A DIRECTOR'S MONOGRAPH

THE ELUSIVE BOTTOM LINE:

Productivity in the Federal Workforce

May 1982

A REPORT OF THE U.S. MERIT SYSTEMS PROTECTION BOARD
OFFICE OF MERIT SYSTEMS REVIEW AND STUDIES

MERIT PRINCIPLES GOVERNING THE FEDERAL PERSONNEL SYSTEM

The Civil Service Reform Act (Pub.L. No. 95-454, 92 Stat. 111 (1978)) requires that Federal personnel management be implemented consistent with the following merit principles:

(1) Recruitment should be from qualified individuals from appropriate sources in an endeavor to achieve a work force from all segments of society, and selection and advancement should be determined solely on the basis of relative ability, knowledge, and skills, after fair and open competition which assures that all receive equal opportunity.

(2) All employees and applicants for employment should receive fair and equitable treatment in all aspects of personnel management without regard to political affiliation, race, color, religion, national origin, sex, marital status, age, or handicapping condition, and with proper regard for their privacy and constitutional rights.

(3) Equal pay should be provided for work of equal value, with appropriate consideration of both national and local rates paid by employers in the private sector, and appropriate incentives and recognition should be provided for excellence in performance.

(4) All employees should maintain high standards of integrity, conduct, and concern for the public interest.

(5) The Federal work force should be used efficiently and effectively.

(6) Employees should be retained on the basis of the adequacy of their performance, inadequate performance should be corrected, and employees should be separated who cannot or will not improve their performance to meet required standards.

(7) Employees should be provided effective education and training in cases in which such education and training would result in better organizational and individual performance.

(8) Employees should be--

(a) protected against arbitrary action, personal favoritism, or coercion for partisan political purposes, and
(b) prohibited from using their official authority or influence for the purpose of interfering with or affecting the result of an election or a nomination for election.

(9) Employees should be protected against reprisal for the lawful disclosure of information which the employees reasonably believe evidences--

(a) a violation of any law, rule, or regulation, or
(b) mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.

It is a prohibited personnel practice to take or fail to take any personnel action when taking or failing to take the action results in the violation of any law, rule or regulation implementing or directly concerning these merit principles.

The Merit Systems Protection Board is directed by law to conduct special studies of the civil service and other Federal merit systems to determine whether these statutory mandates are being met, and to report to the Congress and the President on whether the public interest in a civil service free of prohibited personnel practices is being adequately protected.

These studies, of which this report is one, are conducted by the Office of Merit Systems Review and Studies.

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THE ELUSIVE BOTTOM LINE: PRODUCTIVITY IN THE FEDERAL WORKFORCE

INTRODUCTION

Director's Monographs. This is one of a series of Director's Monographs issued by the Office of Merit Systems Review and Studies which focus on critical aspects of the merit system. This monograph examines the productivity of Federal employees, an essential element of the statutory merit principle that "the Federal work force should be used efficiently and effectively." 1/

The Office of Merit Systems Review and Studies is responsible for the Board's mandate to conduct special studies of the civil service and report to the Congress and the President on the health of the merit system. 2/ These monographs are drawn from the data base which the Office has built up in carrying out that program.

The Elusive "Bottom Line": Productivity in the Federal Merit System. The "merit principles" are positive statutory criteria by which Federal personnel management is required to be guided. Along with the "prohibited personnel practices" (statutory prohibitions), they constitute the organic document--a constitution or "Magna Charta"--of Federal personnel law. 3/

The "merit system" is most often thought of in terms of its impact on Government employees--how they are hired, assigned, trained and disciplined or removed. Yet all of these important aspects of the merit system are but means to the end of the taxpayer's receiving full value from a competent, well managed civil service. This "bottom line" of the civil service is expressed in the fifth merit principle, which calls for the Federal work force to be used "efficiently and effectively."

This monograph explores how well that principle is being realized, through an examination of selected indicators of productivity measured in the survey work of the office.

1/ 5 U.S.C. Section 2301(b)(5).

2/ The following monographs have been issued by the Office of Merit Systems Review and Studies in this series: Breaking Trust: Prohibited Personnel Practices in the Federal Service (February, 1982); The Other Side of the Merit Coin: Removals for Incompetence in the Federal Service (February, 1982).

3/ The complete text of the merit principles is set out on the inside front cover of this monograph. The prohibited personnel practices are summarized on the inside back cover.

Sources of Data From Which This Monograph Was Drawn. The data referred to in this monograph was drawn from data collected from the following surveys:

- **Senior Executive Survey.** This survey queried a random sample of 1,519 members of the Senior Executive Service in November, 1980. The questionnaire was completed and returned by about 980 executives, or roughly 67% of those who received the questionnaire (i.e., excluding a small number of undeliverable returns). Major results of this survey were reported in A Report on the Senior Executive Service, presented by the Board to the Congress and the President in September, 1981.

- **Mid-Level Employee Survey.** This survey instrument was sent to a random sample of approximately 4,900 "mid-level" employees (i.e., in grades GS-13 through GS-15 or equivalent) in December, 1980. About 70% of those who received this instrument responded to the survey.

How to Obtain Raw Data. Interested persons may obtain data tapes, data description, and a related price schedule for each of these surveys by writing:

General Services Administration
National Archives (NNR)
c/o Chief of References
711 - 14th Street, N.W.
11th Floor
Washington, DC 20408

All data tapes are, of course, edited to assure the absolute confidentiality of survey respondents.

SUMMARY

Scope of Monograph. This monograph examines the perceptions of two critical groups of Federal employees, senior executives and "mid-level" (GS 13 - 15) managers, on four indicators of their productivity. Those indicators consisted of respondent's perceptions about:

- The amount of work they are expected to do.
- The extent to which the **amount** of work in their work group could be increased.
- The extent to which the **quality** of work in their work group could be improved.
- Whether taxpayers are getting their money's worth from the contribution the employees are able to make in their jobs.

Caution on Recent Changes. Before summarizing our findings, we should point out that these data were drawn from surveys conducted in late 1980 and early 1981. Significant changes have occurred in the direction and funding of Federal programs and agencies since these surveys were conducted. It is quite likely that these changes have had at least some impact on the indicators we discuss here. 4/

Summary of Findings. We found that:

- **Federal executives and mid-level managers on a Government-wide basis have a generally positive view of their productivity and that of their work groups.**
- **Nevertheless, approximately one-fifth (20%) of all Federal executives and one-quarter (24%) of all mid-level managers saw high potential for increasing the amount of work produced within their groups, with no increase in staff. An even greater percentage (24% and 27%, respectively) saw high potential for improving the quality of work produced within their groups.**
- **Furthermore, major differences emerge when responses are examined on an agency-by-agency basis. Our agency-specific data indicates that major improvements in productivity can be achieved in some agencies.**
- **Within the agencies where respondents saw substantial room for improvement, mid-level managers tended to see greater room for improvement than did senior executives.**

4/ The Office of Merit Systems Review and Studies is at this writing preparing to up-date its data base concerning the aspects of the merit system addressed in these monographs, and to explore in greater depth some of the issues identified in this series.

- The relationship between respondents' rating of their immediate supervisors and positive indicators of productivity was surprisingly weak. Based on our data, it appears that poor supervisory skills have an adverse effect on productivity, but good supervisory skills have only a marginally positive effect.

- Thus, the data suggest that a general emphasis on improving in the quality of supervision will not, in itself, bring about a dramatic improvement in Federal productivity. Rather, substantial improvement in the productivity of the Federal work force will require attention to a broad spectrum of areas in addition to supervisory effectiveness--areas such as employee selection, work methods, procedures, technology, organization structure, or clarification of the organization's mission. Further investigation is needed to identify which of these "additional areas" might be particularly appropriate on a Government-wide basis, and which might be applicable on an agency-specific or program-specific basis.

FINDINGS

The sole reason for the Federal Government's existence is, of course, service to the citizenry. The concept of "merit," expressed in the statutory merit principles upon which the Federal civil service system is based, has as its end the efficient and effective provision of such service. The Civil Service Reform Act of 1978 stated the policy of the United States to be "to provide the people of the United States with a competent, honest and productive Federal work force. . . ." 5/ This end is explicitly expressed in the fifth merit principle:

> The Federal work force should be used efficiently and effectively. 6/

This monograph explores the subject of how productive--efficient and effective--the Federal work force is, as seen through the eyes of its middle managers and senior executives looking at selected indicators on productivity.

Productivity: What is it? There are perhaps as many definitions of "productivity" as there are commentators on the subject. Traditional measurement efforts in this area have generally focused on the concept of efficiency: how much output is produced for a given unit of labor input and capital input. More recently, however, others have argued that any definition of productivity--particularly for a predominantly service-based entity such as the Federal Government--should also include the idea of effectiveness: the extent to which the output of a program addresses the need or solves the problem for which it was intended.

Thus the Civil Service Reform Act and supporting documents spoke to various inter-related facets of productivity in referring to:

- Increasing efficiency (the ratio of input to output).
- Improving the quality of services.
- Decreasing the cost of services.
- Decreasing the time required to provide the services.
- Increasing the usefulness and effectiveness of services.
- Reducing flaws, errors, accidents.
- Ensuring courtesy to the public.
- Improving the responsiveness of services to public need.

5/ Section 3, Pub. L. 95-454 (Oct. 13, 1978), 92 Stat. 1112.

6/ 5 U.S.C. Section 2301(b)(5).

In sum, while there is no consensus about a precise, dogmatic definition of productivity, it is clear that any comprehensive definition for the public sector must include both the concepts of efficiency (the ratio of inputs to outputs) and effectiveness (the extent to which the output satisfies program objectives).

The popular perception of productivity in the Federal work force. It is a matter of common knowledge that productivity in the public sector, including the Federal work force, is widely thought to be less than that in the private sector. This belief is generally based on anecdotal evidence, coupled with the fact that Government revenues do not depend on effective performance. Government agencies, by their nature, typically have a monopoly on their services, and there is no competitive pressure to improve the efficiency or effectiveness of service delivery.

On the other hand, defenders of the public sector work force often argue that even if the output of the public sector is less than that of the private sector in relation to equivalent inputs, the quality of that output is superior, especially when account is taken of the "public interest." Thus, it is said, the civil service provides rigorous standards of safety, reliability, objectivity or integrity that would be forfeited were the same work done in the private sector.

The great difficulty in measuring productivity in the public sector. The fact that effectiveness is particularly important to the measurement of productivity in the public sector greatly complicates the task of measuring productivity in the public sector. Defining effectiveness is problematic because it is highly subjective, usually being based on public perceptions and reactions to services provided.

In the private sector, this is not a problem, since effectiveness is implicitly determined by the prices people are willing to pay for a good or service. In the public sector, however, there is no competitive marketplace, since direct prices are usually not charged for public goods or services. In this case, public perceptions constitute the primary indicator of effectiveness. But which sectors of the public shall be consulted, how shall they be queried, and how shall their views be weighted? The electoral process provides the closest approximation to an answer.

Likewise, attempts to measure efficiency (the ratio of input to output) in the public sector are complicated by problems common to all service-based organizations. Chief among these is the fact that easily definable, tangible units of output are not available. Public organizations in particular typically produce services not easily quantified, such as research and development, defense, and general public assistance. Thus, while the Federal Government has been able to identify and measure outputs of two-thirds of its work force, 7/ it has been hard put to precisely define and quantify many services.

7/ Federal Productivity Measurement: A Report and Analysis of the FY 1979 Productivity Data. This report series is prepared by the Office of Personnel Management in cooperation with the Bureau of Labor Statistics. Actual reporting by agencies has been going on since 1972. Formal reports prior to 1978 were published under the auspices of the Joint Financial Management Improvement Program, and the National Center for Productivity.

On the input side, the public sector is notably lacking in the elaborate systems of accounting by which private sector firms attribute their labor and capital resources to intermediate outputs (such as personnel services, data processing, etc.) and in turn attribute these intermediate inputs to final outputs (services or products used outside the organization) so that an aggregate measure can be derived. This is particularly difficult to do in service organizations because it is difficult to isolate the contributions of these intermediate outputs. Since most government organizations are service-based, the intermediate/final problem is pervasive in the public sector.

All of these problems in the measurement of public productivity are being addressed by different agencies and institutions from many different perspectives. It is not our intention to duplicate those efforts and perspectives. Rather, we have examined the question from the singularly well-informed perspective of Federal managers and senior executives themselves.

The present approach effectively sets aside for the time being the complex problems of productivity measurement in the Federal setting and assumes that individuals are capable of furnishing direct observations about their own productivity and that of their immediate work groups.

The value of employee perceptions. Other researchers have established the usefulness of employee perceptions about their workplace as a measure of the realities of that workplace. More particularly, and directly relevant, a strong correlation has been shown to exist between what public employees thought about the productivity of their organizations and what actually existed, according to available objective measures. 8/

This "common sense" view that employees see and can accurately report a great deal of useful information about the way the merit system actually works has been a keystone of our study program. We have consistently sampled groups of employees who are in positions to have observed key aspects of that system.

The findings which follow are based on the responses of two such groups of Federal employees, "mid-level" managers and senior executives, about four indicators of their productivity:

- The amount of work they are expected to do.
- The extent to which the amount of work in their work group could be increased.
- The extent to which the quality of work in their work group could be improved.
- Whether taxpayers are getting their money's worth from the contribution the employees are able to make in their jobs.

8/ See, U.S. National Center for Productivity and Quality of Working Life, Employee Attitudes and Productivity Differences Between the Public and Private Sector (February 1978).

While there are other indicators relevant to the issue of productivity, these four provide a basic index of questions about the productivity of Federal workers: How busy are they in their own eyes? Can they do more or better work? Are the taxpayers getting their money's worth?

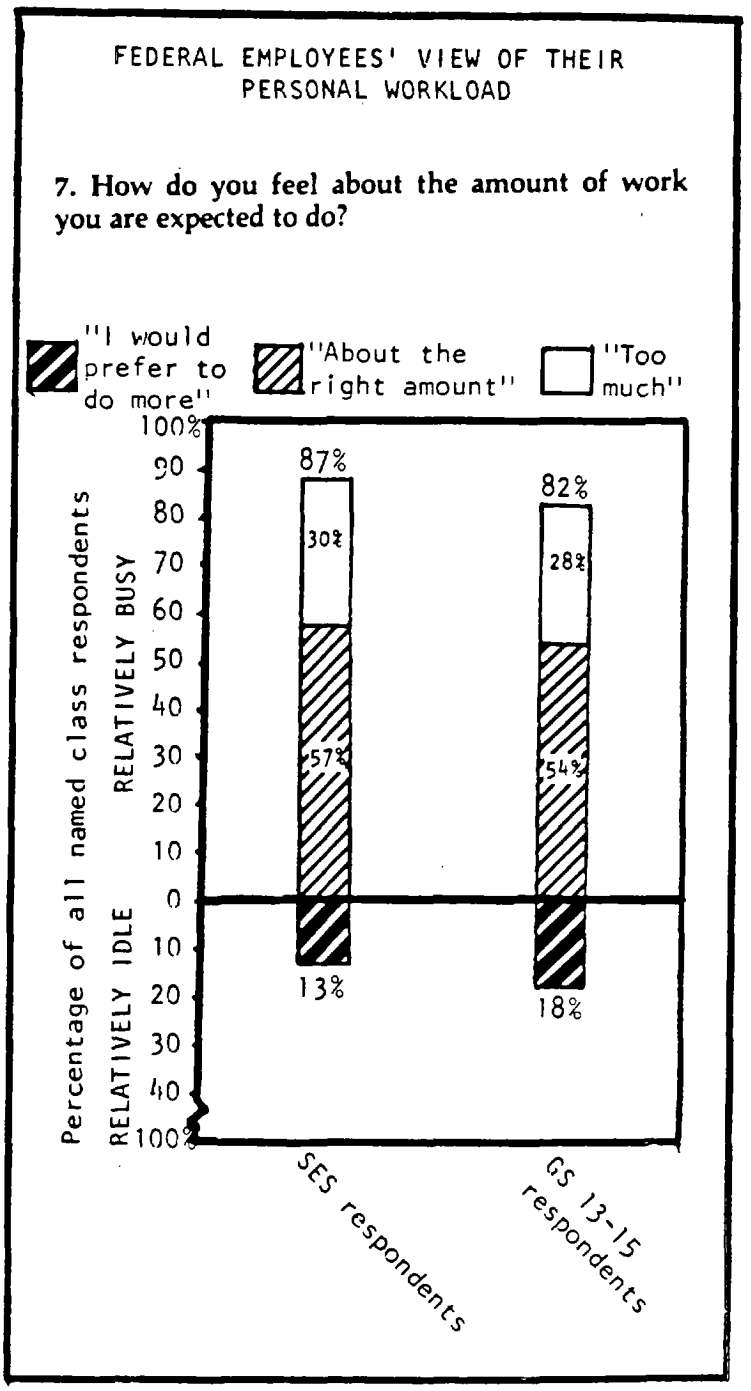
So far as we are aware, this is the first time such questions have been put to senior executives and mid-level managers on a Government-wide basis. We believe that the tentative results from this handful of questions warrant further exploration as a means of assessing and improving Federal productivity.

Federal executives and mid-level managers on a Government-wide basis have a generally positive view of their productivity and that of their work groups.

The great majority of Federal executives and mid-level managers we surveyed did not agree with the familiar charge that they are "underworked." On the contrary, more than half felt that they are expected to do "about the right amount" of work, and about 30% of both groups believed that they are required to do "too much" work (Chart 1).

On the other side of the ledger, however, nearly one in five (18%) of the middle level managers reported that they would "prefer to do more work" (13% of the senior executives so responded). If one accepts these responses as indicators of how "relatively idle" or "relatively busy" the respondents are, Federal executives and managers are by their own account for the most part keeping busy.

CHART 1

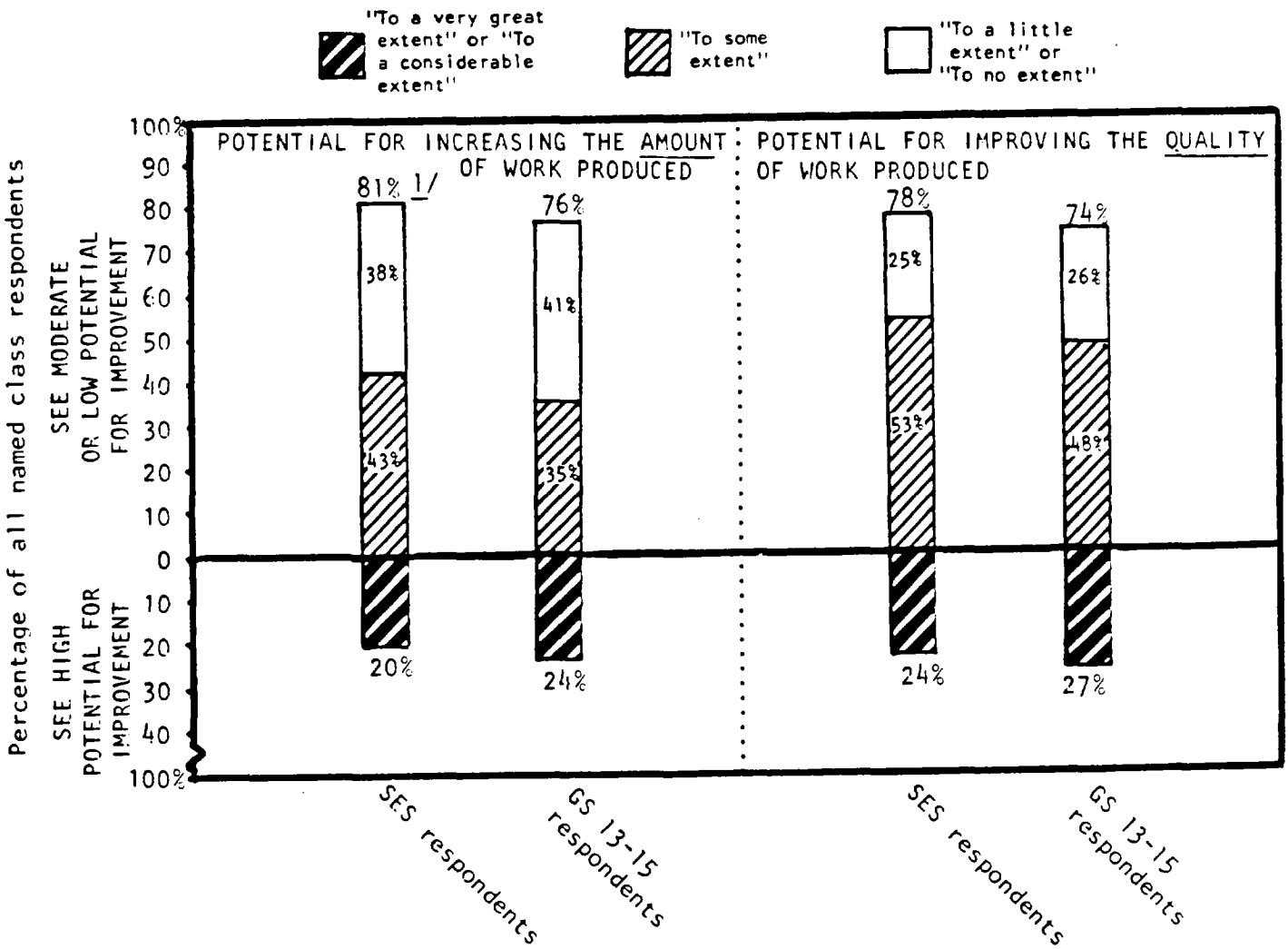


What about the quantity and quality of work they produce? At least three quarters of senior executives and mid-level managers we surveyed saw only moderate or low potential for increasing the amount of work produced by their work group or improving its quality (Chart 2). **Nevertheless, approximately one-fifth (20%) of all Federal executives and one-quarter (24%) of all mid-level managers saw high potential for increasing the amount of work produced within their groups, with no increase in staff. An even greater percentage (24% and 27%, respectively) saw high potential for improving the quality of work produced within their groups.**

CHART 2

Q. 23. If the number of people in your immediate work group stayed the same, to what extent do you think the amount of work done in your area could be increased?

Q.24. To what extent do you think the quality of work done in your immediate work group could be improved?



1/ Because the percentages were rounded to the nearest whole number, the total of the responses may not sum to 100%.

In sum, at least one in five respondents from both groups saw high potential for improvement in these basic elements of productivity. In considering this central finding, the following observations are in order:

First, the results reported here may or may not prove to be fairly typical of conditions existing in most large, complex organizations within the private sector. Until comparable data can be obtained from the private sector, it is difficult to say whether or not one ought to be shocked by the fact that one-quarter of the Federal Government's middle managers see a high potential for improving both the quantity and quality of the work done in their area. Regardless of the private/public sector comparability question, however, these results indicate that as of early 1981, Federal executives and mid-level managers saw substantial room for improvement in the productivity of the Federal work force.

