



Fourth Estate SES and SL/ST Performance Management Update

August 11, 2014

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COLLABORATION • EMPLOYEE FOCUS • RESULTS



Topics for Discussion

- ☐ **FY 2013 Rating and Payout Summary**
- ☐ **FY 2014 Performance Appraisal Process**
- ☐ **Upcoming Performance Management System Closeout**
- ☐ **Performance Plan Audit Update**



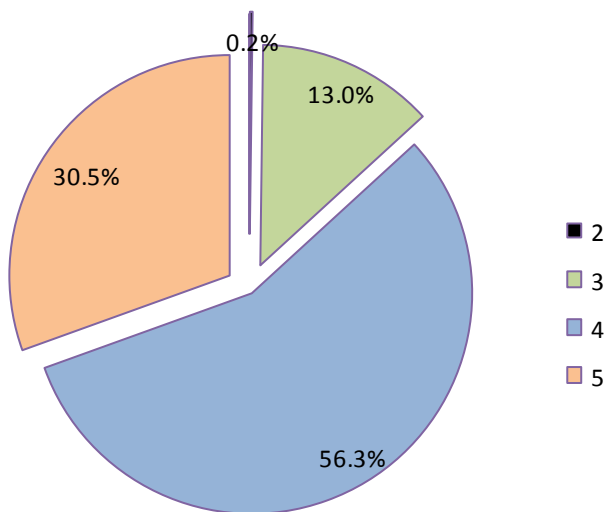
FY 2013 SES Ratings Distribution



DoD

(1127 Rated Career Executives)

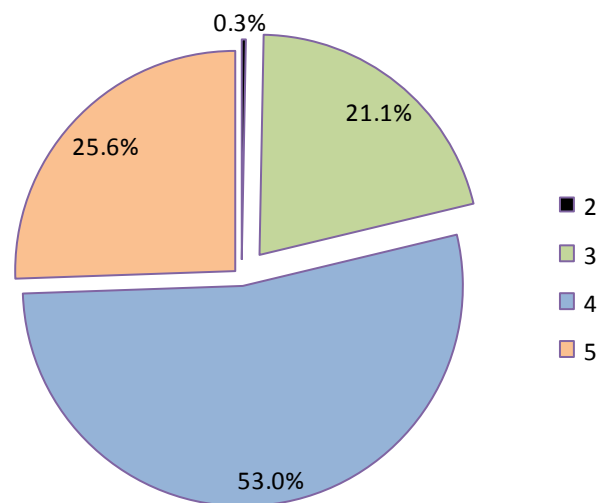
FY 2013 Distribution of Ratings



Fourth Estate

(395 Rated Career Executives)

