



## Basics of the Federal Government's Senior Executive Service (SES)

The Senior Executive Service (SES) is an experienced corps of dedicated federal employees who serve as the executive management of federal agencies. Senior Executives provide for institutional stability and continuity across Administrations, and serve as a vital link between political appointees, frontline managers, and the federal workforce of approximately two million employees.

### History

The SES was established by the 1978 Civil Service Reform Act (PL 95-454). Its stated purpose was to "ensure that the executive management of the Government of the United States is responsive to the needs, policies, and goals of the nation and otherwise is of the highest quality." Senior Executives are accountable for both individual and organizational performance.

### Structure of SES

Members of the SES are the pay-grade above GS-15s and serve directly below Presidential appointees.

By law, no more than 10% of the total number of SES allocated positions government-wide can be filled by non-career appointees; no more than 25% of an agency's SES allocated positions can be filled by non-career appointees.

There are two types of positions in the 8,000 member SES:

- career reserved (impartial positions that can only be filled by career appointees). A majority (~90%) of Senior Executives, approximately 7,200, are in this category.
- general positions (may be filled by any type of SES employee, including political appointees). Approximately 800 employees are in this category.

Senior Executives reside in every state, the District of Columbia, Puerto Rico, and abroad. The majority (~75%) of Senior Executives live and work in the Washington, D.C. metro area. Other states with high concentrations of Senior Executives include California (213), Texas (202), Georgia (150), Illinois (109), Pennsylvania (102), Colorado (96), Florida (96), Alabama (93), Ohio (90), New York (84), and Washington (54).

In 2012 agencies with the largest numbers of Senior Executives included: Defense (1,243), Justice (749), Homeland Security (614), Treasury (493), Energy (471), HHS (460), NASA (416), Veterans Affairs (387), Commerce (372), and USDA (344).

### Executive Core Qualifications (ECQs)

Executive Core Qualifications are required for entry to the SES and are used by many departments and agencies in selection, performance management, and leadership development for management and executive positions. The Office of Personnel Management (OPM) has [identified](#) five ECQs.

- 1) **Leading Change** - The ability to bring about strategic change, both within and outside the organization, to meet organizational goals. Inherent to this ECQ is the ability to

establish an organizational vision and to implement it in a continuously changing environment.

- 2) **Leading People** - The ability to lead people toward meeting the organization's vision, mission, and goals. Inherent to this ECQ is the ability to provide an inclusive workplace that fosters the development of others, facilitates cooperation and teamwork, and supports constructive resolution of conflicts.
- 3) **Results Driven** - The ability to meet organizational goals and customer expectations. This includes the ability to make decisions that produce high-quality results by applying technical knowledge, analyzing problems, and calculating risks.
- 4) **Business Acumen** - The ability to manage human, financial, and information resources strategically.
- 5) **Building Coalitions** - The ability to build coalitions internally and with other Federal agencies, State and local governments, nonprofit and private sector organizations, foreign governments, or international organizations to achieve common goals.

The ECQ's also serve as performance standards in the newly created uniform government-wide SES performance management system.

### **Selection Process**

Many agencies run [Candidate Development Programs](#) (CDPs) to identify and develop quality candidates. GS-14 and GS-15 federal employees generally comprise the candidate pool for career Senior Executives. However, SES candidates may also be selected from the private sector.

Initial appointments to the SES are based on merit competition – an Executive Resources Board (ERB) in the individual agency conducts an initial evaluation and recommends qualified candidates to the Office of Personnel Management (OPM) for consideration by a [Qualifications Review Board](#) (QRB). If selected, SES career appointees serve a 1-year probationary period to affirm or deny executive aptitude.

### **Compensation**

Unlike the General Schedule (GS), SES is a grade-less system in which salary is discretionary to the agency within a wide band - currently between \$120,749 and \$181,500. Like the GS, SES pay was frozen for three years. A number of agencies and Departments, however, have instituted a system of pay tiers (typically 3) to differentiate between levels of executive responsibility.

Performance based awards are the second component of Senior Executive compensation. *Although performance based awards were created by the original statute, the current pay for performance system was established during the Bush Administration in the 2004 National Defense Authorization Act (PL 108-136); the new system eliminated locality pay and annual cost of living adjustments and made all pay adjustments discretionary and based on performance.* Such awards are directly linked to individual and organizational performance and the results of performance appraisals, which are vetted by an agency Performance Review Board (PRB) and signed off by the agency head.