Second, limitations in the intent and design of the present questionnaire instrument prevented us from asking respondents specifically what changes would enable their work groups to achieve maximum productivity potential. This promises to be a fruitful area of future inquiry, but one which requires a more specialized series of diagnostic inquiries concerning perceived barriers to improved productivity. Until such results can be gathered, it is reasonable to assume that respondents had no single, simplistic barrier in mind when they answered the question, "If the number of people in your immediate work group stayed the same, to what extent do you think the amount of work done in your area could be increased?" The barriers are likely to be numerous, inter-related, and systemic.

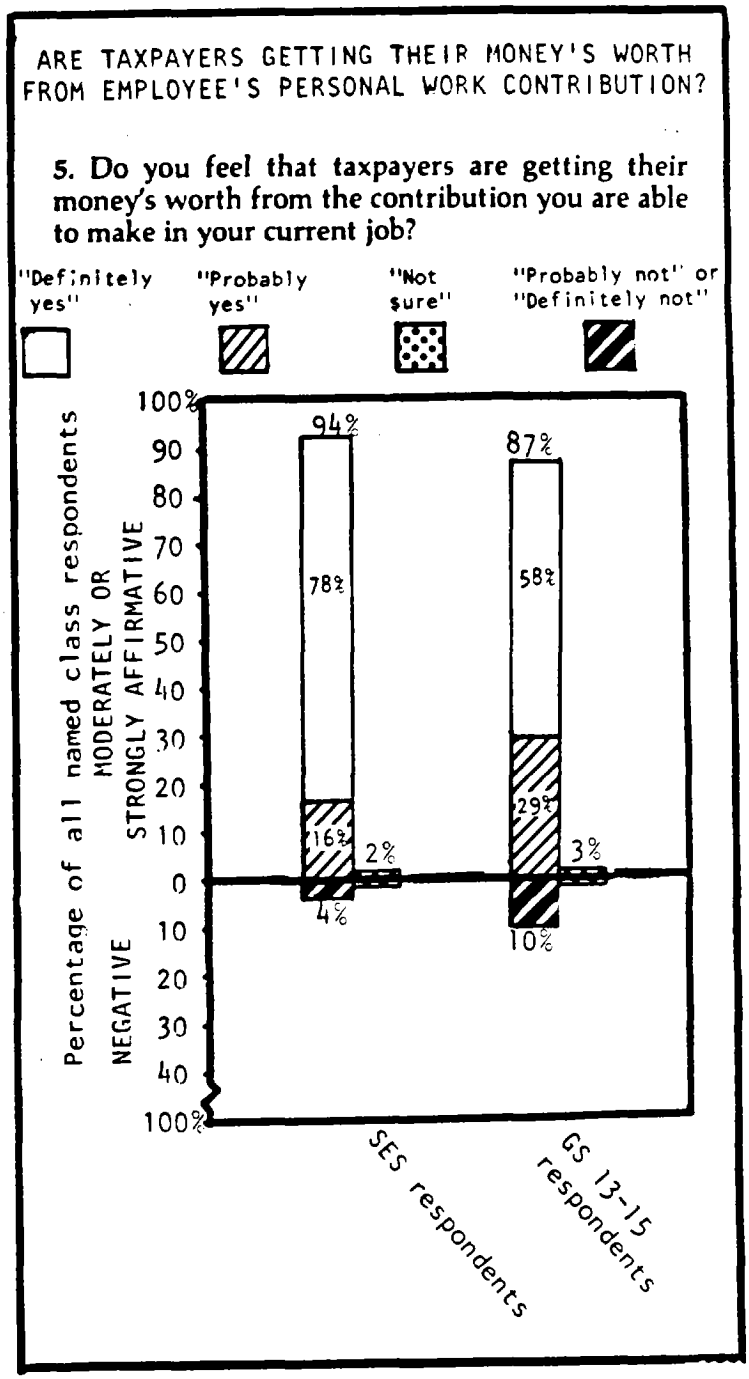
Third, it should be noted that the latter question was premised on the assumption, "If the number of people in your immediate work group stayed the same. . . ." The data therefore does not necessarily support the conclusion that equal or greater levels of productivity can be obtained from a reduced level of personnel, with no compensatory adjustment. While it is conceivable that productivity improvements can be achieved in a period of retrenchment, this may entail a very different dynamic with a very different agenda of actions and tradeoffs. In any case, the data do not specifically support the inference that an organization's efficiency or effectiveness can be improved simply by reducing staff.

Fourth, even though these mid-level managers and executives had mixed views about how much <u>more</u> productive their work groups might be, they agreed overwhelmingly that the taxpayers are getting their money's worth from the respondent's individual contributions (Chart 3). Comparing the perceptions demonstrated in Chart 2 (potential for improvement) with those in Chart 3 (taxpayer's money's worth), it appears that our respondents felt that they personally pull a fair share of the load, but at least a significant number feel that other factors in their work situation could be changed to improve productivity.

Obviously, one might quarrel with these perceptions on the premise that civil servants have lower standards than their counterparts in the private sector of what "too much" or "too little" work means, and of the quantity and quality of work to which the taxpayers are entitled. However, even granting some possible difference in frames of reference, one must conclude at a minimum that most of the Federal Government's senior executives and mid-level managers see themselves and their work groups as productive.

This general perception differentiates considerably when the data are examined more closely according to where the respondents work.

CHART 3



Major differences emerge when responses are examined on an agency-by-agency basis. Our agency-specific data indicates that major improvements in productivity can be achieved in some agencies.

Charts 4 through 7 set forth on an agency-by-agency basis the data upon which Charts 1 through 3 were based and which were discussed in the preceding section. Charts 4 through 7 indicate that responses varied greatly among

agencies. For example, a low of only about 7% of mid-level respondents employed by the Treasury Department indicated that they would prefer to do more work, while a high of about 32% of the employees in the same grades at the Department of Education wanted to do more work (Chart 4).

Similar ranges of difference exist for each of the other factors we asked about. A low of about 14% of Treasury Department middle managers saw relatively great potential for increasing the amount of work produced, compared to a high of about 38% at the Nuclear Regulatory Commission (Chart 5). Approximately 19% of the middle managers at NASA saw relatively great potential for improving the quality of work, while about 40% of their peers at the Office of Personnel Management (OPM) saw the same opportunity (Chart 6). Finally, only a low of about 7% of the Veterans Administration's middle managers felt that taxpayers were definitely **not** getting their money's worth from the respondent, compared to a high of approximately 23% at the Department of Energy (Chart 7).

In reviewing these agency-specific results, it should be noted that, due to the margin of error associated with sampling methods, differences between closely-ranked agencies may not be statistically significant. Taking into account these error margins, it is nevertheless clear that the Federal Government is no monolithic employer. There are substantial differences in the way these key groups of executives and managers see the productivity of themselves and their work groups, and agency heads may well wish to explore at a level of detail beyond our resources precisely why these differences exist and what each might do about them where improvement is indicated.

Within the agencies where respondents saw substantial room for improvement, mid-level managers tended to see greater room for improvement than did senior executives.

Another interesting phenomenon is apparent from inspection of Charts 4 through 7. Within the agencies where the greatest room for productivity improvement was reported, middle managers almost consistently reported greater room for improvement than did senior executives. 9/

For example, about 38% of the middle managers at the Nuclear Regulatory Commission reported relatively great potential for increasing the amount of work done in their area, but only 13% of the senior executives in the same agency saw that degree of potential improvement (Chart 5). Approximately 40% of the mid-level respondents at the Department of Transportation thought that the quality of work could be improved to a "very great" or "considerable" extent, only 13% of the senior executives in the same agency thought so (Chart 6). And although nearly three-quarters of the senior executives at the Department of Energy reported that the taxpayers got their money's worth from the respondent's efforts, only about 35% of middle managers in the agency had the same view of their personal effort (Chart 7).

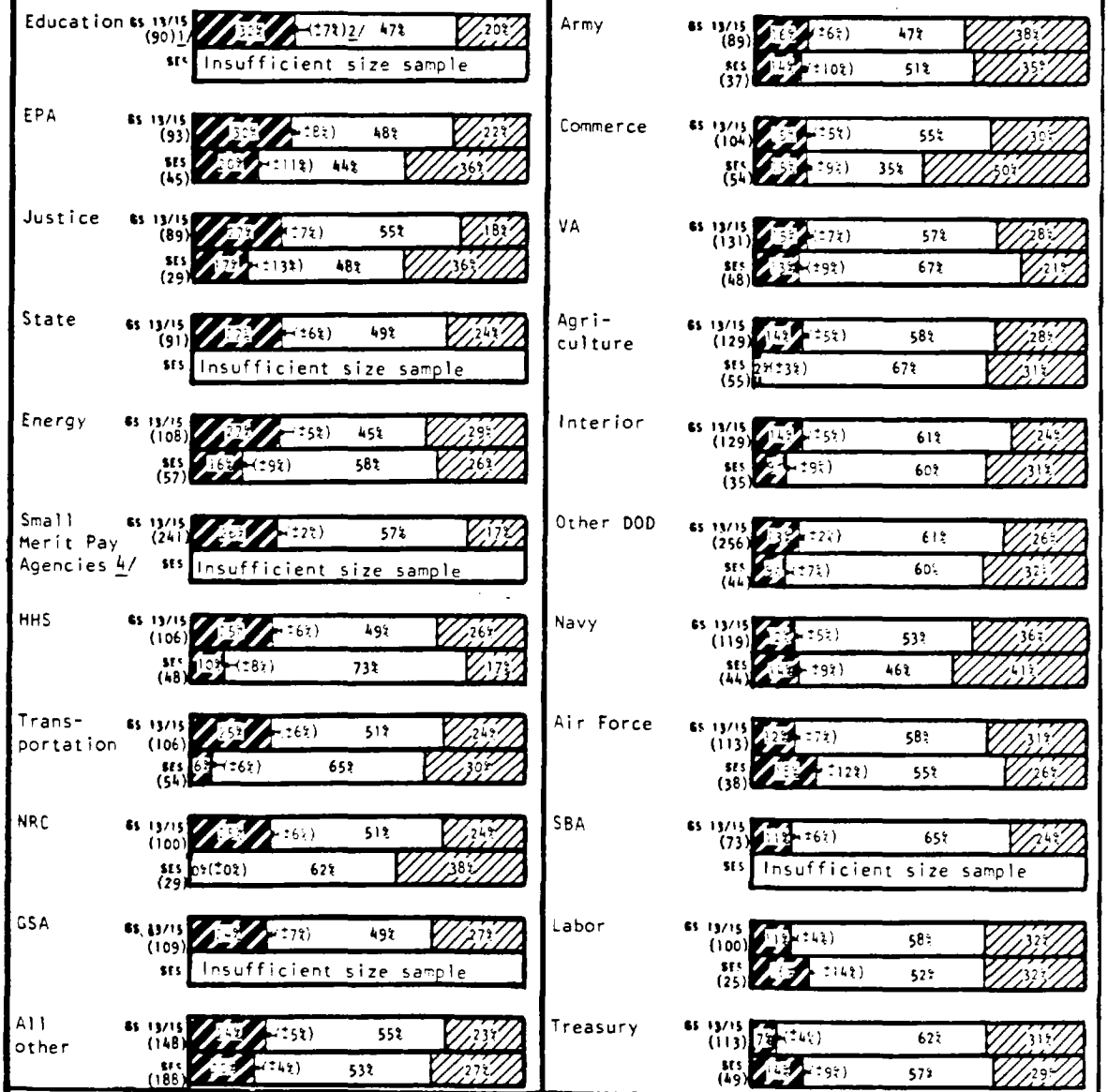
9/ The number of senior executives sampled was so small in some agencies that no comparisons could be made. These are indicated in the charts.

CHART 4

FEDERAL EMPLOYEES' VIEW OF THEIR PERSONAL WORKLOAD
(Circa January 1981)

Q.7. How do you feel about the amount of work you are expected to do?

"I would prefer to do more" — "About the right amount" — "Too much"



1/ The number in parentheses indicates the total number of respondents from the agency who answered this question.

2/ The number in parentheses indicates the possible error range, at the 95% confidence level, for the associated figure. In other words, based on a sample of this size, one can say with 95% confidence that the error attributable to sampling and other random effects could be up to this many percentage points in either direction, but there is less than 5% chance that the "true" figure lies outside the indicated bracket. Due to the error ranges shown, differences between closely ranked agencies may not be statistically significant.

3/ We have included agency-specific data from those departments and agencies where we received a sufficient number of responses to provide statistically reliable information. The sample of mid-level employees within individual agencies was much larger than the sample of SES members. Consequently, there are some agencies for which we are able to report on the views of mid-level employees, but not for senior executives.

4/ This category—Small Merit Pay Agencies—combines the responses from the five smallest agencies implementing Merit Pay in October 1980. Civil Aeronautics Board, Commission on Civil Rights, Farm Credit Administration, Selective Service System, and U.S. Metric Board. Three other agencies—Office of Personnel Management, Environmental Protection Agency, and Small Business Administration—also implemented Merit Pay in October 1980. These agencies are shown separately, because the number of respondents was sufficiently large to allow for statistically reliable comparisons.

CHART 5

POTENTIAL FOR INCREASING THE AMOUNT OF WORK PRODUCED, AS SEEN BY SES AND GS 13/15 EMPLOYEES

(Circa January 1981)

Q.23. If the number of people in your immediate work group stayed the same, to what extent do you think the amount of work done in your area could be increased?

"To a very great extent" or "To a considerable extent" ▨ | "To some extent" □ | "To a little extent" or "To no extent" ▨

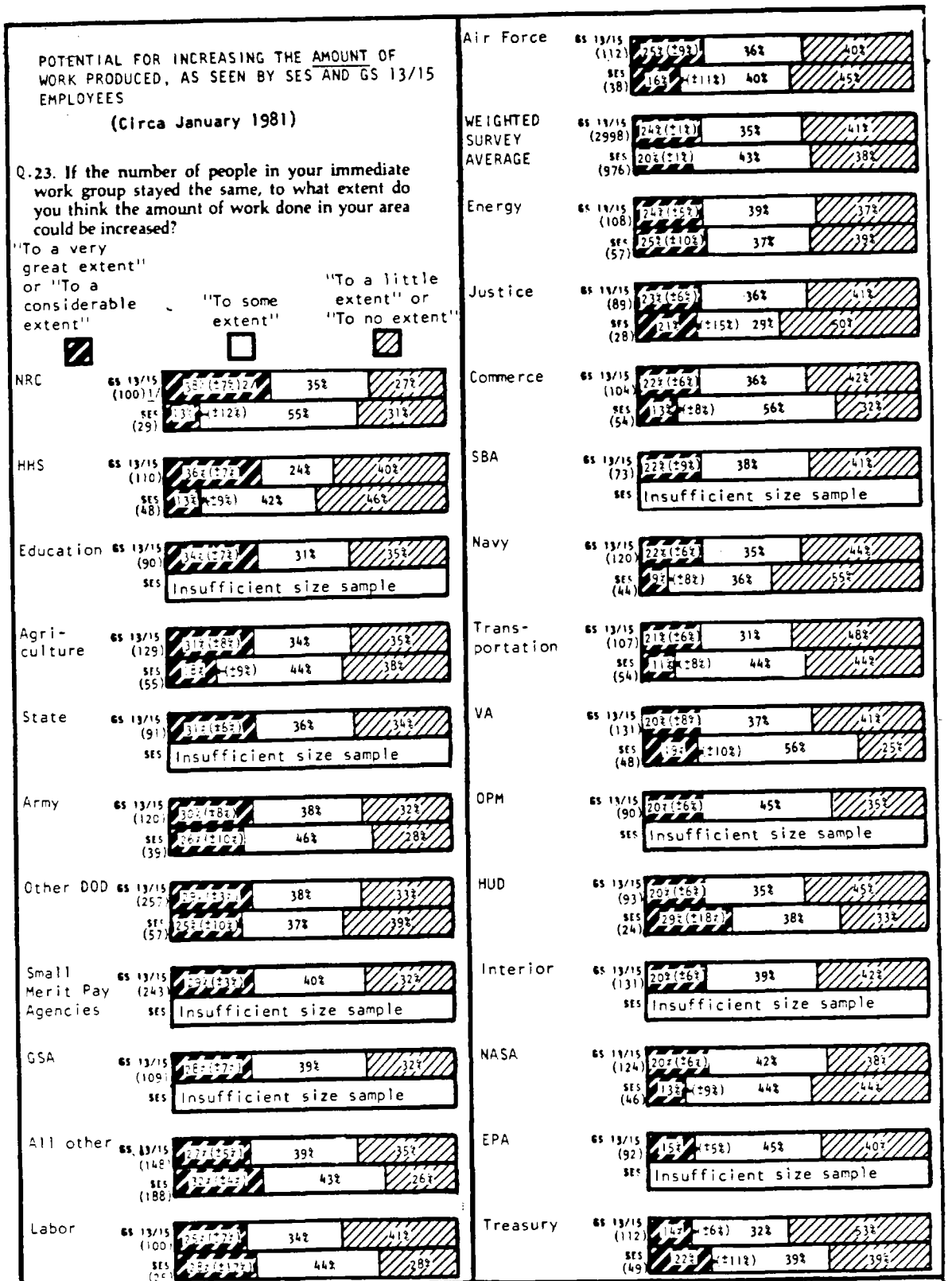


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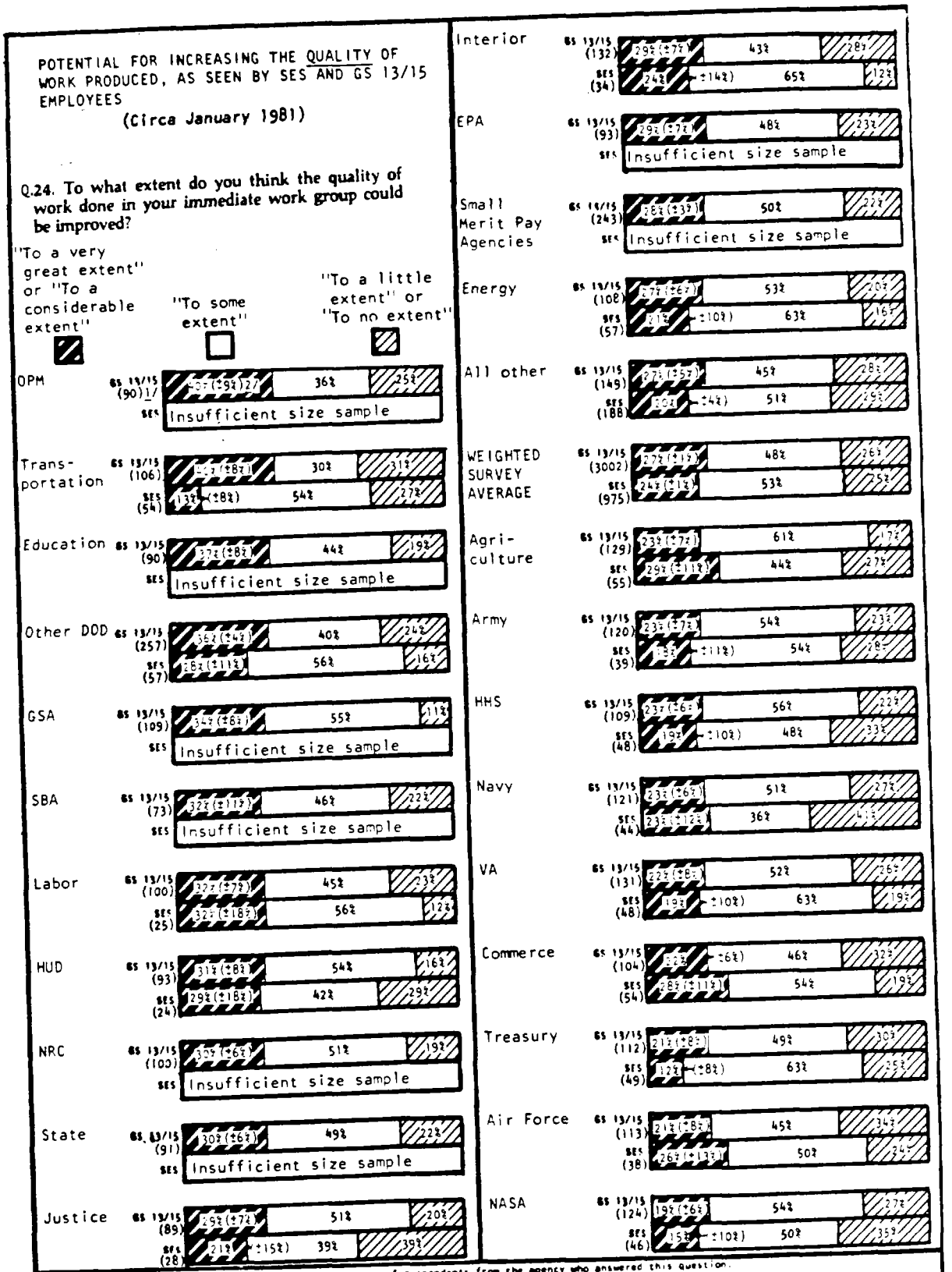
CHART 6

POTENTIAL FOR INCREASING THE QUALITY OF WORK PRODUCED, AS SEEN BY SES AND GS 13/15 EMPLOYEES

(Circa January 1981)

Q.24. To what extent do you think the quality of work done in your immediate work group could be improved?



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An underlying pattern emerges from inspection of these charts, and it seems to indicate that much more attention should be given by agency managers to the productivity of their middle-graded work group. Given the middle-managers' greater tendency to doubt that they give the taxpayer full value, and their reported preference for more work, it appears that the greatest room for improvement exists among the middle managers. The situation may be that senior executives are running at full speed in these agencies, while their immediate subordinates are less than fully utilized or involved.

The relationship between respondents' rating of their supervisors and positive indicators of productivity was surprisingly weak. Based on our data, it appears that poor supervisory skills have an adverse effect on productivity, but good supervisory skills have only a marginally positive effect.

We were also interested in the relationship between our respondents' answers to the questions regarding our selected indicators of productivity, and the answers they gave to certain questions we asked about their supervisors and their relationship with their supervisors. We had hoped from this analysis to determine what effect supervisory quality had on the productivity of the employees we surveyed.

Accordingly, we sorted out employees' responses to the productivity-related questions and analyzed how these vary according to employees' ratings of:

- Freedom to make decisions about the work.
- Appreciation received from management.
- Supervisor's knowledge of subject matter of the work.
- Supervisor's ability to get results through people.
- Two-way communication between respondent and supervisor.
- Trust and confidence in the supervisor.
- Supervisor's fairness of treatment.
- Supervisor's emphasis on excellence.
- Supervisor's ability to inspire extra effort.
- Openness of communication with supervisor.
- Difficulty of performance standards.
- Supervisor's understanding of subordinates' job problems.

There are, of course, aspects of supervision and the relationship between employee and supervisor other than these factors. However, these factors do capture some major dimensions of supervisory effectiveness.

The results of these cross tabulations are shown in Charts 8 through 34, found in Appendix A.

On the face of it, these tabulations do **appear** to show in many instances a significant relationship between positive answers on the supervisory attributes and positive answers on the indices of productivity. **However, further analysis which we conducted making use of the statistical technique of multi-variate analysis indicates that these apparent positive relationships are not as clear-cut as they appear.** In other words, each of the apparent positive relationships reflected in Charts 8 through 34 reflect not only the influence of the one supervisory characteristic which was the subject of that cross-tabulation, but also the influence of other factors.