FY 2013 Distribution of Ratings



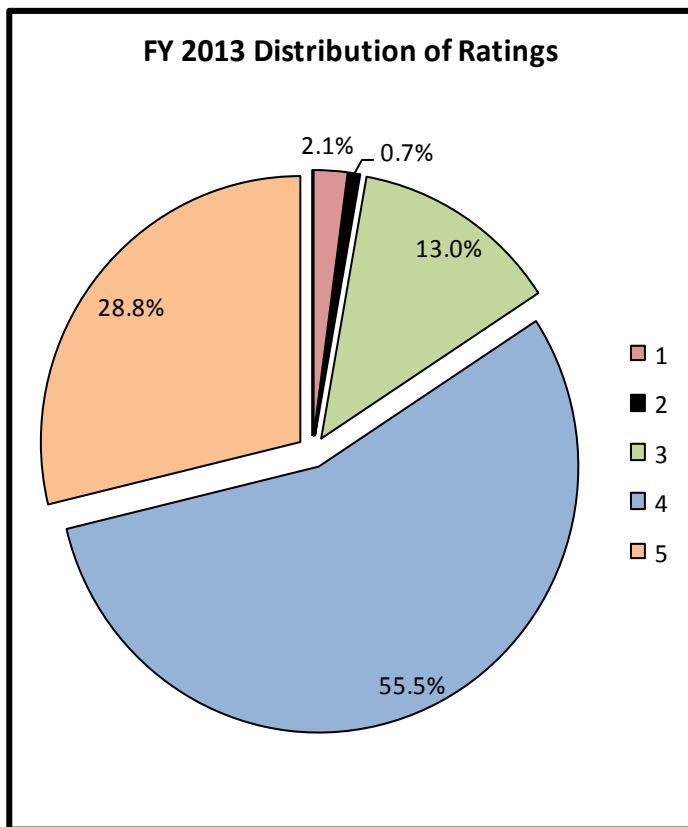


FY 2013 SL/ST Ratings Distribution



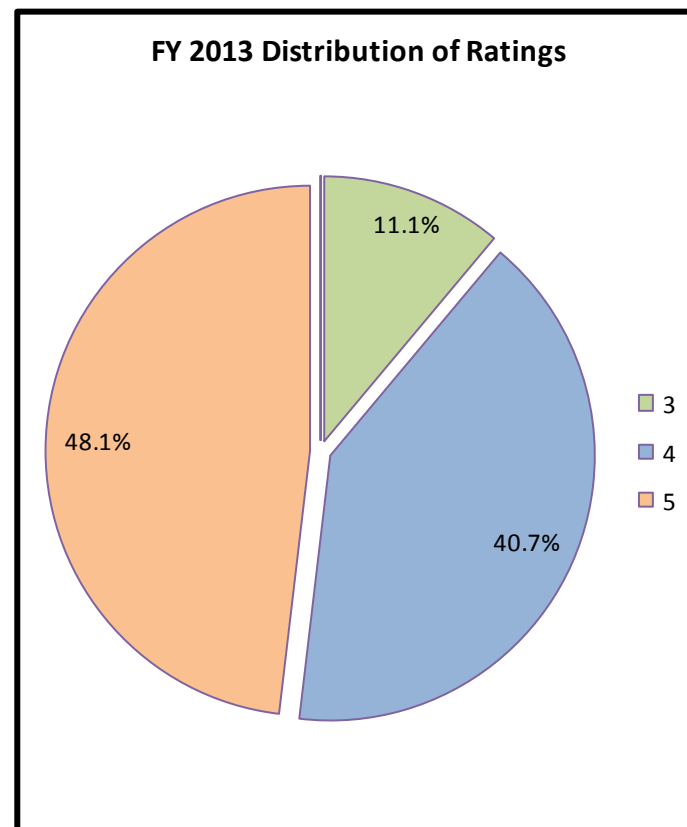
DoD

(146 Rated Senior Level Professionals)



Fourth Estate

(27 Rated Senior Level Professionals)





