least 60 percent of the summary rating or a derivation methodology where measurable results clearly drive the summary rating;
- Performance plans take into consideration both customer and employee perspectives;
- Consultation, not just discussion, with executives on the development of the executive's performance plan;
- Assessment of organizational performance and providing guidelines on how this information will be used when recommending ratings, pay, and awards for executives;
- Oversight of the results of ratings, pay adjustments, and awards;
- Executives receive training on the requirements and operation of the agency's pay-for-performance system; and
- Communication of the results of the system's application.

### **Q8. What must executive performance plans include to meet SES certification criteria?**

**Answer:** Executive performance plans must include the following:

- A critical element that holds executives accountable for the performance management of subordinates (including aligning subordinate performance plans with organizational goals and for rigorously appraising employee performance);
- Requirements that provide clear, transparent links to organizational goals;
- A summary rating derivation formula that counts measurable results as at least 60 percent of the summary rating, or where results clearly drive the summary rating;
- Measurable results that are observable and/or demonstrable, and count as at least 60 percent of the summary rating;
- Requirements that take into consideration both customer and employee perspectives; and
- An indication that requirements were developed in consultation with the executive, not merely discussed.

### **Q9. How will the SES-PAAT assess the agency's Strategic Plan?**

**Answer:** The SES-PAAT is not designed to evaluate the strengths or weaknesses of the agency's Strategic Plan. For the purposes of performance management accountability, the SES-PAAT reviews whether performance requirements are linked to organizational goals and whether the agency assesses organizational performance. However, the quality of an agency's strategic plan may impact final certification decisions and concurrence.

## **Accountability**

### **Q10. What methodology should agencies use to review performance plans when preparing to complete sections 6 through 10 of the SES-PAAT?**

**Answer:** For the purposes of the SES-PAAT, OPM requires that agencies review the following sample size of SES performance appraisal plans:

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- 100 percent of the plans for agencies with less than 100 SES members;
- At least 50 percent of all plans for agencies with 100-1,000 SES members, or
- At least 25 percent of all plans for agencies with greater than 1,000 SES members.

When sampling plans for the agency's SES-PAAT, representation is critical. The agency should sample a wide variety of occupational series in many varying parts of the organization. The sample should include performance plans that represent the entire SES population, including performance plans from across the entire agency, across all locations and components, plans that cover a large number of executives, for positions at various levels of responsibility, and for positions that represent different types of work (line versus administrative).

Finally, the agency should review each performance plan and determine whether the plan meets, or does not meet, the certification criteria for alignment, consultation, measurable results, employee and customer perspective, and accountability.

### **Q11. When explaining the review of performance plans in section 6a, what information should the agency provide?**

**Answer:** In describing its review methodology, the agency needs to identify the number of performance plans reviewed, provide an explanation of how the sample size was determined and why those plans were considered a representative sample, what information the agency looked for while reviewing the performance plans for responses to sections 6-10 of the SES-PAAT, and the results of the review.

If the agency prepared a report of its performance plan review, the agency may attach a copy of that report to the SES-PAAT instead of completing section 6a. When attaching a copy of the report, the agency should include the following in section 6a, "See attached report on the agency's review of SES performance plans."

### **Q12. What is OPM's standard for the accountability criterion?**

**Answer:** The accountability criterion is met when 90 percent or more of executives have performance plans that include a critical element that holds executives accountable for the performance management of subordinates, to include aligning subordinate plans with organizational goals and the rigorous appraisal of employees; and all the performance plans submitted with the SES-PAAT include that critical element.

## **Alignment**

### **Q13. What does OPM mean by "alignment to organizational goals?"**

**Answer:** Executive performance plans should align with (i.e., support) organizational goals and targets that are established in an organization's annual performance plan. Alignment should be clear and transparent so executives can see how their performance plans support organizational goal achievement. Merely including a generic statement in

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performance plans that executives support organizational goals is not adequate for communicating alignment.

Examples of Alignment—Executive performance plans can show alignment in several ways.

- The appraisal form includes a block in which the supervisor and employee indicate which of the organization's annual performance goals or objectives the results-focused element and its requirements align with. Be sure that organizational goals are not merely copied into the executive performance plans or referred to without the element also including the specific results, with metrics, that the executive is to accomplish in order to support that goal. In other words, the element should directly relate to the organizational goal and include clear, credible measures of performance of quality, quantity, timeliness, and/or cost-effectiveness.
- The language in the element explains which organizational goal and objective the element aligns with. For example, "In order for the Bureau to achieve its goal of completing X during FY09, the employee must complete an average of Y each month, with Y meeting the requirements outlined in the agency's Operating Procedures."
- Some agencies have broad strategic goals that can be used in employee performance plans as elements. For example, if the agency has a broad strategic goal of customer satisfaction, the agency could transfer that goal into executive performance plans as a critical element, as long as the requirements for that element hold the employee accountable for a specific result, have measures of performance, and support any other specific targets that may be found in an organization's annual work plan.