Accordingly, while we have reproduced the charts in the appendix as a matter of information, we caution that the relationships which appear to be demonstrated by the charts must be viewed with some skepticism. Our own analysis (based on quite commonly used techniques, but rather too involved for explication in this monograph) leads us to the conclusion that only the following statement can be made about the relationship between supervisory effectiveness employees' productivity (as indicated by our four selected indicators): **Poor supervisory skills have an adverse effect on productivity, but good supervisory skills have only a marginally positive effect.**

Although this statement has a dry sound in black and white, in fact it represents a rather startling variance from the conventional wisdom upon which much of the Federal Government's personnel policy has been based in recent years, namely that improving supervisor's skills will have a direct and substantial effect on employee productivity. The present data indicates that this can be expected only where the quality of supervision is poor and is brought up to acceptable levels. And data derived from other areas of our survey program (not detailed in this monograph) indicate that the quality of supervision on a Government-wide basis is generally judged to be fair-to-good.

> **Thus, the data suggest that a general emphasis on improving the quality of supervision will not, in itself, bring about a dramatic improvement in Federal productivity. Rather, substantial improvement in the productivity of the Federal work force will require attention to a broad spectrum of areas in addition to supervisory effectiveness--areas such as employee selection, work methods, procedures, technology, organization structure, or clarification of the organization's mission. Further investigation is needed to identify which of these "additional areas" might be particularly appropriate on a Government-wide basis, and which might be applicable on an agency-specific or program-specific basis.**

CONCLUSIONS

Our data suggests that as of late 1980 and early 1981 (when our surveys were taken) there was room at many agencies for major improvements in those aspects of productivity which we examined. Specifically, it appears that the middle managers' level of utilization and involvement may be increased, and the amount and quality of work done in their work groups improved.

A crucial question facing Federal policymakers is, of course, how to bring about that improvement.

Our data also indicate that the answer to that question does not lie simply in making the superiors of these senior executives and middle managers "better supervisors." As we have shown, enhancing supervisory skills probably can improve a poor situation, but is not likely in itself to boost productivity above a certain threshold.

Fortunately, there are many other factors influencing productivity which arguably may have a greater influence on increasing the productivity of Federal employees than supervisory effectiveness. Some of these other factors include:

- Clarifying or rationalizing applicable laws or regulations.
- Clarifying or rationalizing organizational mission, methods, or approach.
- Changes in organizational structure or reporting relationships.
- Delegating more authority or decisionmaking to lower levels.
- Changes in the way the work is organized.
- Improved methods or procedures for doing the work.
- Use of better tools, technology, or information systems.
- Selection of more appropriately qualified employees.
- Selection of more appropriately qualified supervisors.
- More attention to work planning and performance review.
- Stronger financial incentives for good performance.
- More attention to correcting poor performance.
- More use of employee suggestions and input.
- More use of employee involvement and teamwork.

- Improved labor-management relations.
- General improvement in organizational climate and attitudes--systemic improvements which are beyond the control of any individual supervisor.

The relative importance of each of these factors in improving productivity in the workplace is not yet fully understood. The issues raised here are part of a continuing exploration by both public and private commentators to better understand ways in which we can build a more productive society. This monograph is intended to stimulate interest and discussion within the Federal community, and closer examination of the preliminary results set forth here.

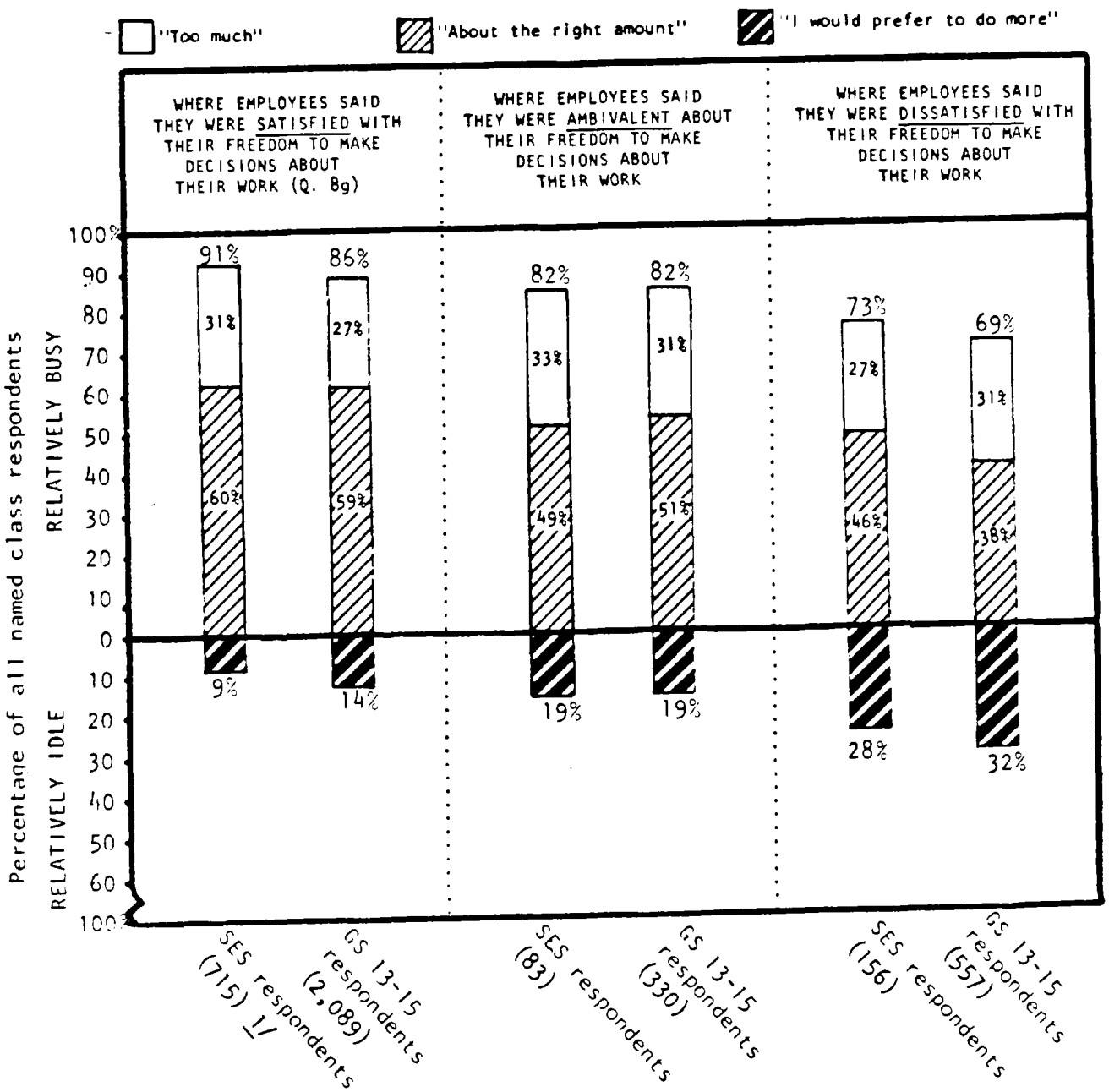
Over the course of the following months, this Office will continue to gather data on experiences of Federal workers, will look more closely at work force effectiveness, and will comment on ways in which both the quality and quantity of work performed by Federal employees might be improved.

APPENDIX

CHART 8

RELATIONSHIP BETWEEN FREEDOM TO MAKE DECISIONS ABOUT WORK AND EMPLOYEES' LEVEL OF ACTIVITY

Q-7. How do you feel about the amount of work you are expected to do?



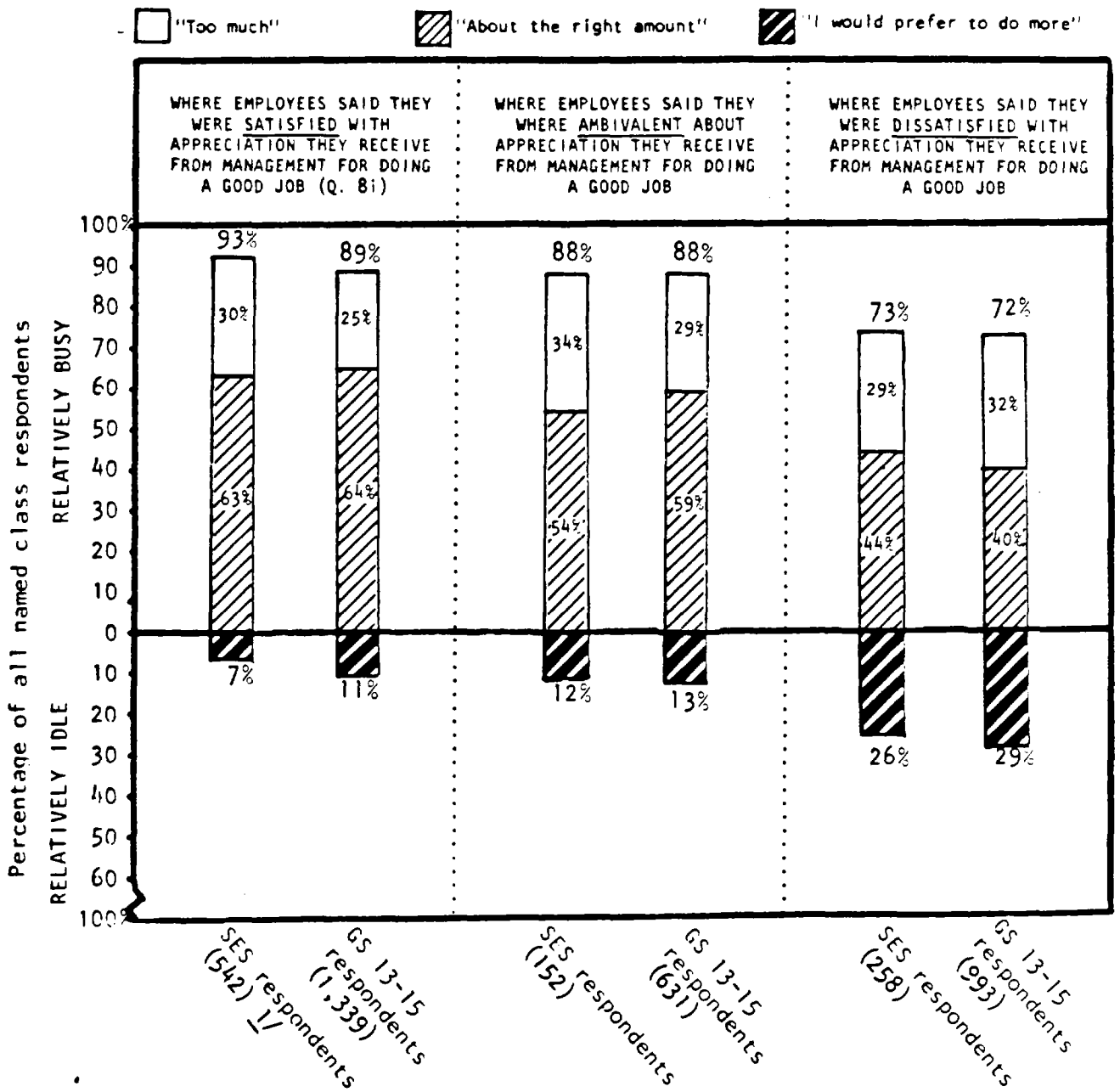
1/ The number in parentheses indicates the total number of respondents who answered this question.

2/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses may not sum to 100%.

CHART 9

RELATIONSHIP BETWEEN APPRECIATION RECEIVED FROM MANAGEMENT AND EMPLOYEES' LEVEL OF ACTIVITY

Q. 7. How do you feel about the amount of work you are expected to do?



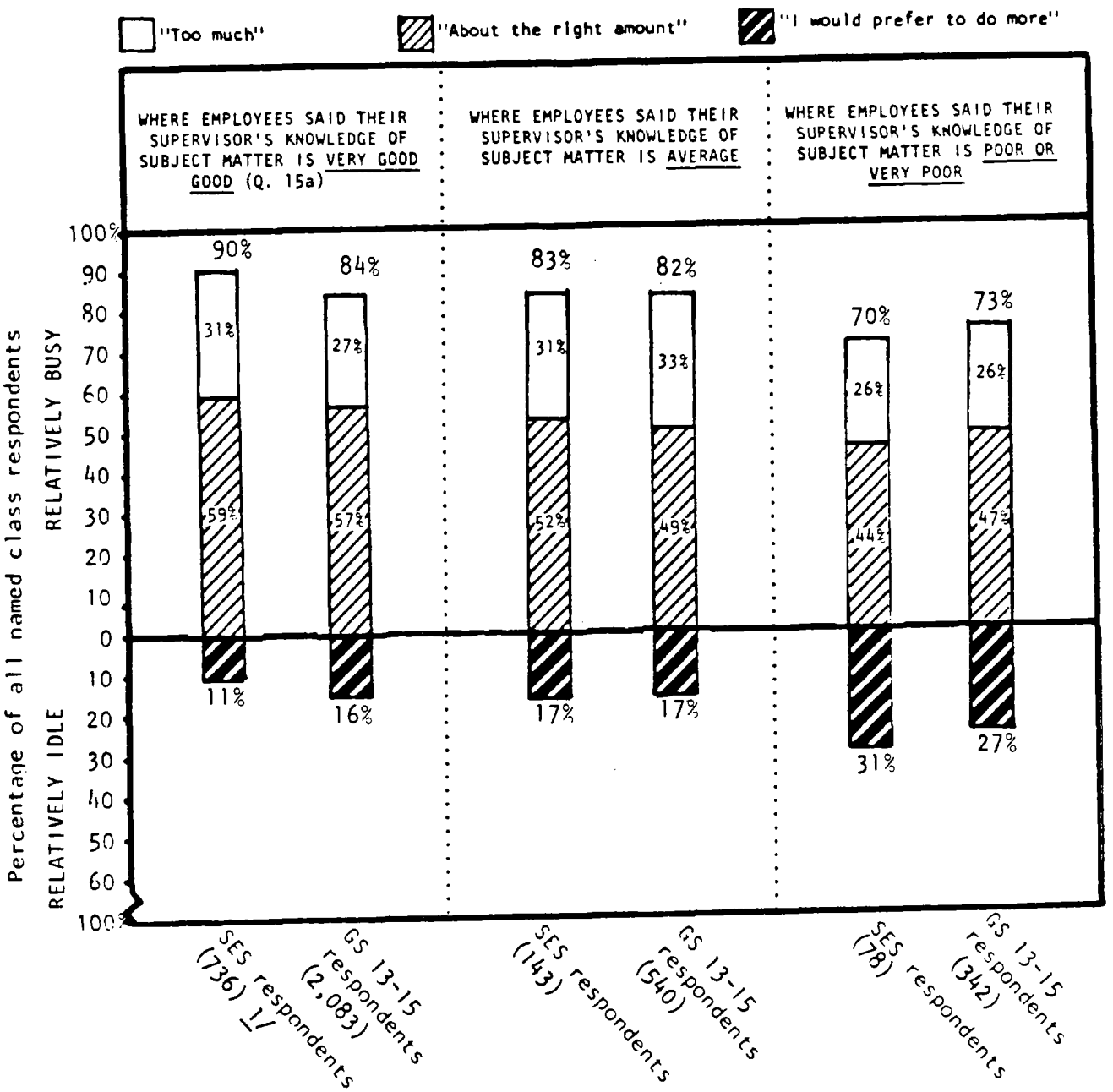
1/ The number in parentheses indicates the total number of respondents who answered this question.

2/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses may not sum to 100%.

CHART 10

RELATIONSHIP BETWEEN SUPERVISOR'S KNOWLEDGE OF SUBJECT MATTER AND EMPLOYEES' LEVEL OF ACTIVITY

Q. 7. How do you feel about the amount of work you are expected to do?



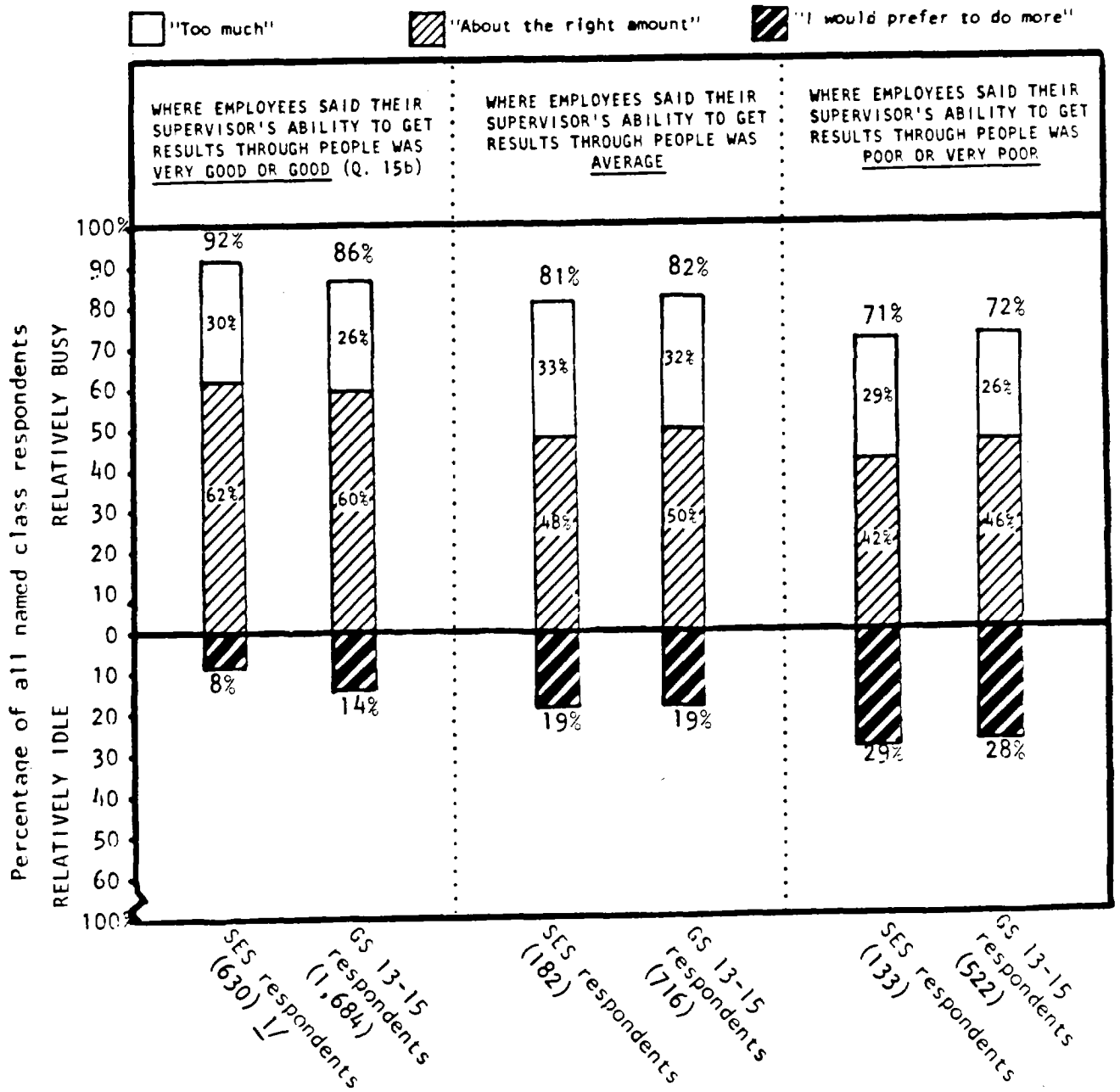
1/ The number in parentheses indicates the total number of respondents who answered this question.

2/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses may not sum to 100%.

CHART 11

RELATIONSHIP BETWEEN SUPERVISOR'S ABILITY TO GET RESULTS THROUGH PEOPLE AND EMPLOYEES' LEVEL OF ACTIVITY

Q-7. How do you feel about the amount of work you are expected to do?



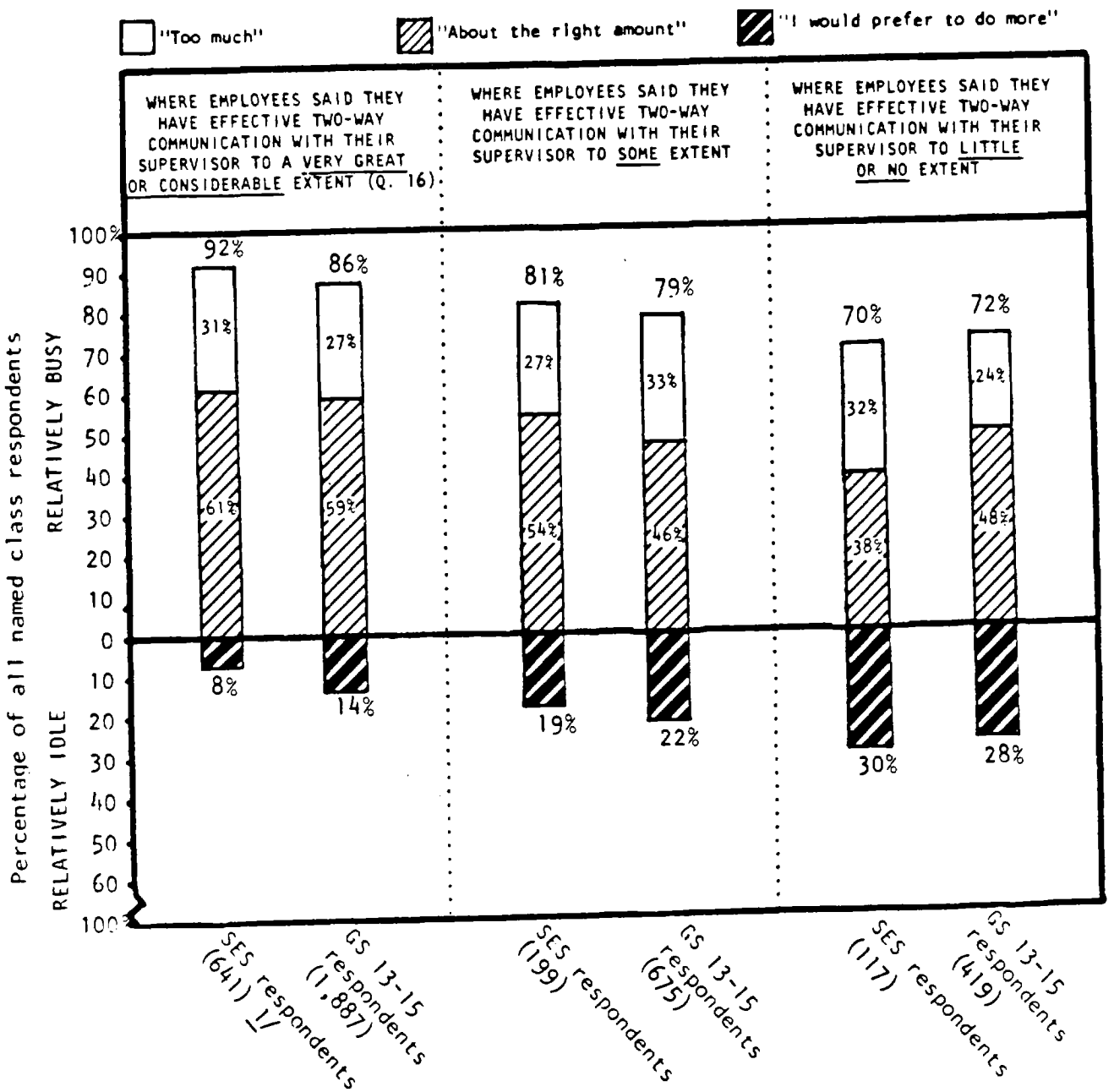
1/ The number in parentheses indicates the total number of respondents who answered this question.