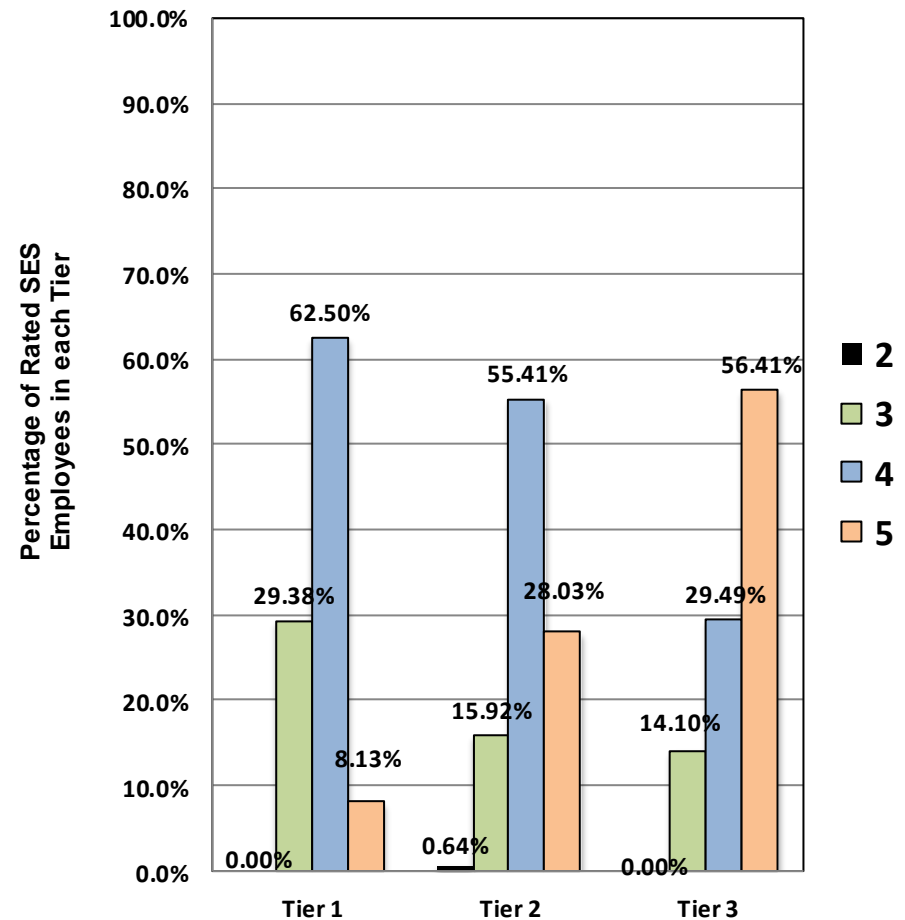
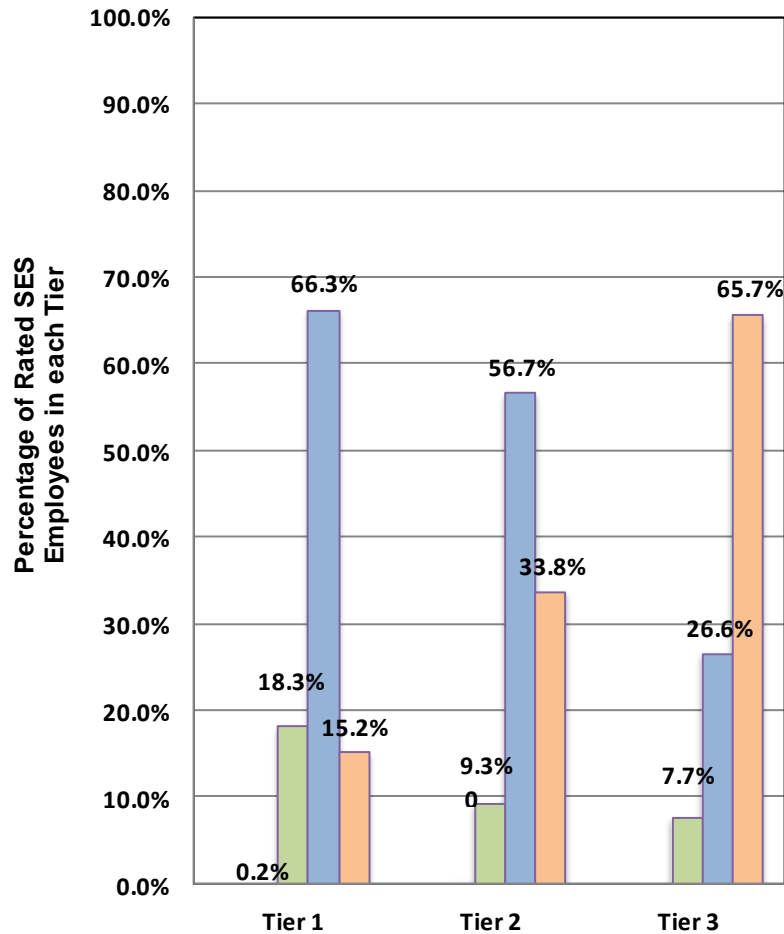
FY 2013 SES Ratings Distribution



DoD

(By Tier Level)

Fourth Estate





Pay Pool Funding (Historical Comparison)



Pay	OSD 2007	OSD 2008	OSD 2009	OSD 2010	Fourth Estate 2011	Fourth Estate 2012	Fourth Estate 2013
Pay Pool Funding Factor	12%	Overall: 13% Tier 3 = 17% Tier 2 = 13% Tier 1 = 11%	Overall: 13% Tier 3 = 17% Tier 2 = 13% Tier 1 = 11%	Overall: 7.5% Tier 3 = 9.75% Tier 2 = 6.75% Tier 1 = 5.75%	Overall: 5%	Overall: 5%	Bonus Pool: 1% Pay Increase: Based on Rating Level; up to Tier Limit
Salary Adjustment	4%	8% (individual cap) 4.5% (pool cap)	8% (individual cap) 4.5% (pool cap)	None	None	Ranges based on rating level) Level 5: 2.1% - 3% Level 4 : 5% - 11% Level 3: 0 or 5%	Ranges based on rating level) Level 5: 2.1% - 3% Level 4 : 1.1% - 2% Level 3: 1%
Bonus Pool	10%	10%	10%	7.5%	5% (with individual caps based on rating level) Level 5: Max 14% Level 4 : Max 11% Level 3: Max 8%	5% (with individual ranges based on rating level) Level 5: 7% - 14% Level 4 : 5% - 11% Level 3: 0 or 5%	1%