### **Q14. How should agencies indicate alignment on executive performance plans?**

**Answer:** There is no prescribed format for indicating alignment on executive performance plans. Performance requirements must show a clear, transparent link to organizational goals. The supervisor, employee, and any reviewers must be able to identify the originating document and the specific linked goal from what is provided on the appraisal form. Not all agencies spell out the specific alignment to specific organizational goals, but instead prefer to identify the originating goal document and the numbers from that document for the linked goals.

### **Q15. What is OPM 's standard for the criterion for alignment to organizational goals?**

**Answer:** The alignment criterion is met when 90 percent or more of the executives have performance plans with clear links to organizational goals and all of the performance plans submitted by the agency with the SES-PAAT show clear links to organizational goals.

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### Measurable Results

#### **Q16. What is the measurable results criterion?**

**Answer:** The measurable results criterion is evident when the designated element and requirements describe measurable (e.g., observable, and/or verifiable) results. Results should have specific targets. If results cannot be measured using numbers (efficiency or accuracy rates, survey results, number completed), a description of what constitutes the Fully Successful level should be included.

#### **Q17. What are measurable results?**

**Answer:** Within the performance appraisal process, measurable results are outcomes or outputs, as appropriate, that are measurable in terms of the quality, quantity, timeliness, and/or cost effectiveness of the result. Measures should be verifiable and observable.

#### **Q18. What are output-based measurable results?**

**Answer:** Outputs are products or services (accomplishments) of employee and work unit activities, and are generally described as nouns. Examples of outputs include files that are orderly, and complete and accurate guidance to customers.

#### **Q19. What are outcome-based measurable results and are they required for SES certification?**

**Answer:** Outcomes are the final results of an agency's products and services (and other outside factors that may affect performance).

OPM cannot specify whether outputs or outcomes should be included in executive performance plans because it depends on the level of responsibility of the executive. If an executive is responsible for the result of an entire program, it may be appropriate to hold the executive accountable for the outcome. For example, an outcome for a Regional Forest Ranger responsible for planned burns might be “reduced acreage of wildfire burns.” If, however, the executive is responsible for a program that feeds outputs into other programs, it may be more appropriate to hold the executive accountable for the output. For example, an OPM executive responsible for Federal Insurance Programs may be held accountable for the output, “adjudications of 96 percent of disability retirement applications (in which the applicant’s life expectancy is a year or less) are final within 10 days.”

OPM will look to see that executive performance plans have elements and requirements that focus on results achieved, as represented by either outcomes, when appropriate, or outputs or services.

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**Q20. How can an agency show that at least 60 percent of the summary rating is based on results?**

**Answer:** OPM requires that agencies count measurable results as at least 60 percent of the summary rating. Some ways agencies have met this requirement include—

- Two critical elements with one, Results, weighted 60 percent of the summary rating, and the other, Leadership, weighted 40 percent;
- Three or more critical elements, all equally weighted, with at least 60% of the elements designated as results-focused;
- Three or more critical elements, all equally weighted, with at least 60% of the requirements in each element having results-focused measures; or
- A derivation formula where the critical element(s) with measurable results drives the summary rating.

**Q21. What will OPM credit on the SES-PAAT for the derivation formula?**

**Answer:** Raters will give credit on the SES-PAAT when the agency's appraisal form includes the derivation formula referenced or contained in the system description, and the derivation formula counts measurable results as at least 60 percent of the summary rating or where elements with measurable results clearly drive the summary rating.

**Q22. What is OPM's standard for measurable results?**

**Answer:** The measurable results criterion is met when 90 percent or more of executive performance plans include measurable results that count for at least 60 percent of the summary rating and all the performance plans submitted by the agency with the SES-PAAT demonstrate this.

### **Balanced Measures (Customer and Employee Perspectives)**

**Q23. What are balanced measures?**

**Answer:** Balanced measures are measures or indicators of the solicitation and use of employee and customer/stakeholder feedback.

**Q24. What is OPM's standard for the customer and employee perspective criterion?**

**Answer:** The customer and employee perspective criterion is met when—

- 90 percent or more executive performance plans have requirements that indicate two-way communication or dialog or collaboration with customers and employees, and consideration of feedback in executive's actions/decisions; and
- All the performance plans submitted by the agency with the SES-PAAT include both customer and employee perspectives.

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### Consultation

#### **Q25. What does consultation mean in the SES appraisal context?**

**Answer:** Consultation means executives are involved in the development of their performance plans. This requirement goes beyond discussion, which could fall short of actual involvement.