2/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses may not sum to 100%.

CHART 12

RELATIONSHIP BETWEEN TWO-WAY COMMUNICATION WITH SUPERVISOR AND EMPLOYEES' LEVEL OF ACTIVITY

Q-7. How do you feel about the amount of work you are expected to do?



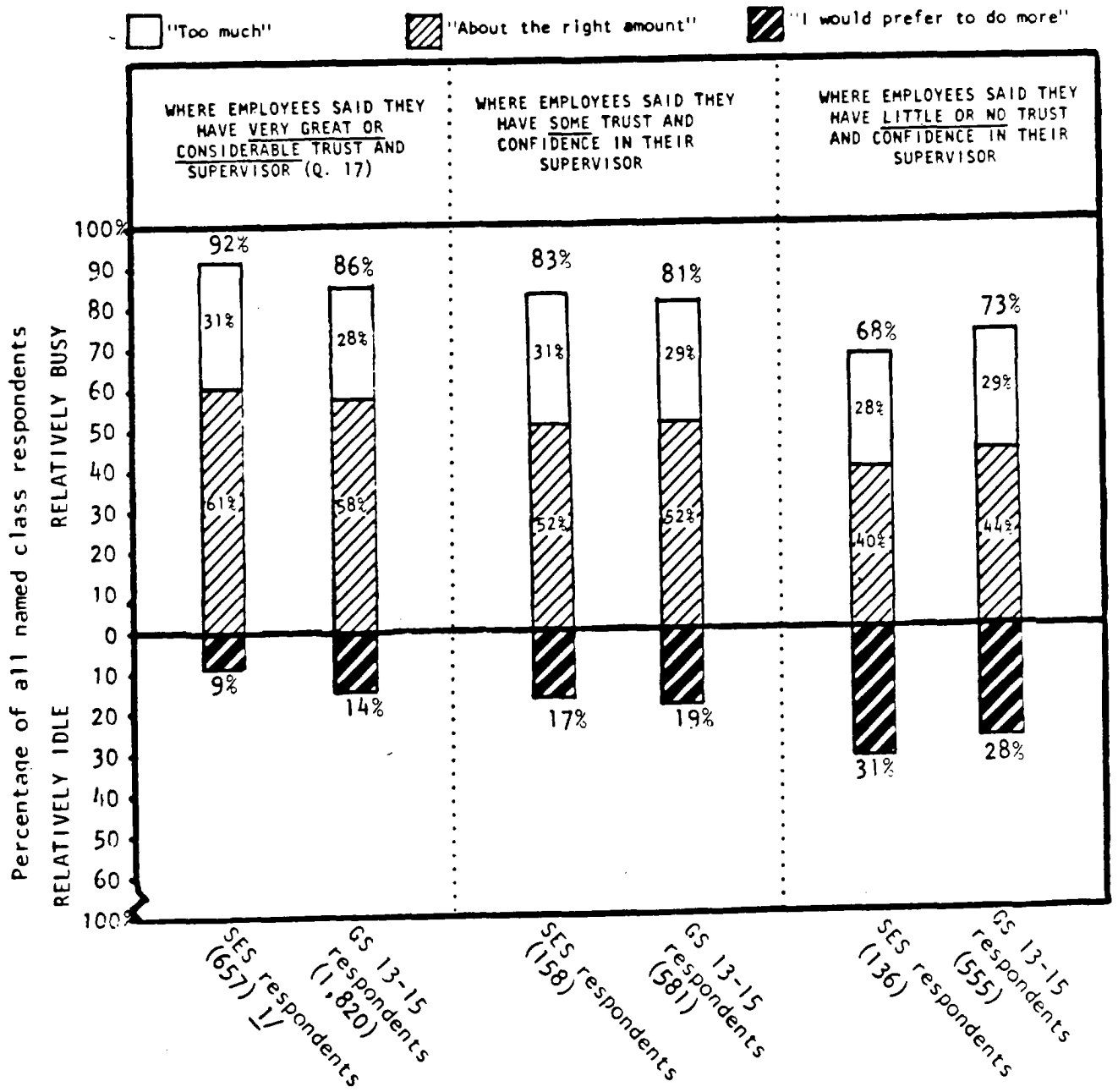
1/ The number in parentheses indicates the total number of respondents who answered this question.

2/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses may not sum to 100%.

CHART 13

RELATIONSHIP BETWEEN TRUST AND CONFIDENCE IN SUPERVISOR AND EMPLOYEES' LEVEL OF ACTIVITY

Q-7. How do you feel about the amount of work you are expected to do?



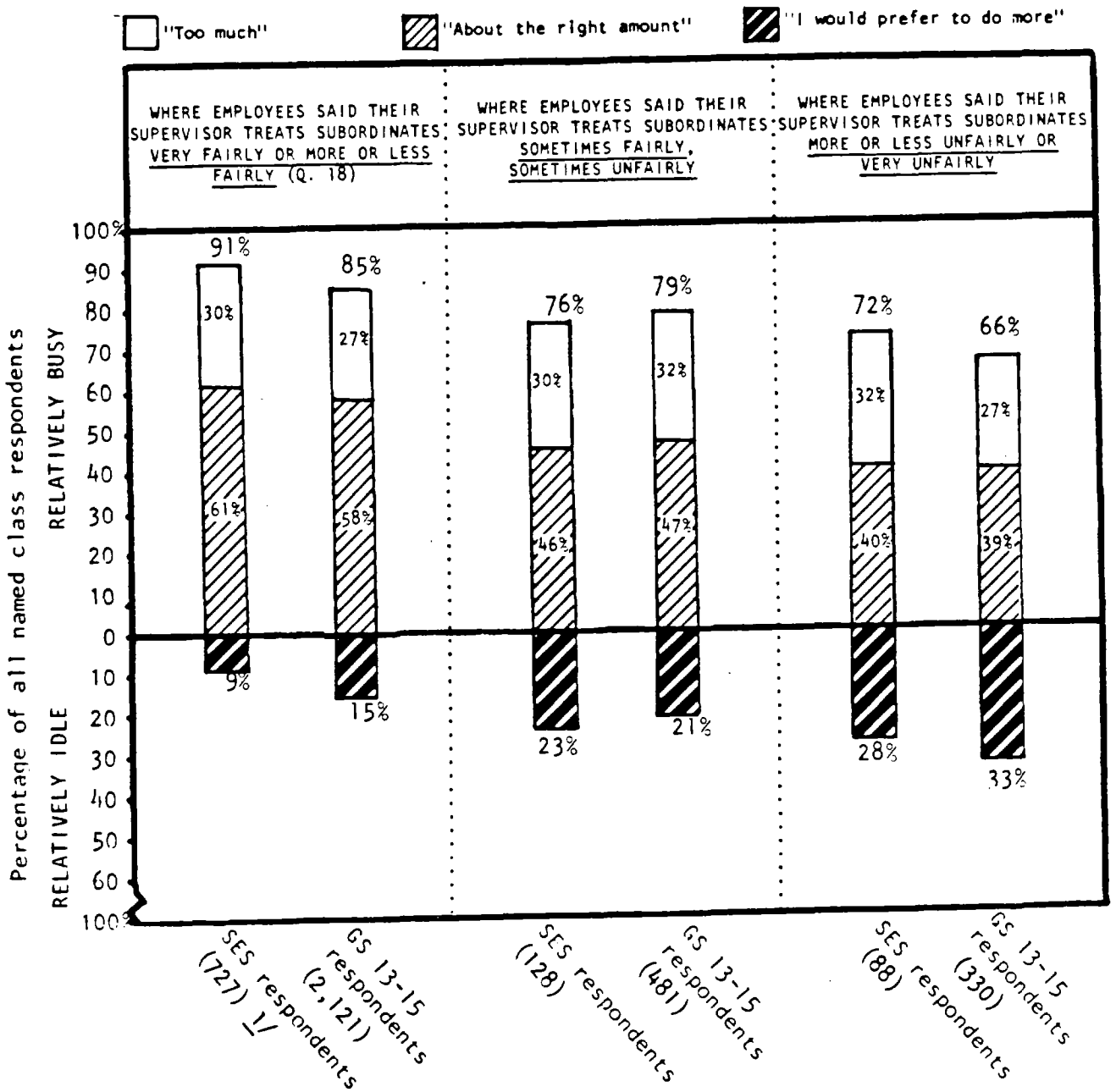
1/ The number in parentheses indicates the total number of respondents who answered this question.

2/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses may not sum to 100%.

CHART 14

RELATIONSHIP BETWEEN SUPERVISOR'S FAIRNESS OF TREATMENT AND EMPLOYEES' LEVEL OF ACTIVITY

Q. 7. How do you feel about the amount of work you are expected to do?



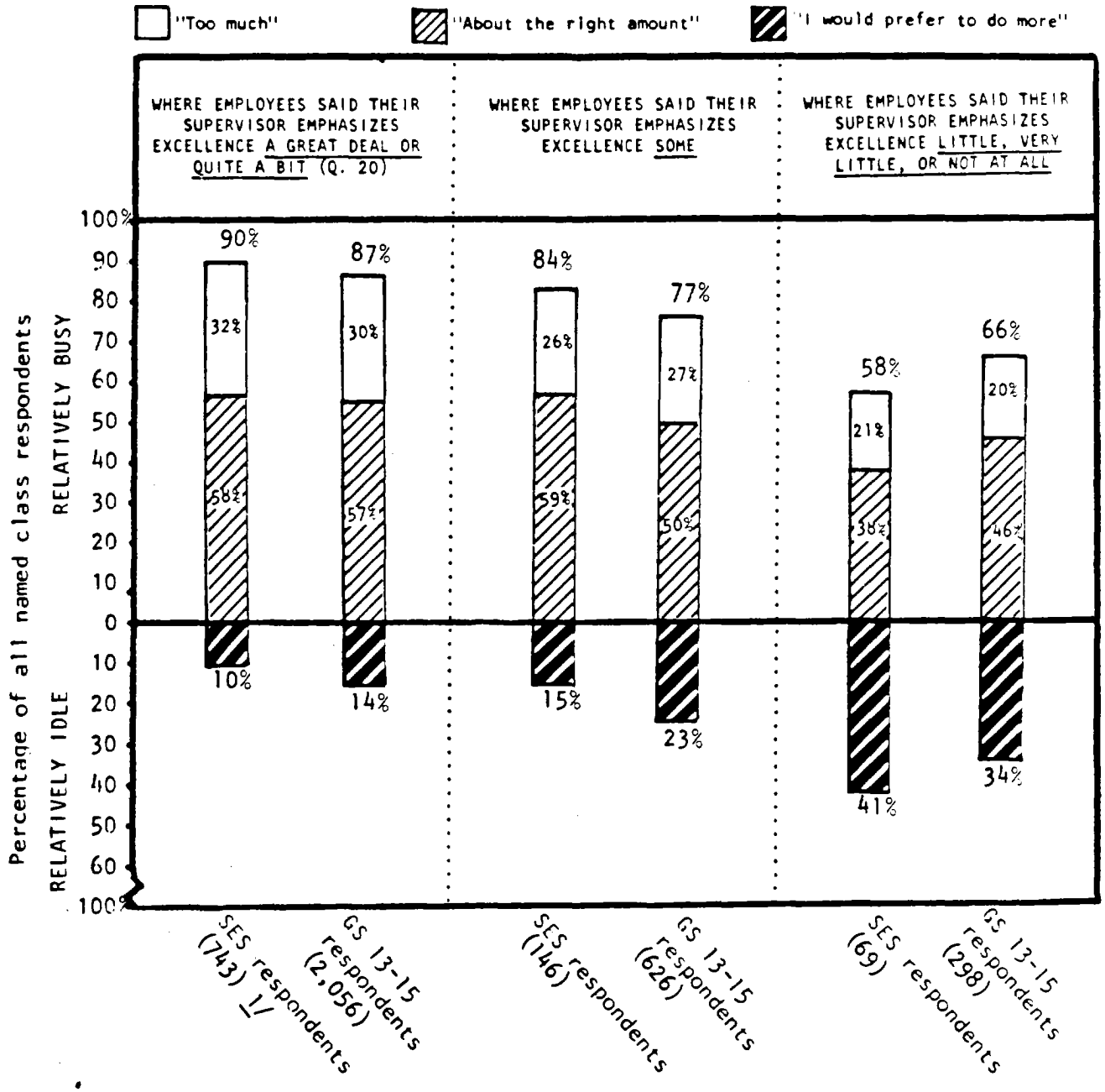
1/ The number in parentheses indicates the total number of respondents who answered this question.

2/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses may not sum to 100%.

CHART 15

RELATIONSHIP BETWEEN SUPERVISOR'S EMPHASIS ON EXCELLENCE AND EMPLOYEES' LEVEL OF ACTIVITY

Q. 7. How do you feel about the amount of work you are expected to do?



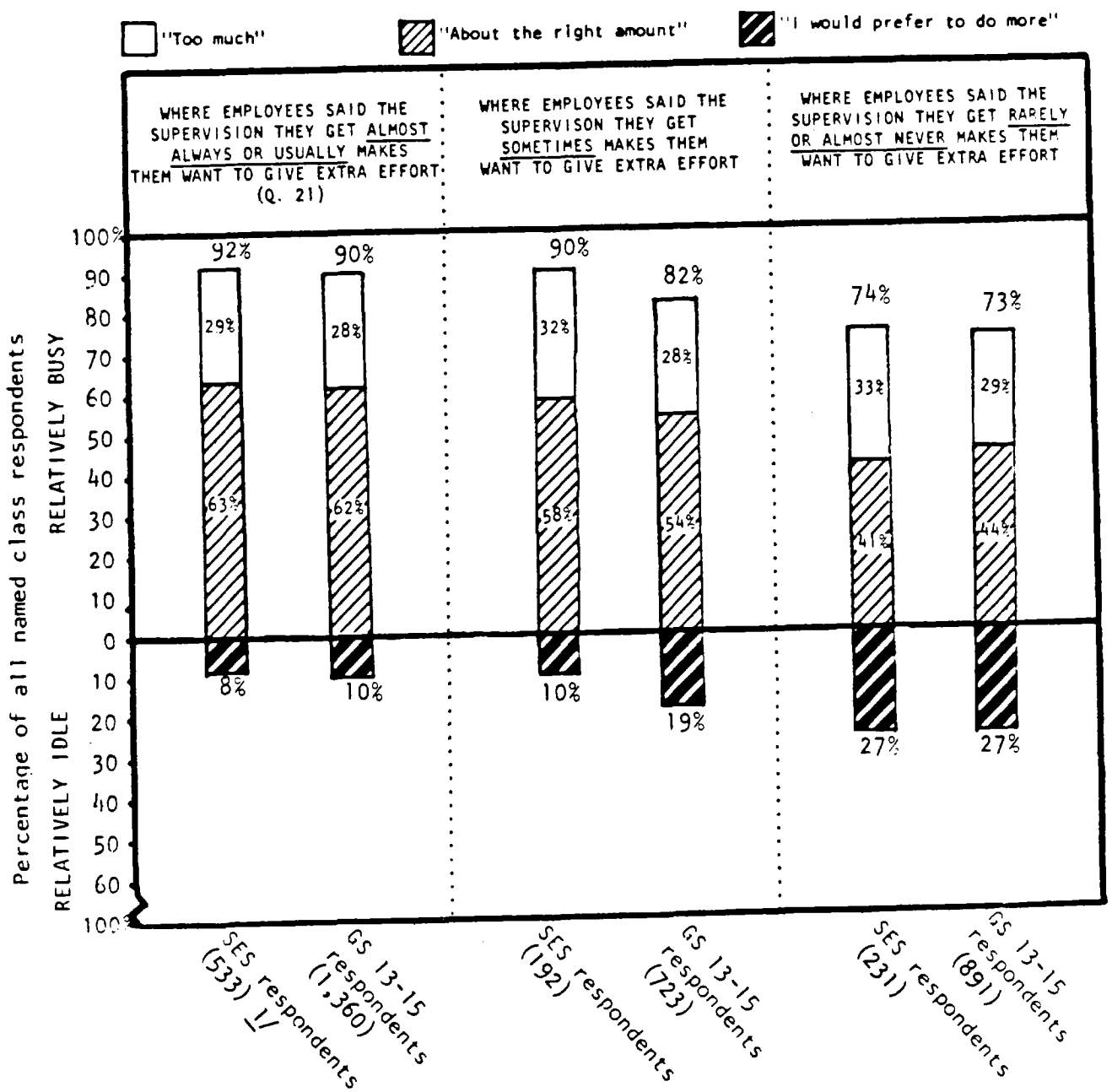
1/ The number in parentheses indicates the total number of respondents who answered this question.

2/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses may not sum to 100%.

CHART 16

RELATIONSHIP BETWEEN SUPERVISOR'S ABILITY TO INSPIRE EXTRA EFFORT AND EMPLOYEES' LEVEL OF ACTIVITY

Q-7. How do you feel about the amount of work you are expected to do?



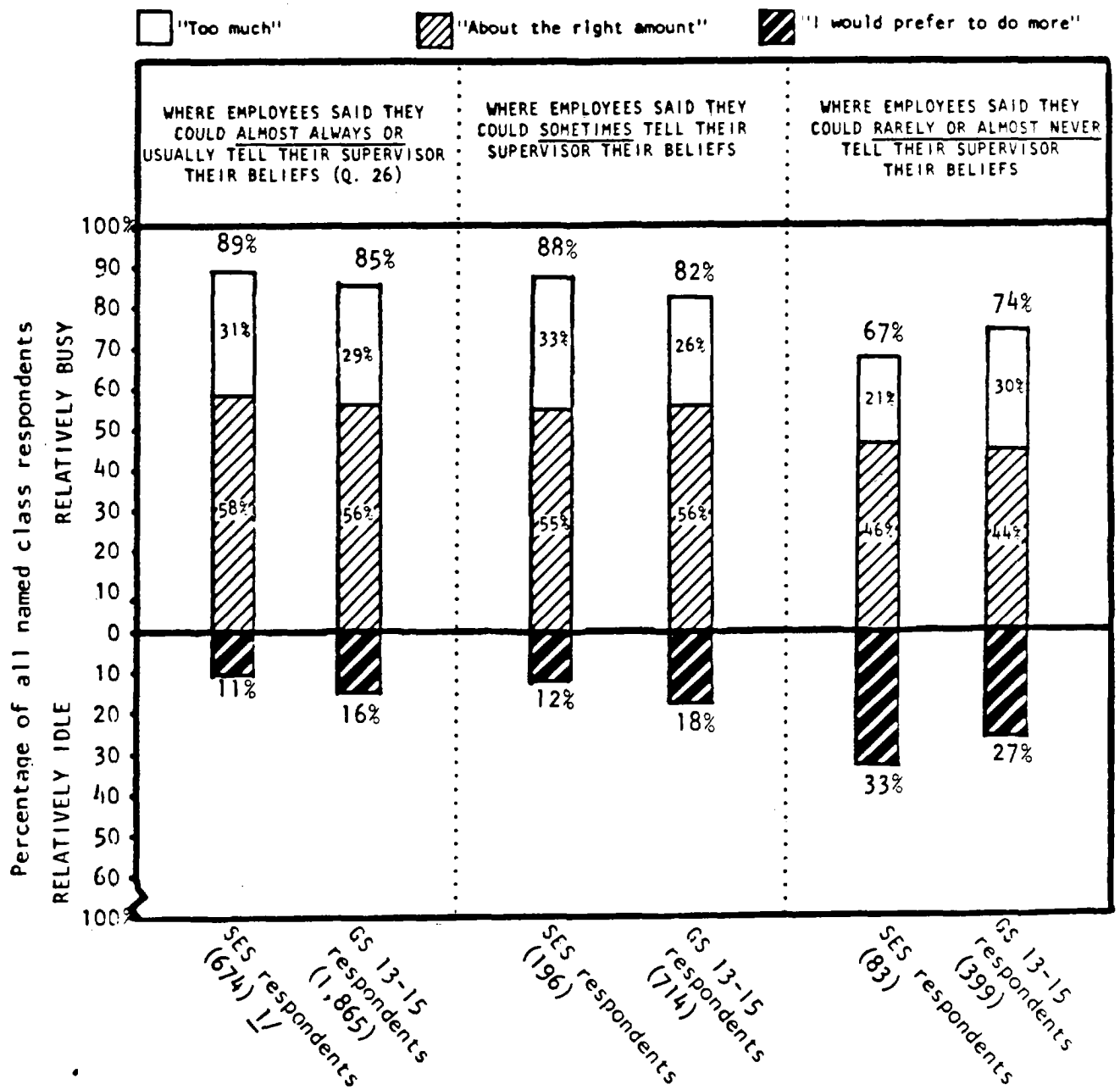
1/ The number in parentheses indicates the total number of respondents who answered this question.

2/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses may not sum to 100%.

CHART 17

RELATIONSHIP BETWEEN OPENNESS OF COMMUNICATION WITH SUPERVISOR AND EMPLOYEES' LEVEL OF ACTIVITY

Q-7. How do you feel about the amount of work you are expected to do?