Federal-Wide Individual Performance Bonus Requirements

- ***Career SES: 0 or 5 – 20%***
- ***SL/ST Bonus: 0 – 20%***
- ***Ltd Term/Non-career SES: Not eligible for bonus***



FY 2013 Bonus Summary

	Fourth Estate	DoD
Bonus Percentage Ranges:		
SES	5% - 7.3%	5% - 7.5%
SL/ST	6.3% - 7.9%	5% - 8.1%
Percentage of Members that Received a Bonus:		
SES	15.4%	17.7%
SL/ST	11%	17.1%
Average Bonus:		
SES	\$10,093	\$9,307
SL/ST	\$11,679	\$9,042

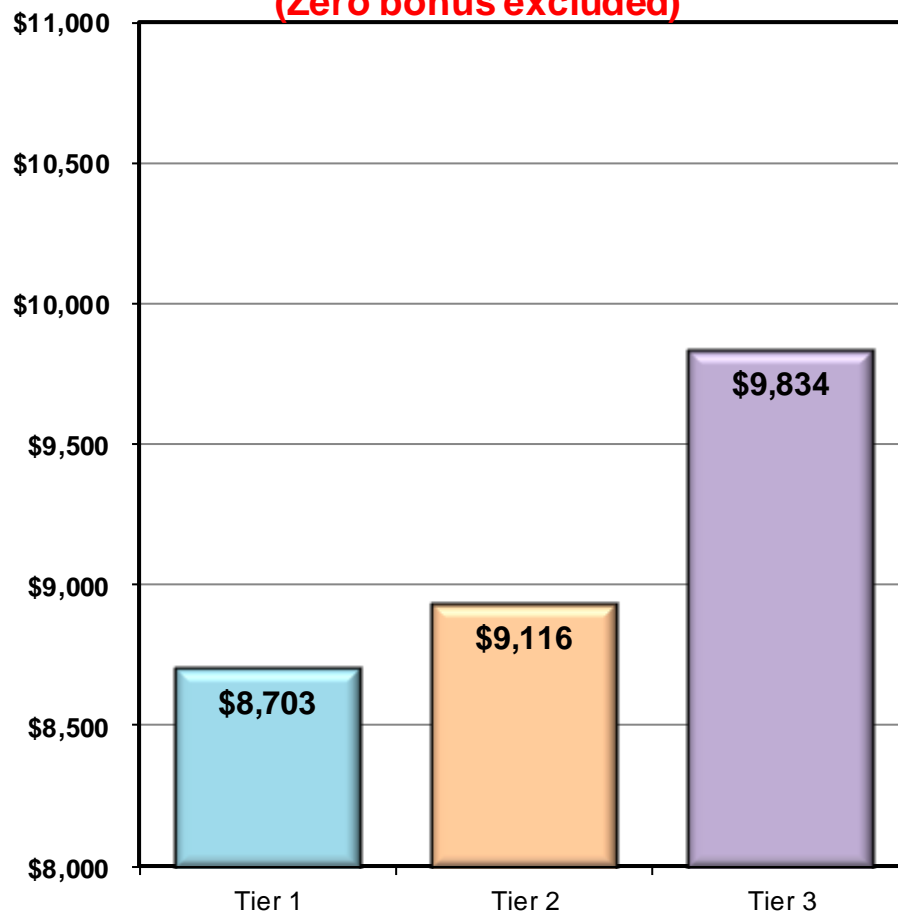
Across DoD only SES who received a level 5 rating, received a bonus due to funding limitations.