#### **Q26. How will OPM credit consultation with executives in the development of their performance plans on the SES-PAAT?**

**Answer:** The system meets the consultation criterion when the system description requires consultation and all performance plans include a signatory line on the form that indicates the executive was consulted in the development of the performance plan.

### Organizational Assessment and Guidelines

#### **Q27. What does OPM mean by organizational assessment?**

**Answer:** One way agency performance is assessed and reported is through requirements of the Government Performance and Results Act. Agencies must report on their performance in achieving specific goals and objectives that they establish at the beginning of the fiscal year. OMB also assesses the performance of agency programs. Agencies should complete some kind of assessment of the year's accomplishments toward strategic goals to meet these various requirements.

#### **Q28. What type of documentation is expected for the SES-PAAT regarding organizational assessment?**

**Answer:** The agency should provide a thorough description of how it assesses organizational performance, and include PAR or other information, if available, and any other organization assessment data. If the agency has developed a scorecard for components that incorporates all assessments it has conducted of organizational performance, the agency should include a description of the scorecard format, content, and cycle. A sample of the scorecard could be attached.

#### **Q29. What is OPM's standard for communicating organizational performance to executives?**

**Answer:** Communication is evidenced by a systematic process for communicating organizational performance to all executives. Communication could include an automated system, a scorecard, a memo, all-executive staff meetings, off-site strategy meetings, or another method that demonstrates more communication than merely posting the PAR on the agency web site.



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### Q30. What does OPM mean by guidelines?

**Answer:** The agency should have a process in place for communicating organizational performance and providing instructions to rating officials and PRB members. The instructions should advise rating officials and PRB members regarding work unit performance and how that should be considered when rating executives.

### Q31. What is OPM's standard for providing guidelines to executives, rating and reviewing officials, and Performance Review Boards (PRBs) about how organizational performance should be considered when deciding ratings and awards?

**Answer:** The organization assessment and guidelines criterion is met when the agency provides guidelines to executives, rating and reviewing officials, and PRBs in writing that includes information about organizational performance, and provides specific guidance on how to take that performance into consideration when determining ratings, pay adjustments, and awards.

### Q32. What documentation on guidelines is required for the SES-PAAT?

**Answer:** Agencies should provide a copy of the written guidelines that were issued to executives, rating and reviewing officials, and PRBs. For very small organizations where this information is discussed orally, a copy of the meeting agenda or email notifying participants of this discussion will suffice, including a meeting for PRB members where an external PRB is used.

## Oversight

### Q33. Who should be assigned oversight of the results of ratings, pay adjustments, and awards under the SES performance management system?

**Answer:** The agency head, or designee, should be responsible for oversight. Within the Office of the Inspector General, the Inspector General or designee should be responsible for the oversight. OPM expects this oversight responsibility to be at the headquarters level to ensure an appropriate breadth of scope across the organization.

### Q34. What documentation is required to support the oversight section of the SES-PAAT?

**Answer:** Agencies should provide the title of the responsible official and evidence that the oversight official has verified the system evaluation.

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### Training

**Q35. What documentation is required to show the agency provided adequate training to executives?**

**Answer:** OPM is looking for ample evidence the agency has conducted adequate training on the program requirements, operations, and results (i.e., the rating distribution and average pay adjustments and average performance award amounts). This might be copies of slides, course agenda, or other documentation that indicates what was covered, and should include the number of attendees.

**Q36. Once the agency's pay-for-performance system is established and operating, why is further training required?**

**Answer:** Periodic updates and refresher information is important to alert executives of changes in the process and/or procedures of the program, and to remind executives of program requirements. Formal classroom training may not be necessary for long-established programs. In those cases, briefings may be more appropriate.

**Q37. Why is it necessary to record attendees, which is often thought of as a labor-intensive process?**

**Answer:** The purpose of the training is to ensure that executives receive the information on the program requirements, operations, and results. Providing the number of attendees is part of the information OPM uses to determine whether the training and/or briefings were adequate. Agencies can develop and deliver excellent training opportunities, but it is inadequate if few attend.

It is common practice in training sessions and briefings to establish a sign-in sheet for attendees. This practice is an effective method and causes minimum burden on the attendees and the administrators of the session. Most on-line training software has the means to record the participants who complete the course and can furnish a list to the administrators.

**Q38. What documentation should agencies provide to show rating distribution, the average pay adjustments, and average performance award amounts were communicated to executives?**

**Answer:** Agencies should provide evidence (for example, slides, a memo, an email) showing the communication of agencywide ratings distribution, average pay adjustments, and average performance award amounts to executives.