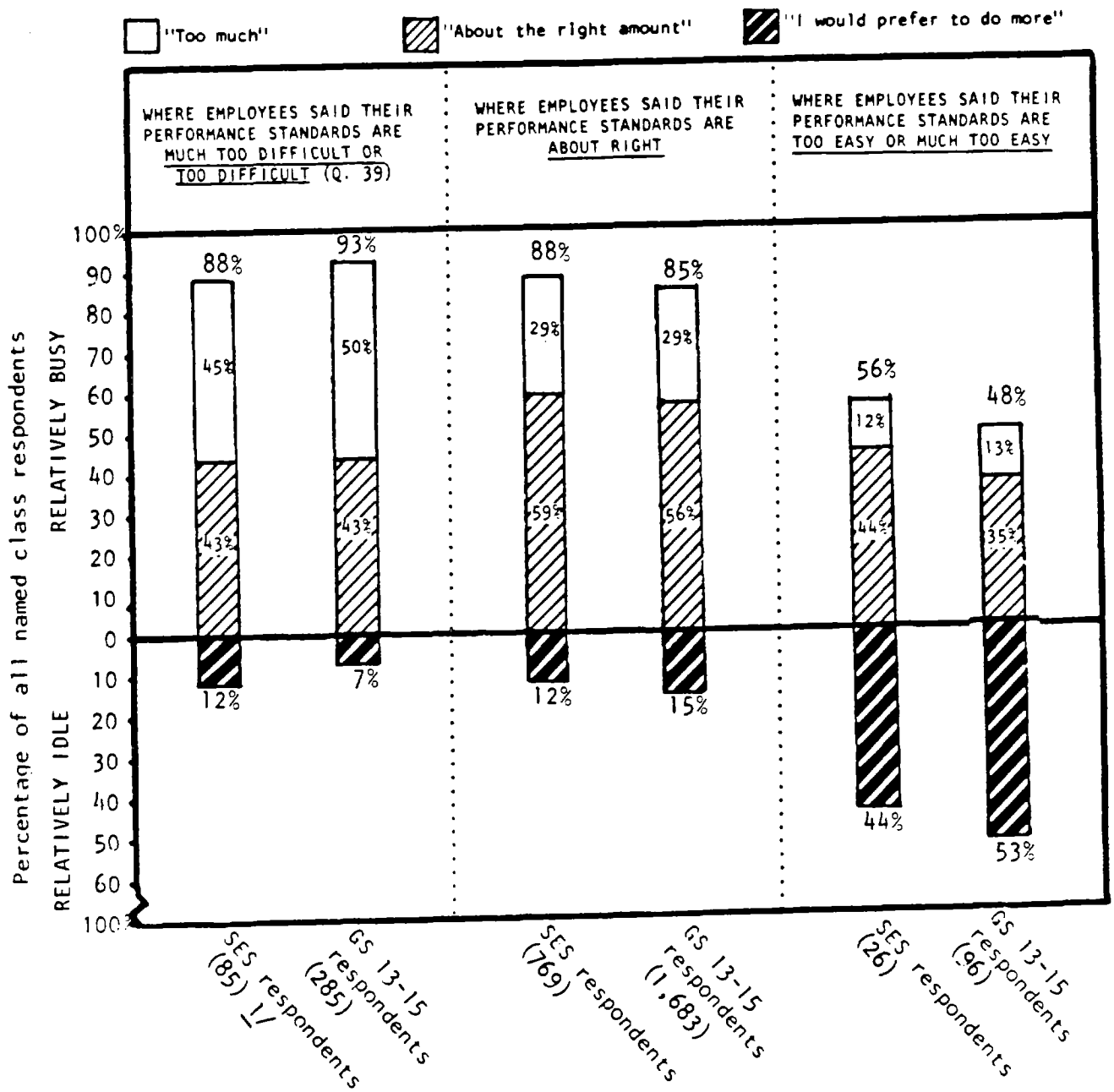
1/ The number in parentheses indicates the total number of respondents who answered this question.

2/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses may not sum to 100%.

CHART 18

RELATIONSHIP BETWEEN DIFFICULTY OF PERFORMANCE STANDARDS AND EMPLOYEES' LEVEL OF ACTIVITY

Q-7. How do you feel about the amount of work you are expected to do?



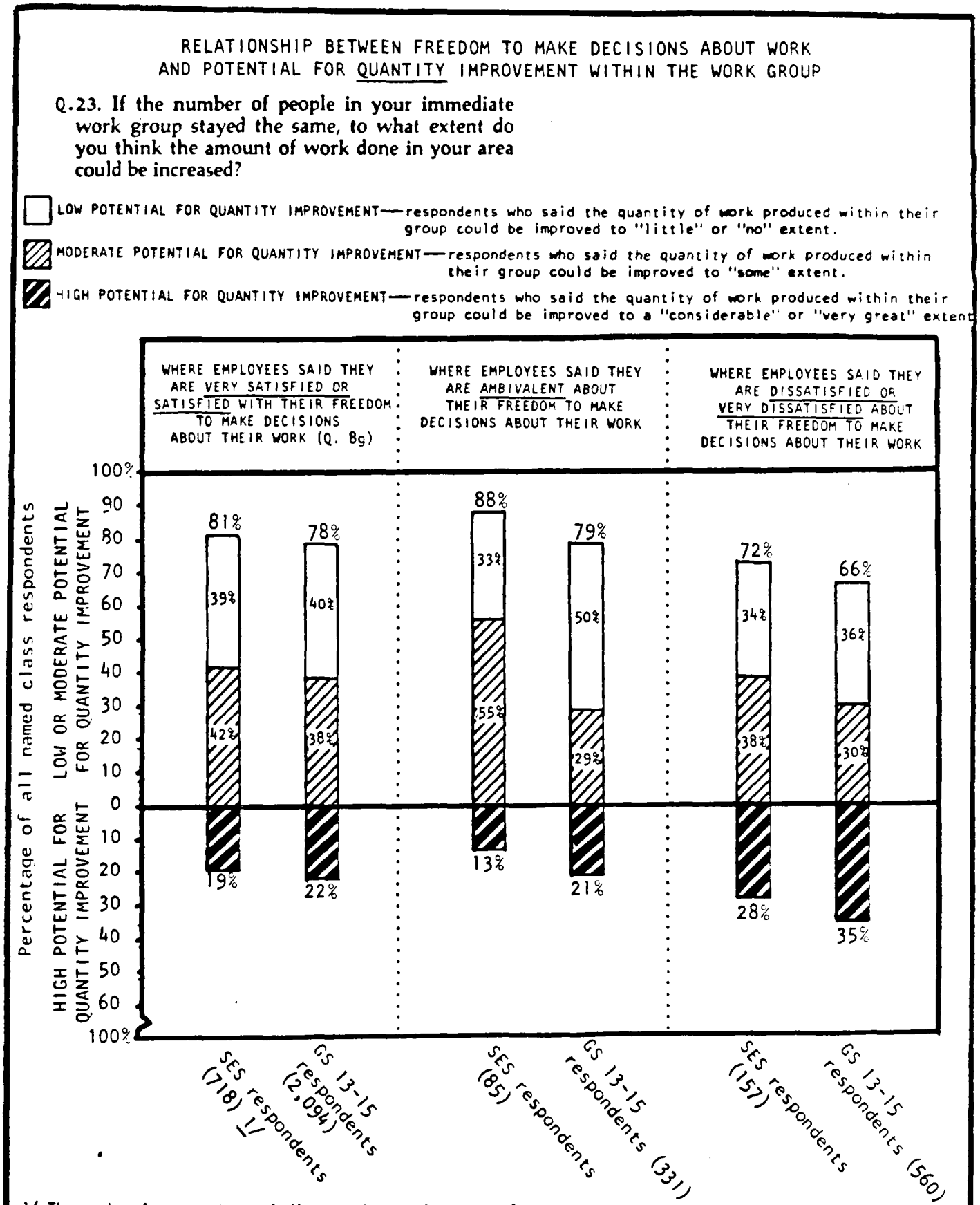
1/ The number in parentheses indicates the total number of respondents who answered this question.

2/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses may not sum to 100%.

CHART 19

RELATIONSHIP BETWEEN FREEDOM TO MAKE DECISIONS ABOUT WORK AND POTENTIAL FOR QUANTITY IMPROVEMENT WITHIN THE WORK GROUP

Q.23. If the number of people in your immediate work group stayed the same, to what extent do you think the amount of work done in your area could be increased?



1/ The number in parentheses indicates the total number of respondents who answered this question.

2/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses may not sum to 100%

CHART 20

RELATIONSHIP BETWEEN SUPERVISOR'S ABILITY TO GET RESULTS THROUGH PEOPLE AND POTENTIAL FOR QUANTITY IMPROVEMENT WITHIN THE WORK GROUP

Q.23. If the number of people in your immediate work group stayed the same, to what extent do you think the amount of work done in your area could be increased?

LOW POTENTIAL FOR QUANTITY IMPROVEMENT—respondents who said the quantity of work produced within their group could be improved to "little" or "no" extent.

MODERATE POTENTIAL FOR QUANTITY IMPROVEMENT—respondents who said the quantity of work produced within their group could be improved to "some" extent.

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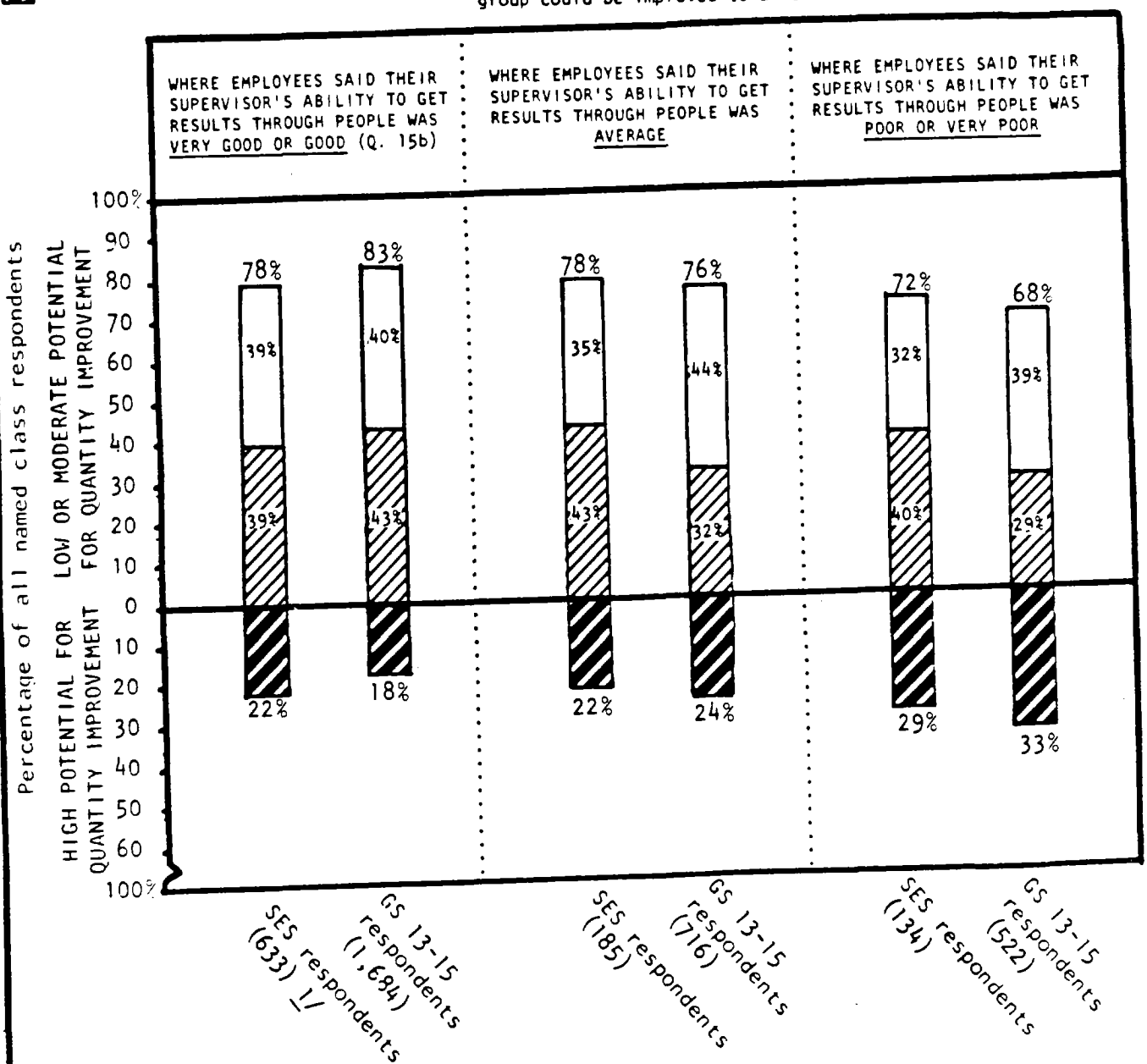

1/ The number in parentheses indicates the total number of respondents who answered this question.

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CHART 21

RELATIONSHIP BETWEEN SUPERVISOR'S EMPHASIS ON EXCELLENCE AND POTENTIAL FOR QUANTITY IMPROVEMENT WITHIN THE WORK GROUP

Q.23. If the number of people in your immediate work group stayed the same, to what extent do you think the amount of work done in your area could be increased?

LOW POTENTIAL FOR QUANTITY IMPROVEMENT—respondents who said the quantity of work produced within their group could be improved to "little" or "no" extent.

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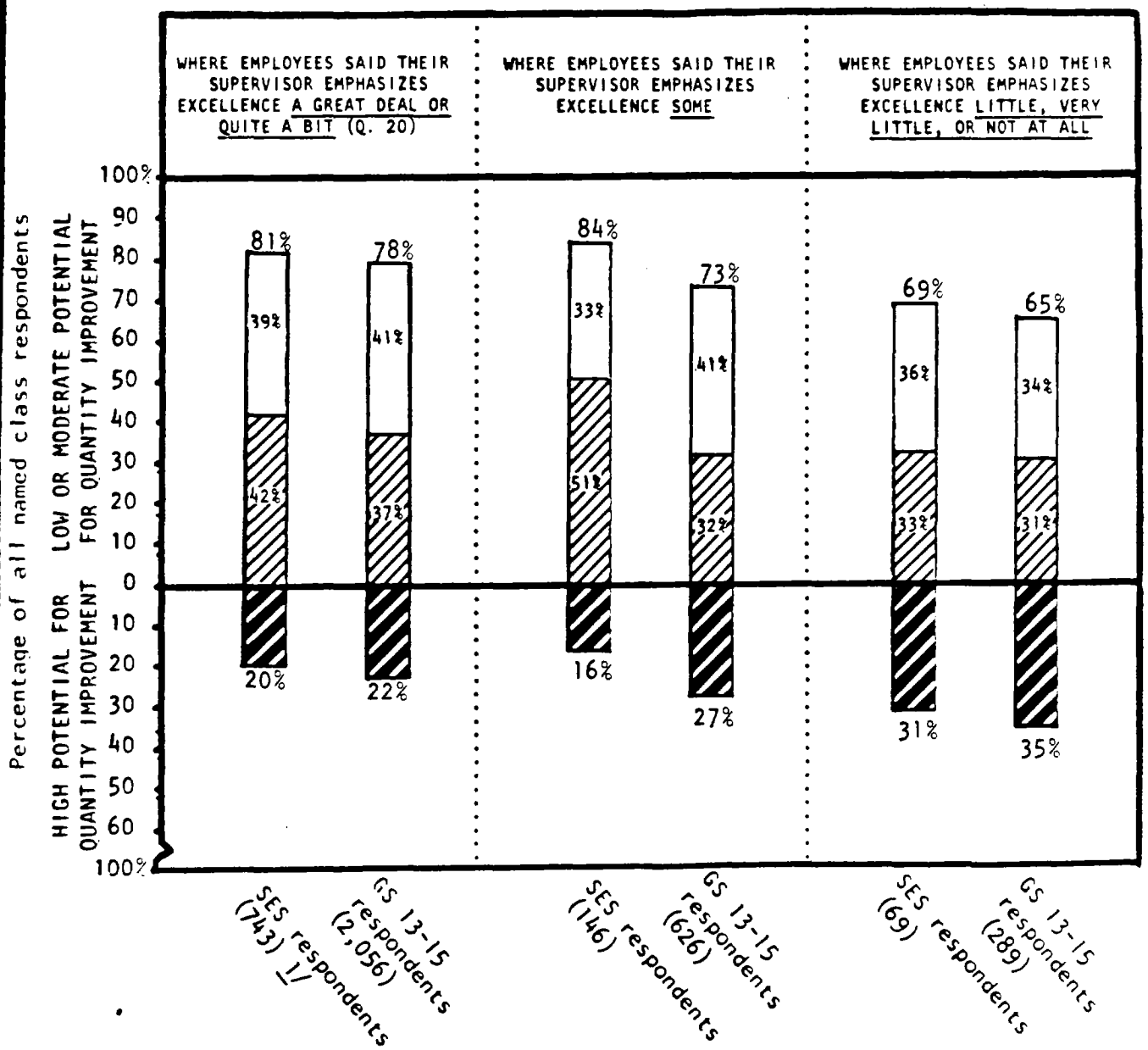

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CHART 22

RELATIONSHIP BETWEEN DIFFICULTY OF PERFORMANCE STANDARDS AND POTENTIAL FOR QUANTITY IMPROVEMENT WITHIN THE WORK GROUP

Q.23. If the number of people in your immediate work group stayed the same, to what extent do you think the amount of work done in your area could be increased?

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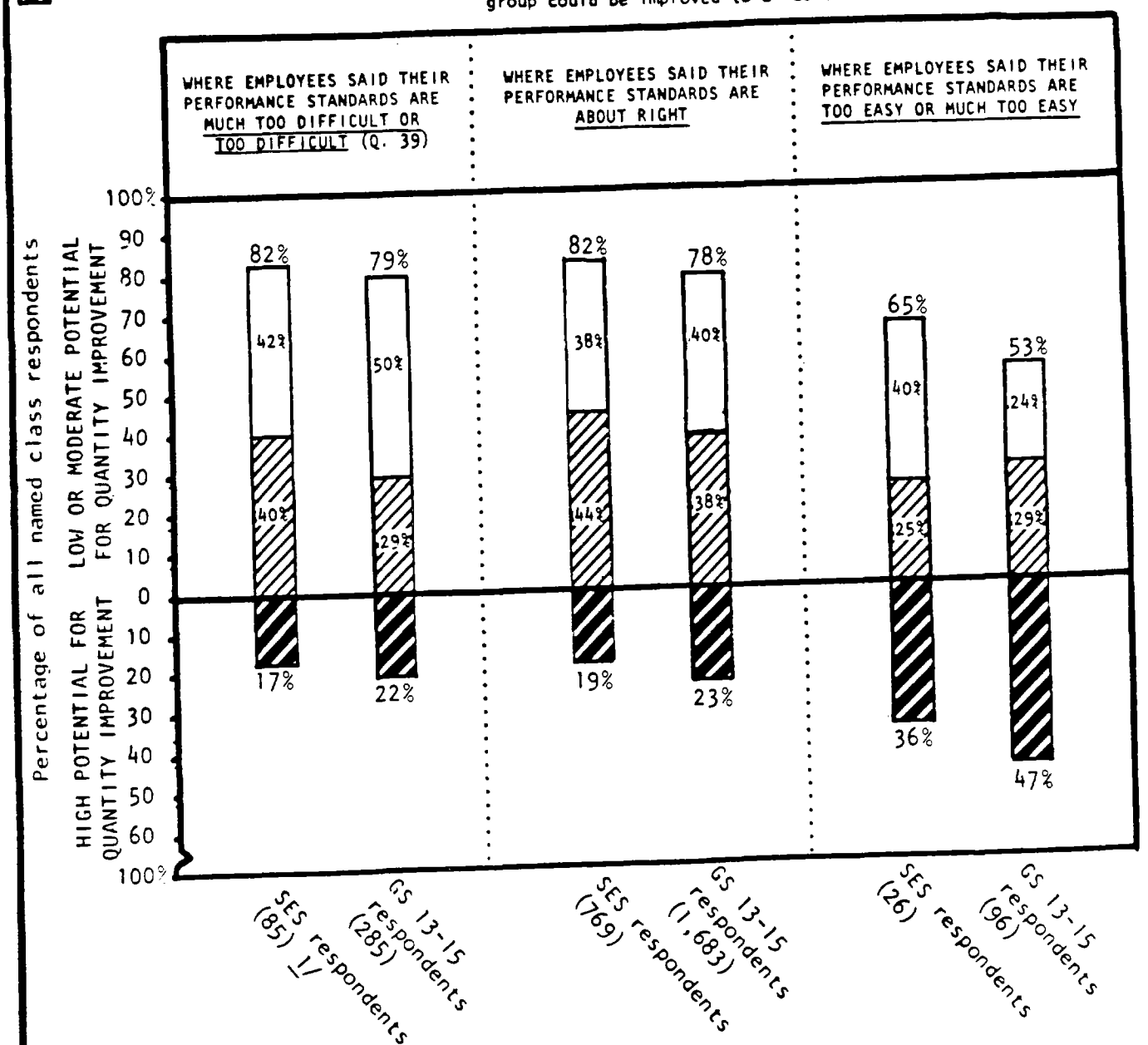

1/ The number in parentheses indicates the total number of respondents who answered this question.

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CHART 23

RELATIONSHIP BETWEEN FREEDOM TO MAKE DECISIONS ABOUT WORK AND POTENTIAL FOR QUALITY IMPROVEMENT WITHIN THE WORK GROUP

Q.24. To what extent do you think the quality of work done in your immediate work group could be improved?

LOW POTENTIAL FOR QUALITY IMPROVEMENT—respondents who said the quality of work produced within their group could be improved to "little" or "no" extent.

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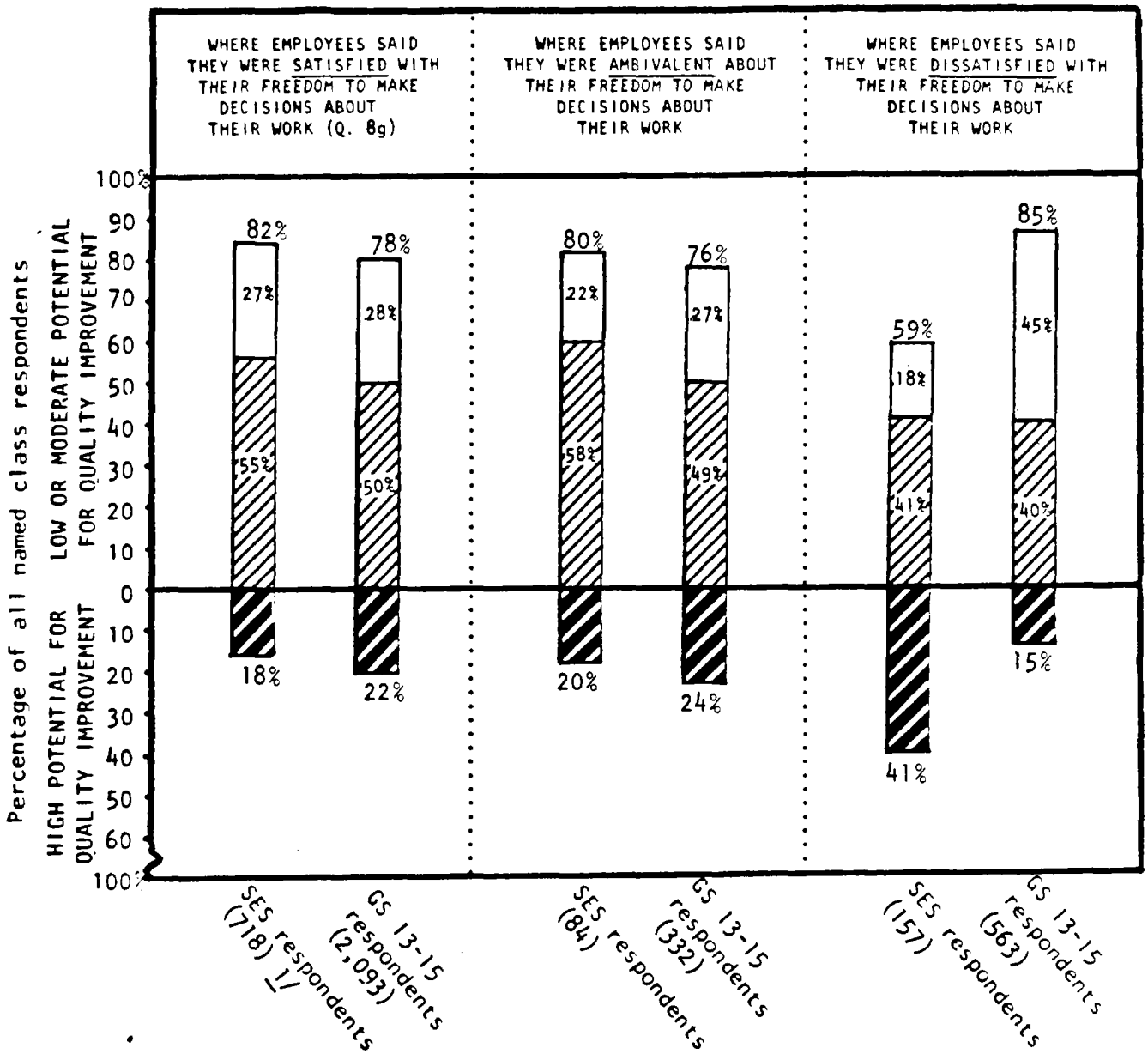

1/ The number in parentheses indicates the total number of respondents who answered this question.