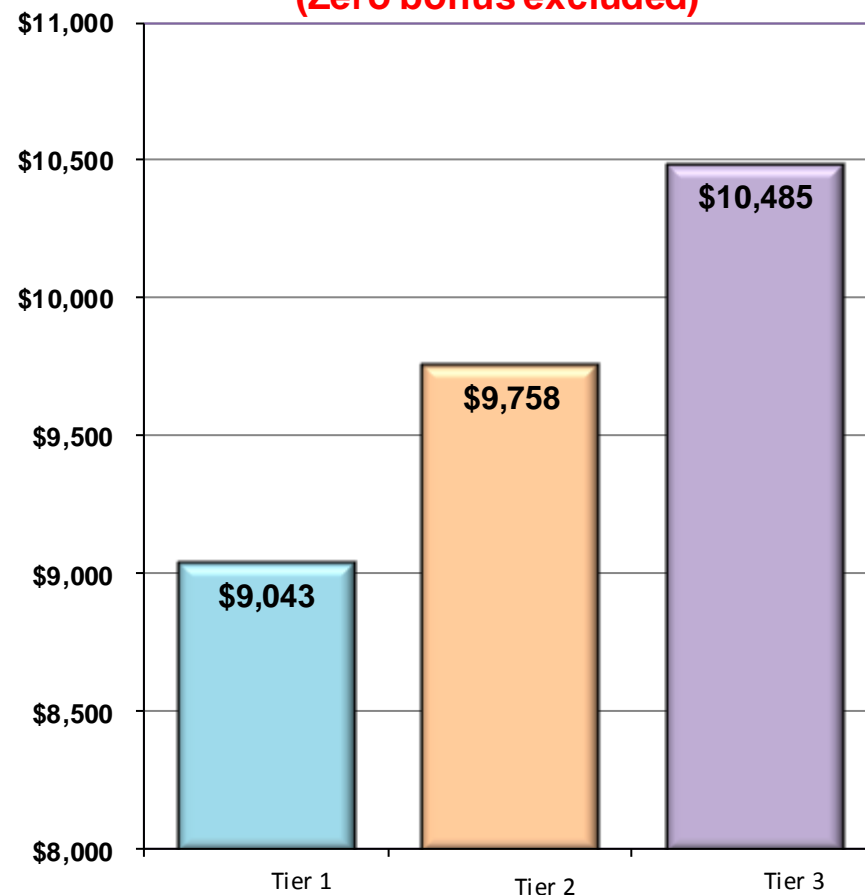
Comparison of DoD and Fourth Estate SES Average Bonus By Tier



Avg. DoD
FY 2013 Performance Bonus
by Tier Level (Career Only)
(Zero bonus excluded)



Avg. Fourth Estate
FY 2013 Performance Bonus
by Tier Level (Career Only)
(Zero bonus excluded)





FY 2014

Performance Appraisal Process



Performance Plan
(Oct 1)

*Progress Review
(Mid-year)

Initial Summary
Rating
(Late Sep)

Higher Level
Review
(Early Oct)

Pay Pool
(Mid Oct)

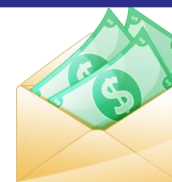
Performance Review
Board
(Late Oct)

Authorizing
Official
Decision
(Late Nov)

Payout
(Dec-Jan)

- *Appraisal Period: October 1 through September 30*
- *Minimum Period to Receive a Rating: 90 days*

**DSD Mid-year Progress Review Guidance Memo dated May 8 2014.*





Upcoming Performance Management System Closeout



☐ FY 2014 Critical Element Weights

- ✓ **Leading Change** (10%)
- ✓ **Leading People** (10%)
- ✓ **Business Acumen** (10%)
- ✓ **Building Coalitions** (10%)
- ✓ **Results Driven** (60%)

☐ FY 2015 Critical Element Weights May Change

- ✓ Currently pending issuance of DoD-wide guidance and Fourth Estate decision
- ✓ Results Driven weighted at a minimum of 40%; Leading People weighted at a minimum of 20%; and the remaining three elements must be weighted at a minimum of 5%
- ✓ Must be consistent across Fourth Estate
- ✓ Business rules will be published



Performance Plan Audit Update



- ☐ DoD FY 2014 SL/ST Audit Results – Program certified by OPM with OMB concurrence through September 30, 2016
- ☐ OPM certification of the DoD SES and SL/ST performance management systems allows DoD to pay SES and SL/ST up to EX-II (currently \$181,500)
- ☐ DoD FY 2015 SES Audit – begins Fall, 2014. Current SES system expires June 30, 2015.



Questions

Please feel free to contact:

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