The amount of an award must be between 5% and 20% of the Executive's rate of basic pay. Total award payments in an agency are limited to 10% of the aggregate amount of basic pay paid to career executives. Since 2011, total spending on SES performance awards has been [limited](#) to no more than 5% of aggregate executive salaries within the agency.

## Performance Appraisal

The system governing SES performance appraisals can be found in 5 U.S.C. Chapter 43 and 5 C.F.R. Part 430, Subparts C and D. Agencies establish performance management systems that hold senior executives accountable for their individual and organizational performance in order to improve the overall performance of Government by:

1. Expecting excellence in senior executive performance;
2. Linking performance management with the results-oriented goals of the Government Performance and Results Act;
3. Setting and communicating individual and organizational goals and expectations;
4. Systematically appraising senior executive performance using measures that balance organizational results with customer, employee, or other perspectives; and
5. Using performance results as a basis for pay, awards, development, retention, removal and other personnel decisions.

A Senior Executive's supervisor establishes performance elements and requirements in consultation with the executive and consistent with the goals and performance expectations in the agency's strategic planning initiatives. The supervisor proposes the initial summary rating, based on both individual and organizational performance, and taking into account customer satisfaction and employee perspective. The executive's initial summary rating is reviewed by a Performance Review Board (PRB). The agency head (or his/her designee) determines the executive's final annual summary rating.

Senior Executives are typically rated on a five level scale (although some systems have used three levels in the past). Levels include Outstanding, Exceeds Fully Successful, Fully Successful, Minimally Satisfactory, and Unsatisfactory.

In 2012, OPM, in coordination with OMB, issued [guidance](#) on a government-wide SES performance appraisal system— this includes both numerical and written definitions of performance levels with uniform performance standards based on the ECQs. The new SES appraisal system, which is still being integrated and applied by agencies, promotes greater consistency, clarity, transferability, and equity in the development of performance standards, the delivery of feedback, the derivation of ratings, and the link to compensation.

Senior Executives who exhibit exceptional performance may be recognized with the [Presidential Rank Award](#), given by every President since 1980, although President Obama suspended them in 2013. There are two categories of awards: *Distinguished* and *Meritorious*.

- The *Distinguished* Rank is awarded to leaders who achieve extraordinary results, and to no more than one (1) percent of SES or Senior Professional employees.
- The *Meritorious* Rank is awarded to leaders for sustained accomplishments, and to no more than five (5) percent of SES or Senior Professional employees.

## Removal from the SES for Performance

Senior Executives may be removed from the SES for poor performance. After serving a one-year probationary period (during which point a Senior Executive is basically in an at-will status), an agency can remove a Senior Executives based on his or her performance rating.

An agency has the option of removing from the SES a Senior Executive if the Executive receives one unsatisfactory performance rating. Senior Executives must be removed from the SES if they receive

two unsatisfactory ratings within five consecutive years or two less than fully successful ratings within three consecutive years.

To initiate the removal an agency must provide a 30-day written notice outlining the basis for the action. Review by the MSPB is limited to only an informal hearing with a non-binding recommendation back to the employing agency. The Senior Executive may choose to resign, may be eligible for immediate retirement, or may be returned back to a GS-15 or equivalent position.

### **Agency SES Appraisal System Certification and Recertification**

The SES pay-for-performance system requires that OPM certify agencies' performance appraisal systems, with OMB concurrence. Certified agencies can pay up to Executive Level II (currently \$181,500). Agencies without certification can only pay up to Executive level III (currently \$167,000). For aggregate salary (base pay plus performance award), the cap is the Vice-President's salary (currently \$230,700).

To achieve certification, agencies must align senior employee performance with organizational goals, hold senior employees accountable for setting clear employee expectations, and align the appraisal process with agency efforts to improve results.

OPM and OMB expect agency performance improvement officers and Chief Human Capital Officers to work together so senior employee performance plans include goals linked to agency mission. Certification can be withheld if senior employee goals are not results or outcome oriented.

Currently about 70% of SES performance appraisal systems are certified.

### **Senior Level (SL) and Scientific & Professional (ST) Employees**

Throughout the government there are employees categorized as Senior Level (SL) and Scientific & Professional (ST) employees. According to OPM, these employees are in non-executive positions whose duties are broad and complex enough to be classified above GS 15. SL/ST positions may include some supervisory and related managerial duties, provided that these duties occupy less than 25 percent of the incumbent's time.