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CHART 24

RELATIONSHIP BETWEEN APPRECIATION RECEIVED FROM MANAGEMENT AND POTENTIAL FOR QUALITY IMPROVEMENT WITHIN THE WORK GROUP

Q.24. To what extent do you think the quality of work done in your immediate work group could be improved?

LOW POTENTIAL FOR QUALITY IMPROVEMENT—respondents who said the quality of work produced within their group could be improved to "little" or "no" extent.

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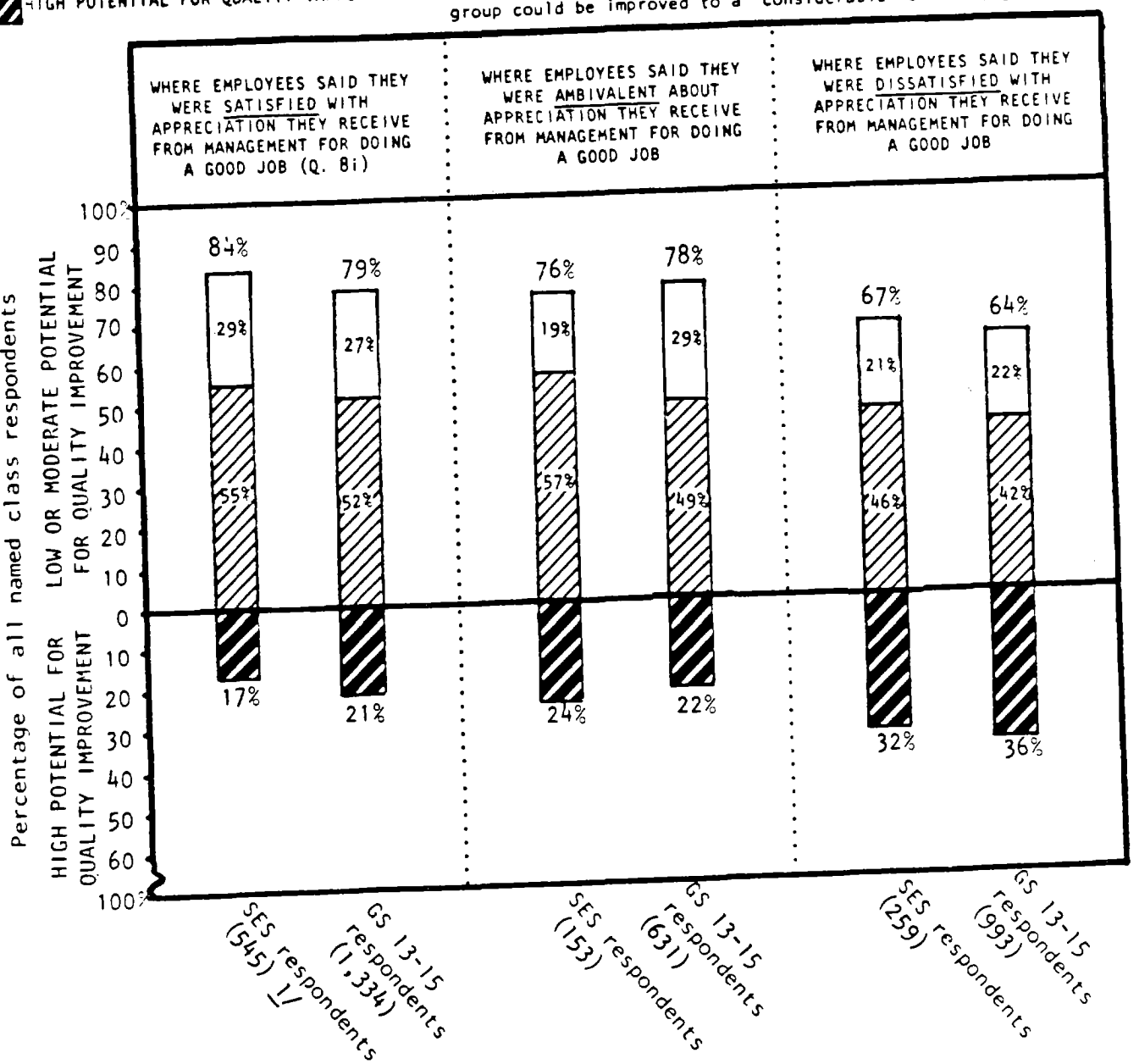

1/ The number in parentheses indicates the total number of respondents who answered this question.

2/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses may not sum to 100%.

CHART 25

RELATIONSHIP BETWEEN SUPERVISOR'S KNOWLEDGE OF SUBJECT MATTER AND POTENTIAL FOR QUALITY IMPROVEMENT WITHIN THE WORK GROUP

Q.24. To what extent do you think the quality of work done in your immediate work group could be improved?

LOW POTENTIAL FOR QUALITY IMPROVEMENT—respondents who said the quality of work produced within their group could be improved to "little" or "no" extent.

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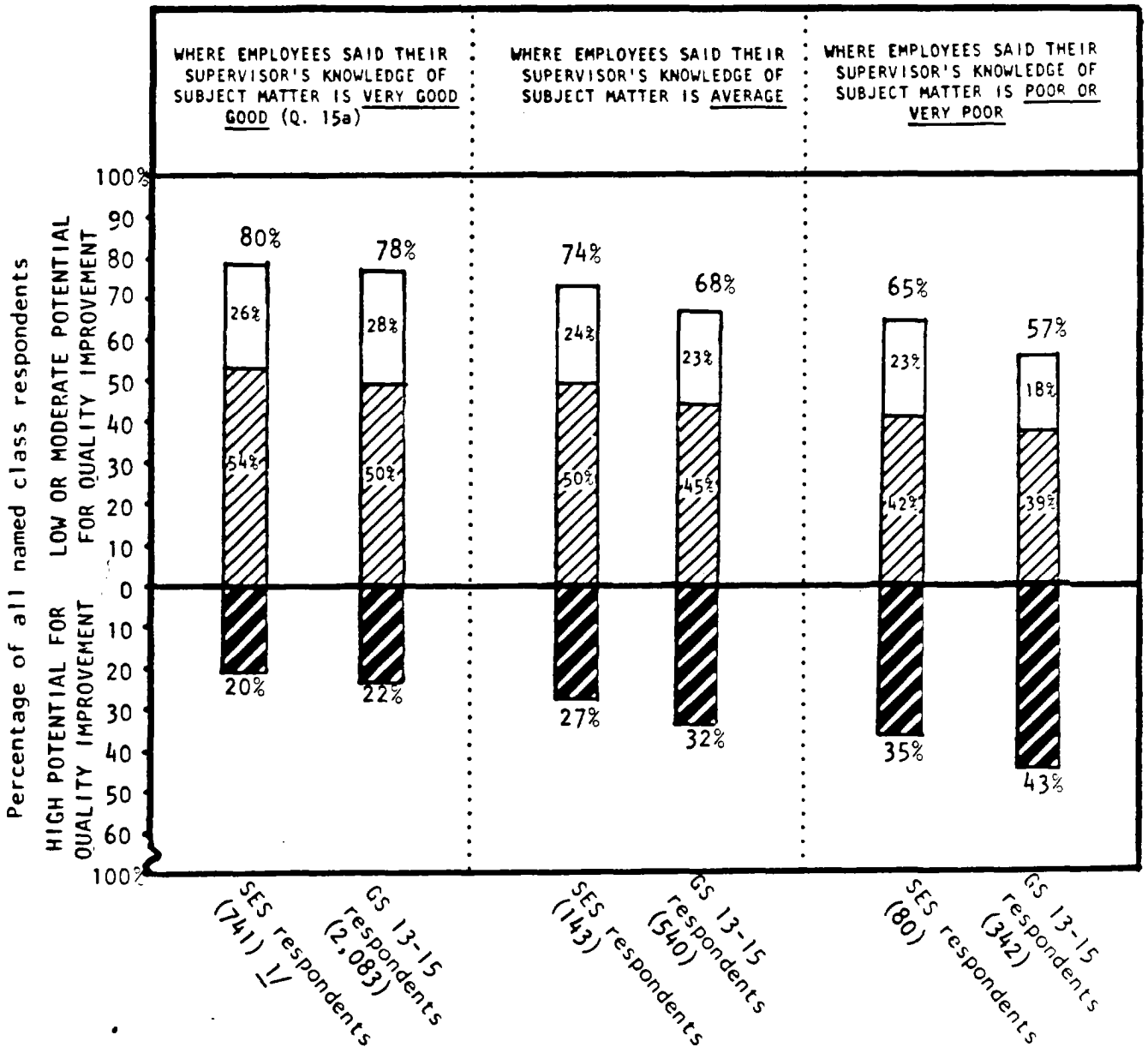

1/ The number in parentheses indicates the total number of respondents who answered this question.

2/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses may not sum to 100%.

CHART 26

RELATIONSHIP BETWEEN SUPERVISOR'S ABILITY TO GET RESULTS THROUGH PEOPLE AND POTENTIAL FOR QUALITY IMPROVEMENT WITHIN THE WORK GROUP

Q.24. To what extent do you think the quality of work done in your immediate work group could be improved?

LOW POTENTIAL FOR QUALITY IMPROVEMENT—respondents who said the quality of work produced within their group could be improved to "little" or "no" extent.

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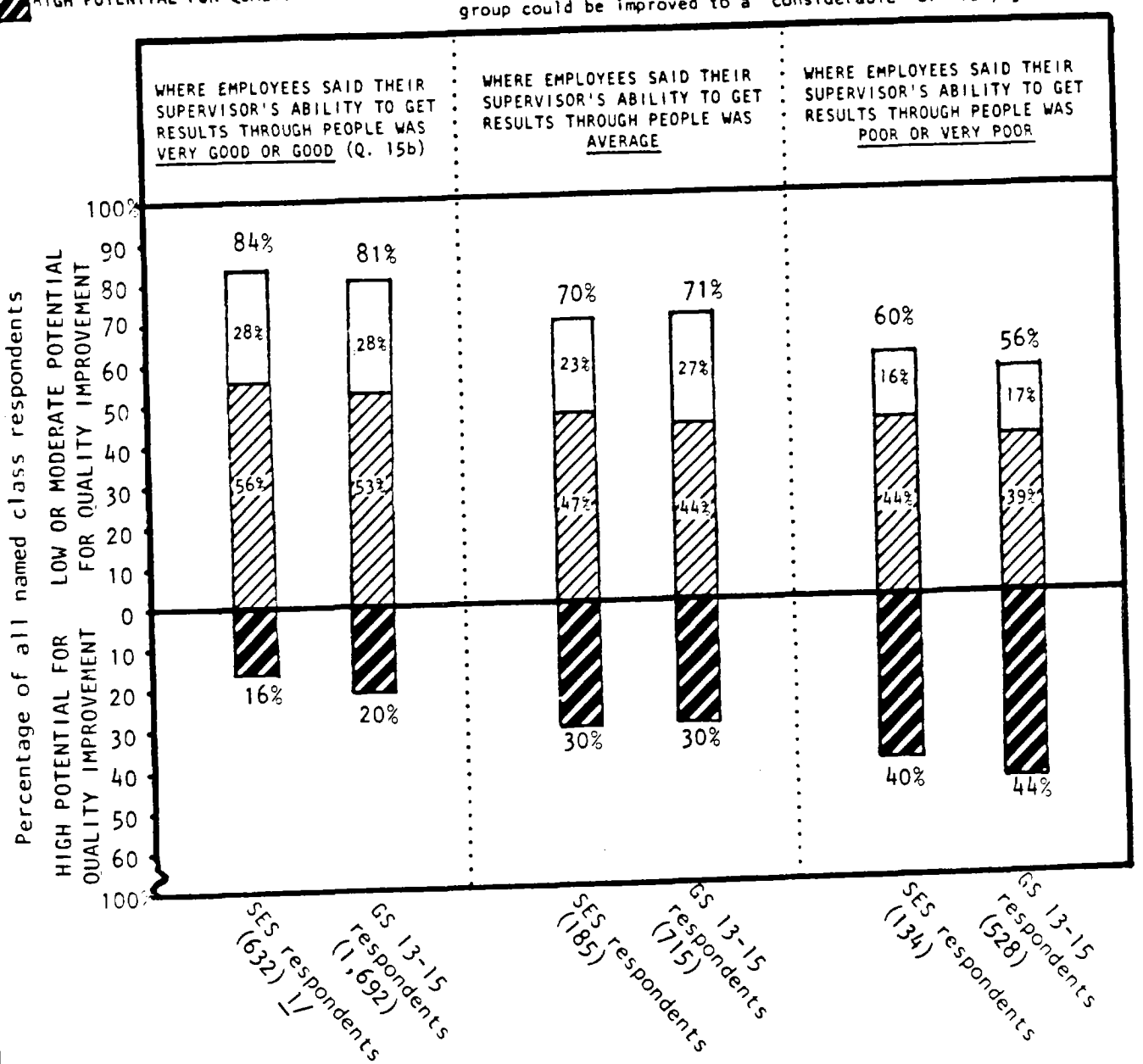

1/ The number in parentheses indicates the total number of respondents who answered this question.

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CHART 27

RELATIONSHIP BETWEEN TWO-WAY COMMUNICATION WITH SUPERVISOR AND POTENTIAL FOR QUALITY IMPROVEMENT WITHIN THE WORK GROUP

Q.24. To what extent do you think the quality of work done in your immediate work group could be improved?

LOW POTENTIAL FOR QUALITY IMPROVEMENT—respondents who said the quality of work produced within their group could be improved to "little" or "no" extent.

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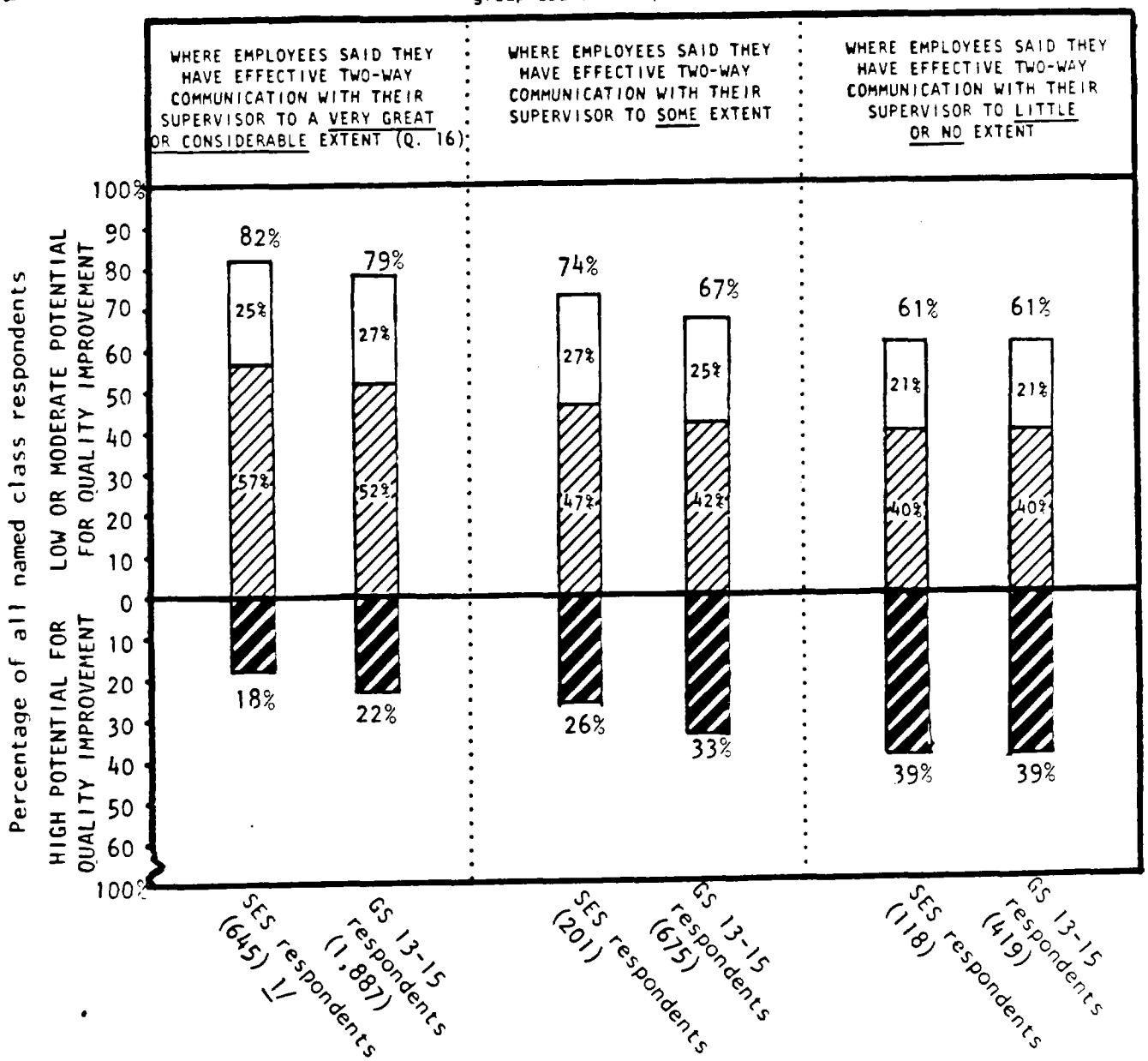

1/ The number in parentheses indicates the total number of respondents who answered this question.

2/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses may not sum to 100%.

CHART 28

RELATIONSHIP BETWEEN TRUST AND CONFIDENCE IN SUPERVISOR AND POTENTIAL FOR QUALITY IMPROVEMENT WITHIN THE WORK GROUP

Q.24. To what extent do you think the quality of work done in your immediate work group could be improved?

LOW POTENTIAL FOR QUALITY IMPROVEMENT—respondents who said the quality of work produced within their group could be improved to "little" or "no" extent.

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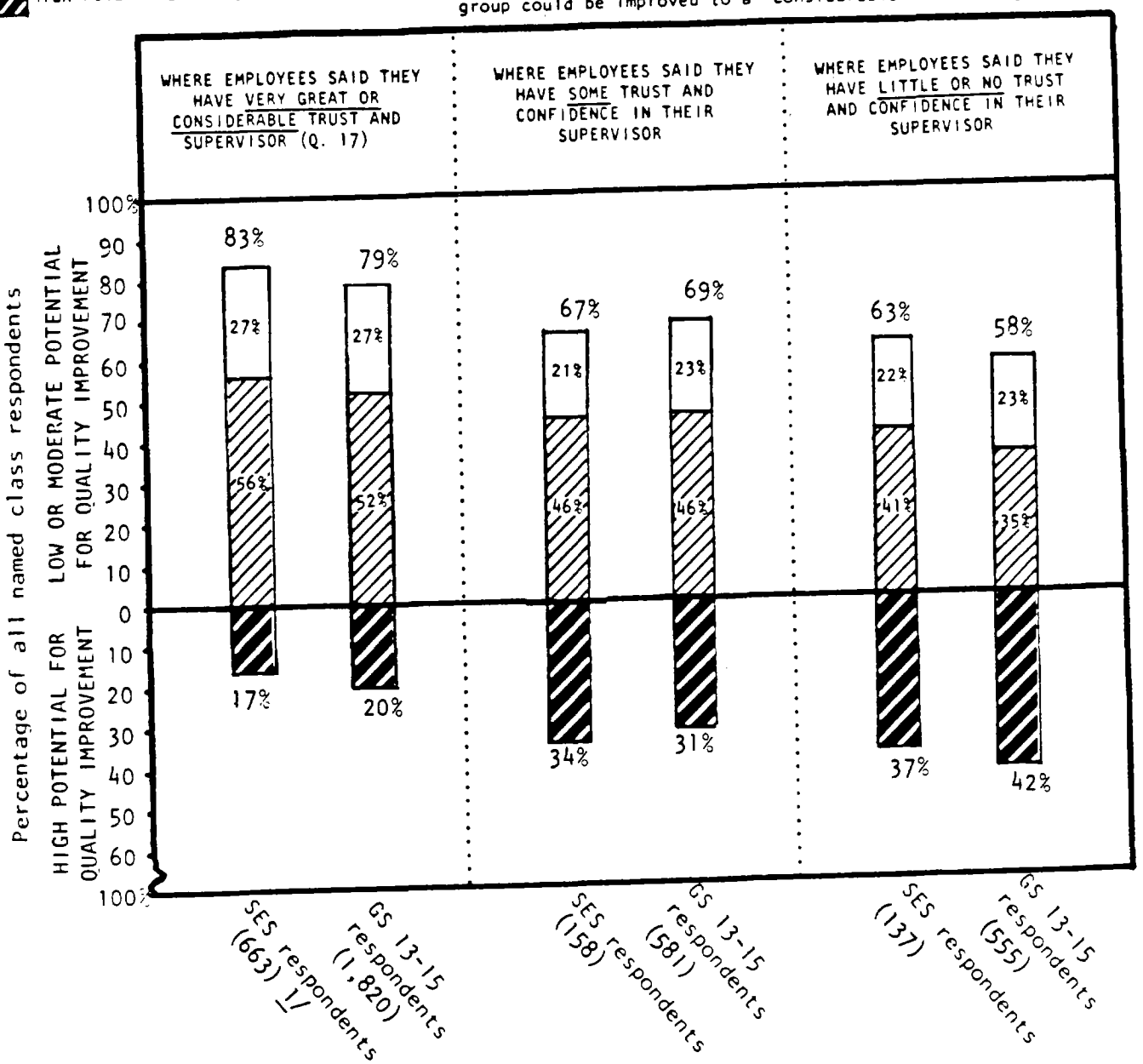

1/ The number in parentheses indicates the total number of respondents who answered this question.

2/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses may not sum to 100%.