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### Performance Differentiation

**Q39. What documentation is required to report performance differentiation on the SES-PAAT?**

**Answer:** Rating data is provided to OPM through the annual SES rating, pay, and awards data call. In addition to the annual data call information, for certification purposes agencies must provide an explanation of how the rating distribution of executives reflects the performance of the agency/components.

**Q40. What is OPM's standard for the ratings distribution from the two most recent appraisal periods?**

**Answer:** The performance differentiation criterion is met when—

- The data from the most recent 2 years indicate the agency has reserved the highest rating (e.g., Outstanding or equivalent) level for identifying its top performers;
- Distributions appear to appropriately reflect organizational performance as determined by the PAR and other organizational performance as reported in SES-PAAT; and
- The agency provides an adequate description of how the ratings distribution reflects organizational performance.

**Q41. What is an adequate description of how the ratings distribution reflects organizational performance?**

**Answer:** The description is adequate when the agency—

- Reports the percent of PAR goals met and exceeded or not met or the results of other formal assessments and compares that to the rating distribution, or
- Provides a convincing, detailed justification for the rating distribution in relation to organizational performance.

### Pay Differentiation

**Q42. What documentation is required to support the agency's pay differentiation?**

**Answer:** Agencies report pay adjustments, performance awards, other cash awards, Presidential Rank awards, and aggregate salary carry-over payments through the annual data call. In addition, as part of that annual report, agencies will explain any peculiarity in the data. A copy of the agency pay policy, or a description of it, also is provided with the SES-PAAT.

**Q43. What peculiarities in the data should the agency explain?**

**Answer:** Agencies should explain unusual circumstances, such as retirements or new hires, or why beginning salaries of one year do not match the ending salaries of the previous year.

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### **Q44. Why is the agency's pay policy reviewed for certification?**

**Answer:** A description of the agency's pay policy helps OPM assess the pay data by providing a context for the adjustments and awards, especially when peculiarities in the data appear. Providing a copy of the agency's pay policy may be more convenient than crafting an explanation. In addition, the review confirms the agency has addressed all the regulatory requirements found at 5 CFR 534.404(g) and 534.405.

### **Q45. What should the agency's analysis of pay adjustments, awards, and survey results include?**

**Answer:** The analysis should identify any findings or other information that may be helpful to the organization when providing consequences for performance. Relationships of the mean, median, and mode should be reviewed. Agencies should see that those executives with outstanding ratings receive higher total compensation. A statistical analysis along the lines of the HCAAF metrics is not necessary.

### **Q46. What does OPM look at to determine whether the agency has made distinctions in pay?**

**Answer:** When determining whether the agency has made distinctions in pay, OPM looks at the agency's Systems, Standards, and Metrics correlation coefficient and the total compensation increase given to the executives to determine if, on average, the higher-rated executives received higher performance-based payments.

### **Q47. How will pay distinctions be determined for small agencies? The correlation coefficient becomes problematic for many of the small agencies due to size and/or the small agencies not giving out performance bonuses. Will this point value be reduced or another measurement used?**

**Answer:** For small agencies, a correlation coefficient may not be appropriate. Instead, OPM will review the mean, median, and mode of performance-based adjustments (or total compensation if performance awards are granted), and may use other statistical indicators, to determine whether higher-rated executives were rewarded appropriately.

### **Q48. What is OPM's standard for the pay differentiation criterion?**

**Answer:** The pay differentiation criterion is met when—

- There are no violations of pay and awards limitations on the annual report; and
- The correlation coefficient of the rating and performance compensation (that is pay adjustments and performance awards) is 0.5 or more; **OR** the pay and awards data show the agency makes distinctions in pay and the average performance compensation is higher for executives rated Outstanding than for those rated Exceeds, and Exceeds is higher than Fully Successful. Note that agencies with a correlation

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coefficient between 0.5 and 0.699 are awarded 8 points and agencies with a coefficient of 0.7 or higher are awarded the full 10 points.

### **Federal Human Capital Survey Results**

**Q49. How will the Federal Human Capital Survey (FHCS) results be used in scoring the SES-PAAT?**

**Answer:** Unlike the non-SES PAAT, neither the FHCS nor the Annual Employee Survey responses are assigned point values. This information is to be used to inform the agency of both strengths and weaknesses in employee and executive perceptions of SES appraisal systems. The format of the SES-PAAT identifies those survey questions that align with the individual sections.

**Q50. If the FHCS and the Annual Employee Survey results are not used in scoring the SES-PAAT, why are agencies asked to provide the data?**

**Answer:** The SES-PAAT is an evaluation of an appraisal system. A thorough evaluation includes a variety of sources of information. Employee and executive perspectives are appropriate to consider when evaluating an appraisal system. OPM felt it important to include employee and executive perspective information in the evaluation, even though we do not consider it in scoring the system.