CHART 29

RELATIONSHIP BETWEEN SUPERVISOR'S FAIRNESS OF TREATMENT AND POTENTIAL FOR QUALITY IMPROVEMENT WITHIN THE WORK GROUP

Q.24. To what extent do you think the quality of work done in your immediate work group could be improved?

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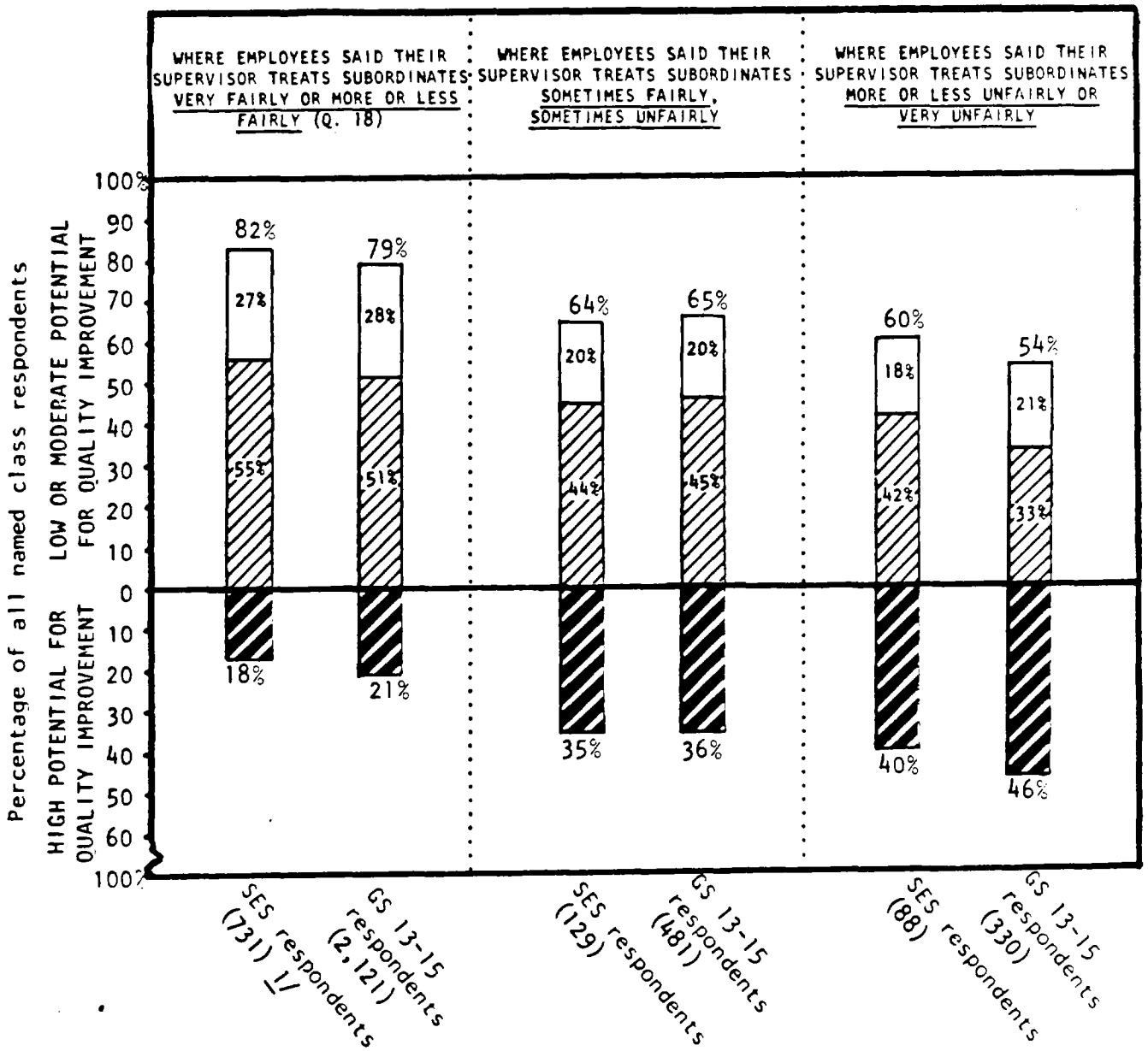
HIGH POTENTIAL FOR QUALITY IMPROVEMENT—respondents who said the quality of work produced within their group could be improved to a "considerable" or "very great" extent.



1/ The number in parentheses indicates the total number of respondents who answered this question.

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CHART 30

RELATIONSHIP BETWEEN SUPERVISOR'S EMPHASIS ON EXCELLENCE AND POTENTIAL FOR QUALITY IMPROVEMENT WITHIN THE WORK GROUP

Q.24. To what extent do you think the quality of work done in your immediate work group could be improved?

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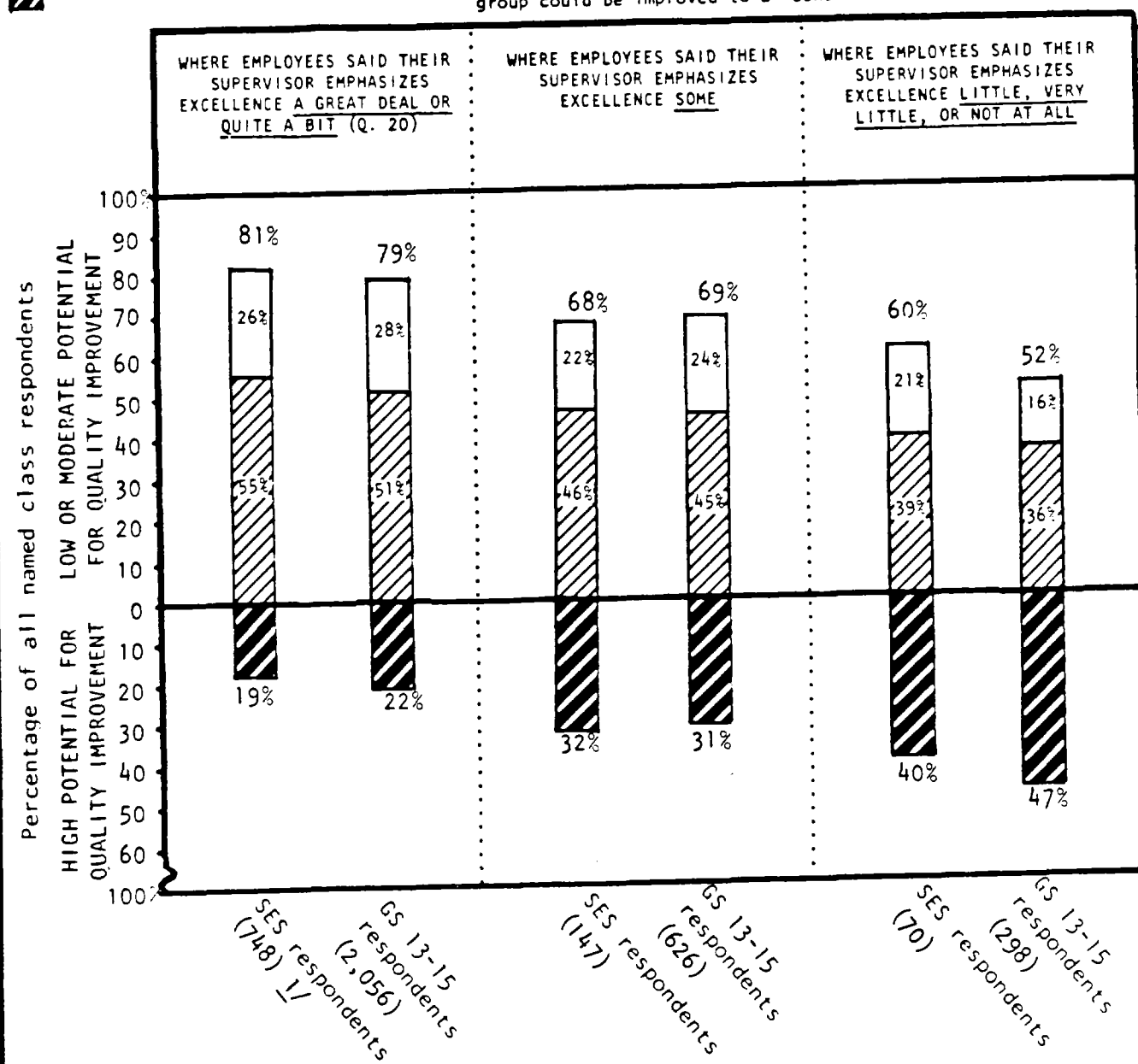
HIGH POTENTIAL FOR QUALITY IMPROVEMENT—respondents who said the quality of work produced within their group could be improved to a "considerable" or "very great" extent.



1/ The number in parentheses indicates the total number of respondents who answered this question.

2/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses may not sum to 100%.

CHART 31

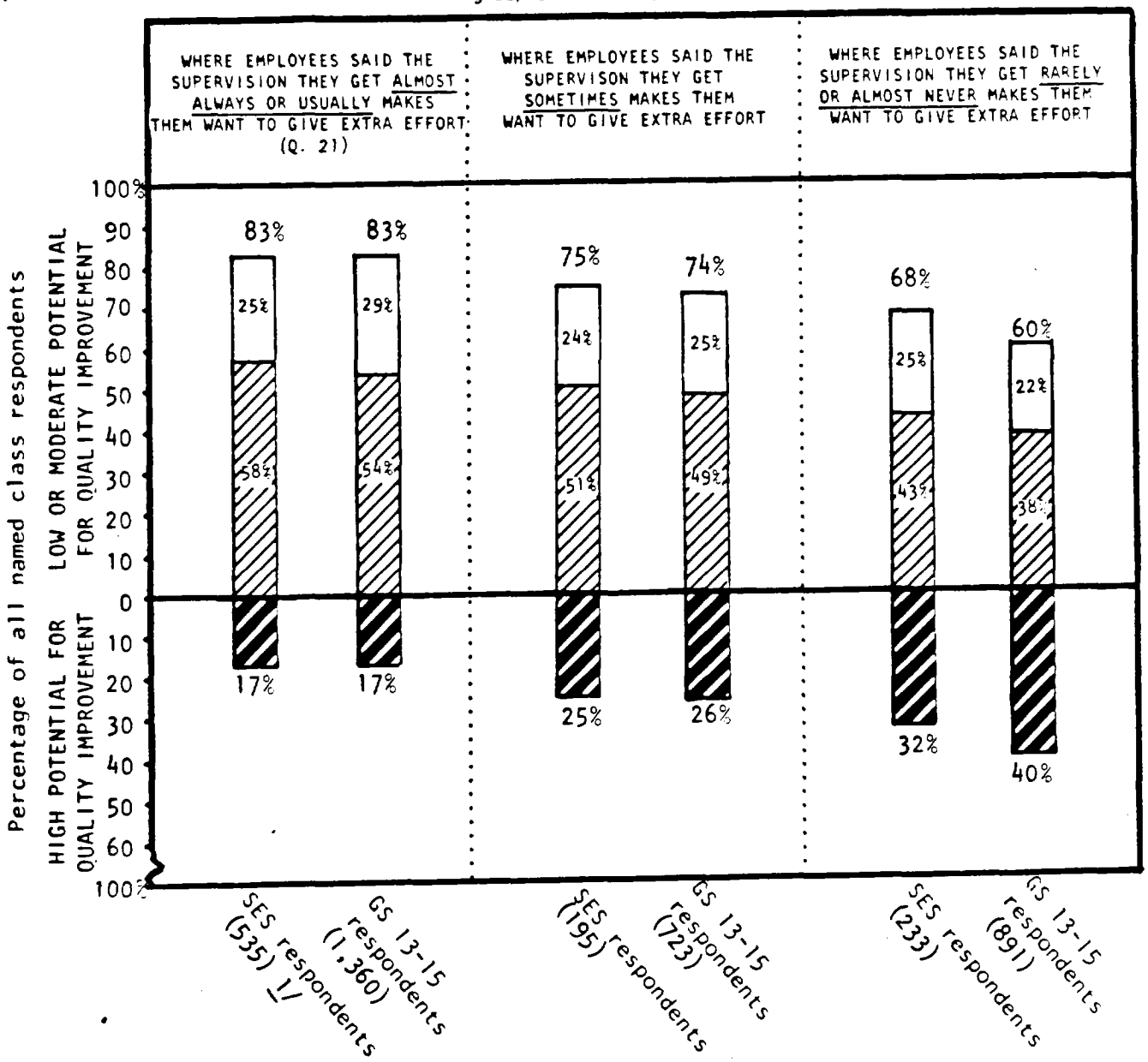
RELATIONSHIP BETWEEN SUPERVISOR'S ABILITY TO INSPIRE EXTRA EFFORT AND POTENTIAL FOR QUALITY IMPROVEMENT WITHIN THE WORK GROUP

Q.24. To what extent do you think the quality of work done in your immediate work group could be improved?

LOW POTENTIAL FOR QUALITY IMPROVEMENT—respondents who said the quality of work produced within their group could be improved to "little" or "no" extent.

MODERATE POTENTIAL FOR QUALITY IMPROVEMENT—respondents who said the quality of work produced within their group could be improved to "some" extent.

HIGH POTENTIAL FOR QUALITY IMPROVEMENT—respondents who said the quality of work produced within their group could be improved to a "considerable" or "very great" extent.



1/ The number in parentheses indicates the total number of respondents who answered this question.

2/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses may not sum to 100%.

CHART 32

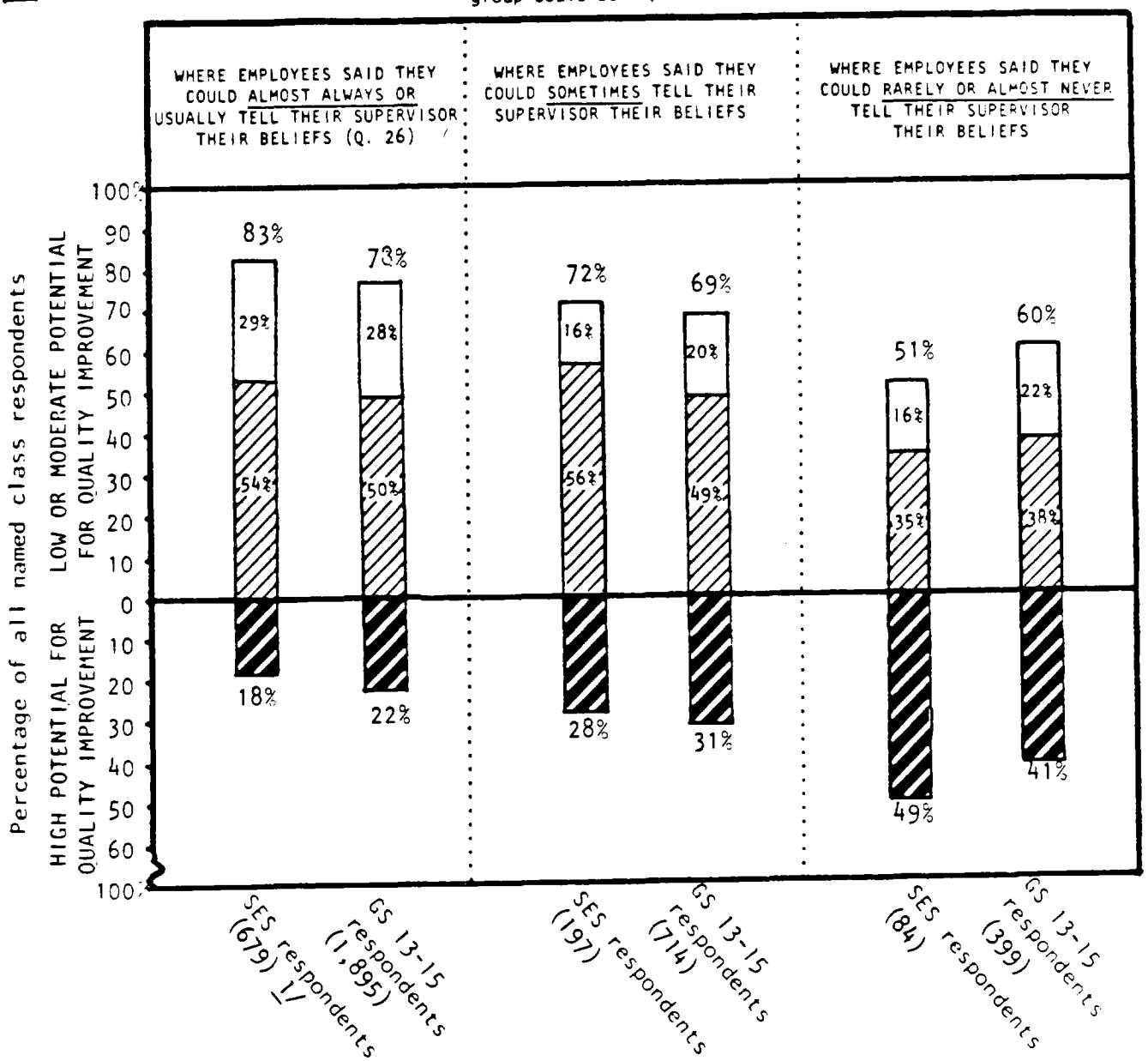
RELATIONSHIP BETWEEN OPENNESS OF COMMUNICATION WITH SUPERVISOR AND POTENTIAL FOR QUALITY IMPROVEMENT WITHIN THE WORK GROUP

Q.24. To what extent do you think the quality of work done in your immediate work group could be improved?

LOW POTENTIAL FOR QUALITY IMPROVEMENT—respondents who said the quality of work produced within their group could be improved to "little" or "no" extent.

MODERATE POTENTIAL FOR QUALITY IMPROVEMENT—respondents who said the quality of work produced within their group could be improved to "some" extent.

HIGH POTENTIAL FOR QUALITY IMPROVEMENT—respondents who said the quality of work produced within their group could be improved to a "considerable" or "very great" extent.



1/ The number in parentheses indicates the total number of respondents who answered this question.

2/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses may not sum to 100%.

CHART 33

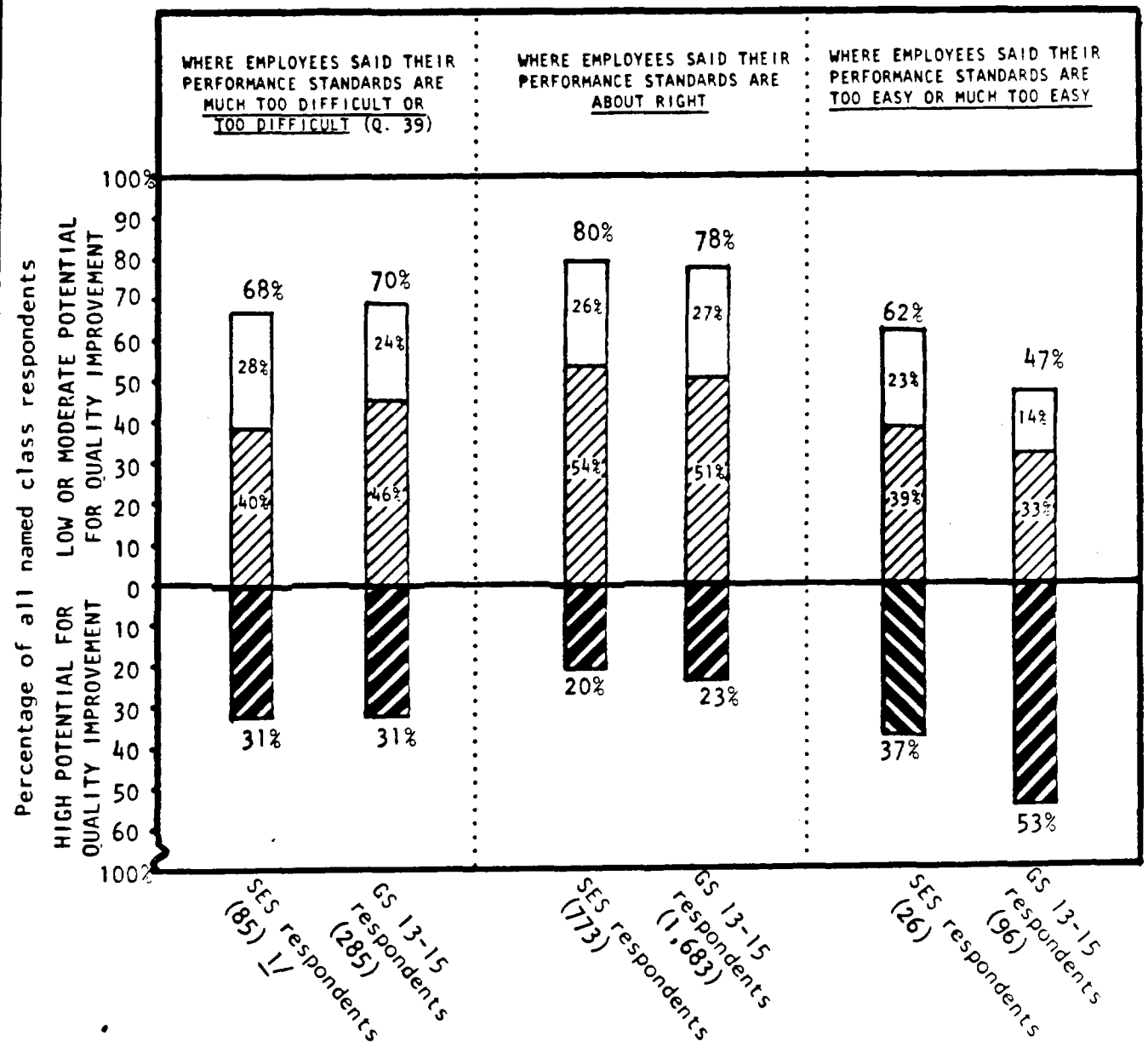
RELATIONSHIP BETWEEN DIFFICULTY OF PERFORMANCE STANDARDS AND POTENTIAL FOR QUALITY IMPROVEMENT WITHIN THE WORK GROUP

Q.24. To what extent do you think the quality of work done in your immediate work group could be improved?

LOW POTENTIAL FOR QUALITY IMPROVEMENT—respondents who said the quality of work produced within their group could be improved to "little" or "no" extent.

MODERATE POTENTIAL FOR QUALITY IMPROVEMENT—respondents who said the quality of work produced within their group could be improved to "some" extent.

HIGH POTENTIAL FOR QUALITY IMPROVEMENT—respondents who said the quality of work produced within their group could be improved to a "considerable" or "very great" extent.



1/ The number in parentheses indicates the total number of respondents who answered this question.

2/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses may not sum to 100%.

CHART 34

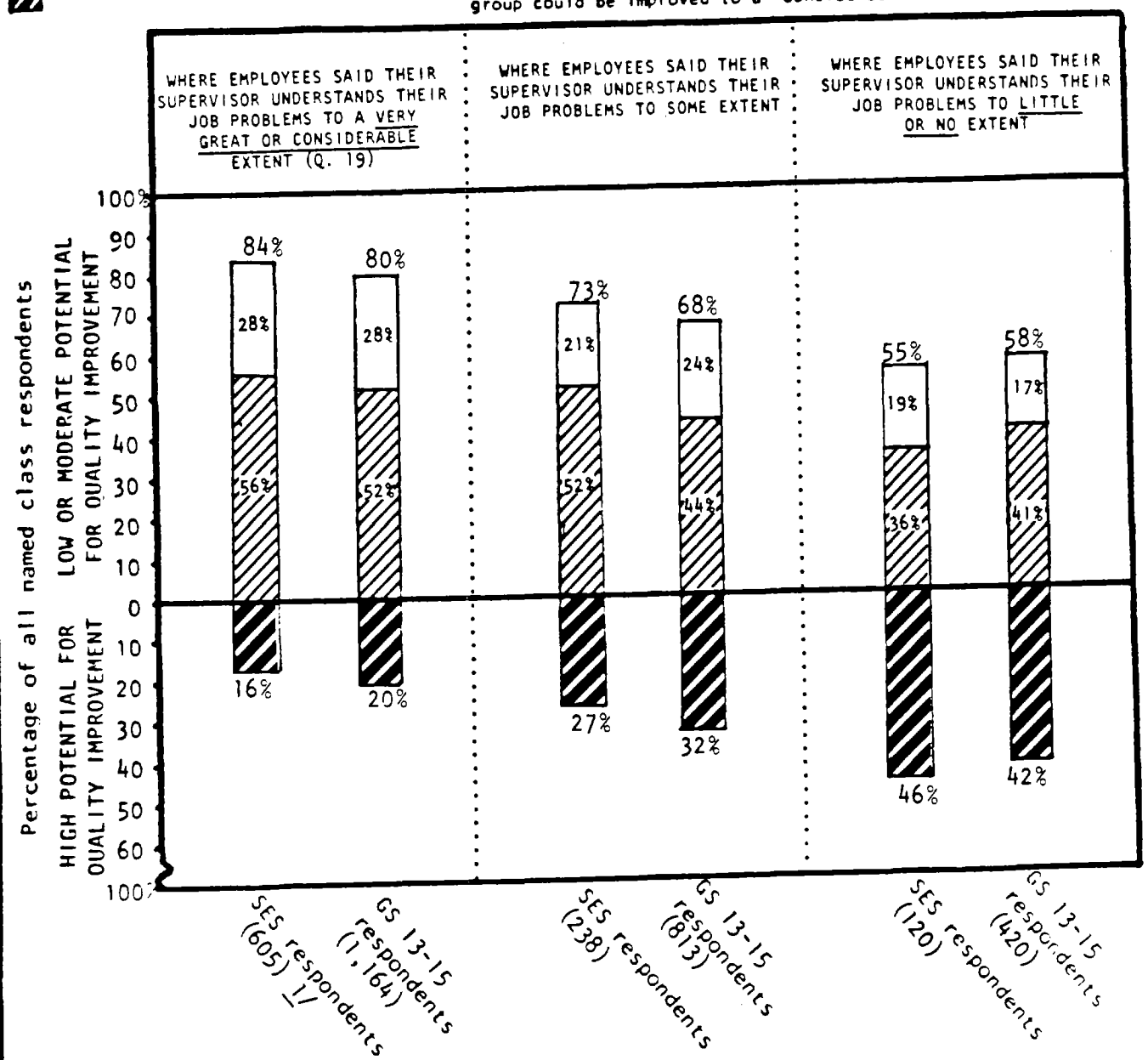
RELATIONSHIP BETWEEN SUPERVISOR'S UNDERSTANDING OF SUBORDINATES' JOB PROBLEMS AND POTENTIAL FOR QUALITY IMPROVEMENT WITHIN THE WORK GROUP

Q.24. To what extent do you think the quality of work done in your immediate work group could be improved?

LOW POTENTIAL FOR QUALITY IMPROVEMENT—respondents who said the quality of work produced within their group could be improved to "little" or "no" extent.

MODERATE POTENTIAL FOR QUALITY IMPROVEMENT—respondents who said the quality of work produced within their group could be improved to "some" extent.

HIGH POTENTIAL FOR QUALITY IMPROVEMENT—respondents who said the quality of work produced within their group could be improved to a "considerable" or "very great" extent.



1/ The number in parentheses indicates the total number of respondents who answered this question.

2/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses may not sum to 100%.

PROHIBITED PERSONNEL PRACTICES

The Civil Service Reform Act (Pub. L. No. 95-454, 92 Stat. 111 (1978)) forbids personnel actions based on the following eleven practices:

1) Discrimination based on race, color, religion, sex, age, national origin, handicapping condition, marital status or political affiliation;

2) Soliciting or considering employment recommendations not based on the individual's work performance, ability, aptitude, general qualifications, suitability, character, or loyalty;

3) Coercing the political activity of any person;

4) Deceiving or willfully obstructing anyone from competing for employment;

5) Influencing anyone to withdraw from competition for any position, whether to help or hurt anyone else's employment prospects;

6) Giving unauthorized preferential treatment to any employee or applicant;

7) Nepotism;

8) Taking or failing to take a personnel action as a reprisal against a whistleblower;

9) Taking or failing to take a personnel action as a reprisal for the exercise of any appeal right;

10) Discriminating on the basis of personal conduct which does not adversely affect the performance of any employee or applicant or the performance of others, except in case of criminal conviction for the conduct; and

11) Taking or failing to take any other personnel action if that would violate any law, rule, or regulation implementing or directly concerning the merit system principles.

For original text see 5 U.S.C. Section 2302(b).

A REPORT ON THE SENIOR EXECUTIVE SERVICE

SEPTEMBER 1981

A REPORT OF THE U.S. MERIT SYSTEMS PROTECTION BOARD

OFFICE OF MERIT SYSTEMS REVIEW AND STUDIES

MERIT PRINCIPLES GOVERNING THE FEDERAL PERSONNEL SYSTEM

The Civil Service Reform Act (Pub.L. No. 95-454, 92 Stat. 111 (1978)) requires that Federal personnel management be implemented consistent with the following merit principles:

(1) Recruitment should be from qualified individuals from appropriate sources in an endeavor to achieve a work force from all segments of society, and selection and advancement should be determined solely on the basis of relative ability, knowledge, and skills, after fair and open competition which assures that all receive equal opportunity.

(2) All employees and applicants for employment should receive fair and equitable treatment in all aspects of personnel management without regard to political affiliation, race, color, religion, national origin, sex, marital status, age, or handicapping condition, and with proper regard for their privacy and constitutional rights.

(3) Equal pay should be provided for work of equal value, with appropriate consideration of both national and local rates paid by employers in the private sector, and appropriate incentives and recognition should be provided for excellence in performance.

(4) All employees should maintain high standards of integrity, conduct, and concern for the public interest.

(5) The Federal work force should be used efficiently and effectively.

(6) Employees should be retained on the basis of the adequacy of their performance, inadequate performance should be corrected, and employees should be separated who cannot or will not improve their performance to meet required standards.

(7) Employees should be provided effective education and training in cases in which such education and training would result in better organizational and individual performance.

(8) Employees should be--

(a) protected against arbitrary action, personal favoritism, or coercion for partisan political purposes, and
(b) prohibited from using their official authority or influence for the purpose of interfering with or affecting the result of an election or a nomination for election.

(9) Employees should be protected against reprisal for the lawful disclosure of information which the employees reasonably believe evidences--

(a) a violation of any law, rule, or regulation, or
(b) mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety.

It is a prohibited personnel practice to take or fail to take any personnel action when taking or failing to take the action results in the violation of any law, rule or regulation implementing or directly concerning these merit principles.

The Merit Systems Protection Board is directed by law to conduct special studies of the civil service and other Federal merit systems to determine whether these statutory mandates are being met, and to report to the Congress and the President on whether the public interest in a civil service free of prohibited personnel practices is being adequately protected.

These studies, of which this report is one, are conducted by the Office of Merit Systems Review and Studies.

THE U.S. MERIT SYSTEMS PROTECTION BOARD

Ersa H. Poston, Vice-Chair
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EXECUTIVE SUMMARY

In Novermber 1980, the Office of Merit Systems Review and Studies distributed a comprehensive survey to approximately 1,500 randomly selected members of the Senior Executive Service. Nearly 1,000 executives completed and returned the questionnaires by mid-February 1981. The study focused on the effectiveness of CSRA protections against improper political interference in SES; fairness and equity in the performance appraisal and performance award systems; and the impact of SES incentive systems on the attitudes of senior executives and potential SES candidates.

A follow-up survey was conducted through structured telephone interviews with 100 career SES members during the third and fourth weeks of March 1981. The purpose of the second survey was to determine how the protections accorded career members of the Senior Executive Service have worked during the change in Administrations.

FINDINGS

Greater Risks for Greater Rewards. In theory, joining SES meant greater risks for greater rewards. Thus far, the SES reality appears to be that neither the greater risks nor the increased rewards have materialized for most executives.

Bonus Restrictions and Their Impact. The SES bonus system was designed to provide strong monetary incentives for high level performance. But, restricting bonuses below those originally authorized by CSRA has seriously weakened the intended incentive.

- **No Motivational Impact.** At least half of SES executives have written off the possibility of receiving bonuses, rank, or cash awards in the coming year. Consequently, it appears that the bonus has little or no incentive value for half of the executive work force.

- **Favoritism in Bonus Distribution.** Equally disturbing is the perception among executives that a disproportionate share of the bonuses go to the agencies' top executives or to "management favorites" who do not deserve them. This perception may well be a direct result of the restrictions on bonuses. If only a small fraction of those who feel they deserve a bonus can get them, any method of distributing bonuses will be perceived as inherently unfair. Likewise, if there are a limited number of bonuses to be given out, it is highly likely that agency heads will award bonuses to top level officials first.

- Whether or not favoritism actually exists, the perception that it does exist undoubtedly breeds dissatisfaction.

Recruitment and Retention. More disturbing is the fact that other incentives in the work place apparently are not enough to attract and retain competent Federal executives.

- Although executives like their work, better than 80% believe that there are insufficient SES incentives to retain highly competent executives.

- As many as 46% of current executives say they are considering leaving the Federal Government within the next two years.

- The SES system is alarmingly unattractive to mid-level Federal employees--the applicant pool from which a large segment of future SES members will be drawn.

Executive Pay. The ceiling on executive pay has kept all executives at the same pay level. Continuing the pay cap has serious implications for the SES compensation system:

- The pay cap prevents distinctions in pay despite significant differences in responsibilities for executives at different levels within organizations.

- Executives may become less willing to accept promotions.

- The SES will become less and less attractive to candidates from the mid-level ranks of Government and from the private sector.

Performance Appraisals. On the positive side of the ledger, the overwhelming majority of those executives who have had a performance appraisal under SES thought the appraisal was fair. But, for a variety of reasons, it is clear that the full potential for the SES performance appraisal system is not being realized.

- **Concern Over Fairness in the Rating Process.** One-fourth of executives indicate some concern that their immediate supervisors may not consider factors beyond the executives' control when rating their performance. Our study suggests that this concern over the potential for an unfair rating may be linked to executives' lack of trust and confidence in their immediate supervisors, and to how effective they see their communications being with their bosses.

- **Impact of Performance Appraisals.** Over one-third of executives are not sure that the results of performance appraisals will actually have an impact on personnel decisions affecting them personally. There are several possible explanations for this attitude.

  -- Executives' experience with their agencies' performance appraisal systems in the past may have colored their outlook toward such systems in general.

  -- The present "pay cap" has, in effect, frozen the base salaries of the executives and eliminated meaningful pay distinctions among wide ranges of executive responsibility.

-- Limitations on the number of bonuses have made at least half of the executive work force feel they have no real opportunity to receive a bonus in the coming year.

-- Agencies have apparently not been willing to utilize the expedited procedures for removal that the SES performance appraisal process allows. According to information agencies have provided to OPM, only one career executive has been removed from SES for poor performance as of July 1, 1981.

Safeguards Against Politicization. Our study revealed no indications of broadscale efforts to politicize SES as of the middle of March 1981. Significantly, executives reported that:

- Career employees have **not** been passed over for executive positions in favor of less qualified candidates from outside the Federal Government.

- The vast majority of executives are still willing to provide their bosses with honest appraisals of their agency's programs, despite the fact that they have less job security under SES than under the former supergrade system.

- As of mid-March, there were no indications of widespread abuses of the 120-day protections against performance appraisals or involuntary reassignments of career executives.

Although the Board found no indications of major problems with improper political influence, there were some troubling areas.

Improper Designation of SES Positions. Thirteen percent of executives holding "general" positions believe that those positions should be designated "career-reserved" to protect SES from improper political interference or to maintain public confidence in the impartiality of the Government. Whether a position should properly be "career-reserved" or "general" is not always clear-cut, and the problem may be less severe than the figures might indicate. Nevertheless, this finding calls attention to the need for a closer and continuing oversight over the designation of these positions.

Executives Lack of Knowledge About SES Protections. These studies suggest that many executives do not fully understand the SES system and the protections CSRA established for career executives. This lack of knowledge may make career executives more vulnerable to improper political influence, including arbitrary personnel actions.

Bonus Awards Based on Political Affiliation. Only a small number (6%) of all senior executives report one or more instances in the last 12 months where they believe bonuses or rank awards were given to executives because of partisan political affiliation. However, there are significant variations among agencies in the reported incidence.

It is important to note that the studies were conducted before the 120-day protected period for career SES members had expired, when agency heads and many top ranking executives in the new Administration were only recently in place or yet to take office. Consequently, these studies give only a preliminary view of just how the change in Administrations will ultimately affect career executives.

RECOMMENDATIONS

Based on the findings and discussion presented above, the following recommendations are offered:

1. Congress should consider:

   - Lifting the current pay cap on executive pay, and allow the annual adjustments for executives under Public Law 94-82 to take effect.

   - Lifting restrictions on bonuses, and allow them to operate as the effective incentive they were originally intended to be.

2. As of July 1, 1981, only one of approximately 6,200 career executives has been removed from the SES for poor performance. This suggests that SES's expedited procedures for the removal of poor performers have not been used to identify and remove poor performers. Agency heads should review their agency's performance appraisal system to determine:

   - whether executives who perform poorly are being identified through the appraisal process, and

   - if action is being taken to assist any such executives to improve their performance, to reassign them to positions where they can perform satisfactorily, or to remove them from SES.

3. This study suggests that executives' concern over potential unfair ratings in the performance appraisal process is linked to executives' lack of trust and confidence in their immediate supervisors and to how effective they see their communications to be with their bosses. For this reason, agencies should review their executive development programs to determine if adequate emphasis is being placed on communication skills and the performance appraisal process in management training.

4. OPM should institute a program to:

   - determine if agencies have properly designated positions as "general" or "career-reserved," and require changes in designation where appropriate;

   - establish and publicize communication channels for executives to use in notifying OPM of positions the executive believes have been improperly designated as "general";

- clarify and sharpen existing guidelines if it finds a substantial number of improper designations.

5. OPM should provide information to career SES members on the protections accorded career executives under SES.

6. Outside agencies, such as OPM and MSPB's Office of the Special Counsel, should publicize the availability of their services regarding complaints of prohibited personnel practices in the awarding of bonuses, cash or rank awards.

7. Agencies should provide information to all SES members on the purpose and operation of the agencies' Executive Resources Boards.

A REPORT ON THE SENIOR EXECUTIVE SERVICE

INTRODUCTION

This is the first in a series of reports drawing on the results of the U.S. Merit Systems Protection Board's (MSPB) first survey of a random sample of the approximately 6,800 executives who comprise the Senior Executive Service (SES). 1/

The Senior Executive Service includes most managerial, supervisory, and other policy-influencing or policy-making positions equivalent to GS-16 through Executive Level V in the Executive branch. Positions excluded by law are those in the Foreign Service, FBI, Drug Enforcement Administration, and certain intelligence agencies; administrative law judges; and positions requiring Senate confirmation.

The SES cadre plays a crucial role in the management of the Federal Government. Although some members are political executives who make policy and advocate the Administration's programs, the great majority are professional administrators responsible for planning and managing the day-to-day operations of Government agencies, including a work force of about 2.2 million employees. 2/

The Board's Office of Merit Systems Review and Studies conducted the survey upon which this report is based as part of its program of special studies to assess whether the civil service is operating in accord with merit principles, and is free from prohibited personnel practices. The Civil Service Reform Act of 1978 (CSRA) directs the Board to conduct such special studies and to report its findings to the President and the Congress. 3/

1/ CSRA limits the total number of SES and supergrade positions (GS-16/18) combined to 10,777. Currently, the U.S. Office of Personnel Management has authorized approximately 8,600 SES positions within the Executive branch. The number of executives actually employed at a given time typically ranges from 6,800 to 7,000.

2/ Approximately 10% of the SES members have non-career appointments, the remaining 90% are career members.

3/ Pub.L. No. 95-454, 92 Stat. 111 (1978). The mandate to conduct special studies is found at 5 U.S.C. Section 1205 (a)(3). The General Accounting Office, U.S. Office of Personnel Management (OPM), and outside groups also report from time to time on the operations of the merit system. These efforts, however, focus principally on the technical aspects of these programs, and are primarily concerned with pragmatic questions of efficiency in program management. The Board's studies, by contrast, are designed to provide continuing oversight of how CSRA reforms have affected the health of the merit system.

Scope of this Report. This report focuses on:

- the effectiveness of CSRA protections against improper political interference in SES;
- fairness and equity in the SES performance appraisal and performance award systems; and,
- the impact of SES incentive systems on the attitudes of senior executives and potential SES candidates.4/

Subsequent reports in this series will deal with the incidence of prohibited personnel practices, executives' views about the adequacy of "whistleblower" protections, the fairness and effectiveness of Federal employee selection and placement actions, and other topics germane to the health of the merit system.

Procedure for the Survey. The questionnaire used in our survey was developed in the late summer of 1980, on the basis of extensive interviews and pretests with executives in a number of departments and agencies. It was distributed to a random sample of 1,519 career and non-career SES members in November 1980. Only 67 questionnaires were returned as undeliverable and 979 (or approximately 67% of all who received the questionnaire) had completed and returned the questionnaire by the cut-off date, mid-February 1981. The composition of the pool of respondents closely paralleled that of the entire SES. About 60% of the respondents elaborated on their answers with written comments. (Selected examples are included in Appendix A.)

Where this report discusses the collective viewpoints and experiences of SES members Government-wide, we can be 95% confident that the executives' attitudes and reported observations are within three percentage points of what is reported in the survey results. It should be noted, however, that the report also contains tables summarizing the viewpoints and experiences of SES members in those departments and agencies where we received sufficient responses to provide statistically reliable information. The possible range of error in the data for specific agencies is larger than for the Government as a whole because of the smaller number of respondents. Each table shows the number of respondents and possible range of error by agency.

A follow-up survey was conducted through structured telephone interviews with 100 career SES members during the third and fourth weeks in March 1981. This survey focused particularly on whether there was evidence that the statutorily imposed 120-day moratorium on performance appraisals and involuntary reassignments for career executives following the change in Administrations was being violated.

4/ MSPB's initial study did not examine all of the changes which the SES system was intended to bring about. For example, the study did not explore the implementation of executive development programs, executive mobility, the operation of Executive Resources Boards, or how effectively the new management flexibilities to reassign or remove executives were being utilized.

CHAPTER ONE

MAJOR FEATURES OF THE SENIOR EXECUTIVE SERVICE

Goals of the Senior Executive Service. The Senior Executive Service replaced the patchwork of the so-called "supergrade" system which existed before passage of CSRA. Generally speaking, that system included all positions classified at grades GS-16 through GS-18 under the general Federal pay schedule. However, those positions were neither conceived of nor managed as a coherent executive corps. The CSRA intended to replace this patchwork by creating "a cadre of extraordinarily competent and dedicated people who will be accountable for the execution of Government programs." 5/

The architects of the Senior Executive Service planned that it would accomplish this goal by:

- **Establishing effective performance appraisal systems for executives.**

  -- Although performance appraisals were required under the former supergrade system, they often bore little relationship to actual job requirements, but instead focused on personality traits. Likewise, ratings under this system were not directly linked to major personnel management decisions, such as the individual's level of pay.

  -- Under the SES system, agencies must establish performance appraisal systems that:

    -- identify the critical elements of each individual's job;

    -- specify standards of performance for those elements;

    -- link salary, bonuses, and cash awards to the achievement of specific performance objectives; and

    -- serve as a basis for determining whether an executive will be retained in SES.

5/ Statement by Alan K. Campbell, former Director, U.S. Office of Personnel Management in Senior Executive Service, U.S. Office of Personnel Management, February 1980, OPM Document 127-56-6.

- **Providing a compensation system and other conditions of employment designed to attract, retain, and motivate highly competent senior executives.**

  -- The "supergrade" compensation system was one of "rank-in-position." Each executive's salary was linked directly and rigidly to the grade level (GS-16, 17, or 18) of the position which the executive occupied, subject to uniform and routinely granted longevity increases within the pay range of each grade. The system provided limited opportunity for salary adjustments or cash awards.

  -- The SES system introduced the "rank-in-person" compensation system to Federal civilian executives. Agencies have authority to adjust an executive's base pay within the range of SES pay rates in order to attract outside candidates to SES, to retain an excellent employee who might otherwise leave, to reward consistently effective performance, or for similar reasons. In addition, executives may be rewarded for high level performance with bonuses (currently up to 20% of base salary) and rank awards (lump sum payments of up to $20,000).

  -- The SES system also provides executives with the opportunity for sabbaticals, and permits them to accrue unlimited amounts of annual leave (which may be paid in a lump sum upon the executive's leaving Federal service).

- **Providing agency heads greater flexibility in removing executives who fail to meet performance standards established by their supervisors.**

  -- Under the supergrade system, executives could be removed for poor performance only through "adverse action" procedures. Those procedures imposed a heavy burden of proof on the agencies, and were complicated by the executive's right to appeal both the merits and the procedure followed in the removal action to the U.S. Civil Service Commission (CSC), OPM's predecessor.

  -- Under the SES system, each agency must establish a Performance Review Board (PRB). PRB's review the initial appraisal of each executive's performance made by the executive's supervisor, and recommend a final performance rating for each executive. However, the final decision on the performance rating lies with the appropriate appointing authority, usually the head of the agency, who may accept, reject or modify the PRB's recommendation. Executives may be removed for poor performance, and have no right of appeal from such removal, although they are entitled to an informal hearing before the MSPB.

  -- An executive who believes that his or her removal constitutes a prohibited personnel practice may challenge that removal by filing a complaint with the Office of the Special Counsel of the MSPB.

-- Under the SES system, executives with career appointments have "appeal" rights to MSPB only when they are removed for such "non-performance" reasons as misconduct, neglect of duty, or malfeasance in office.

- **Providing agency heads greater flexibility in reassigning senior executives to other positions to best accomplish the agency's mission.**

  -- Under the supergrade system, executives could be reassigned to other positions---even at the same grade level---only with the approval of the CSC. Movements of executives to lower-graded positions, or movements resulting in a reduction in "rank" in the organization, required the use of the adverse action procedures described earlier.

  -- Under the SES system, agencies may reassign executives to any other SES position in the agency for which they are qualified. There is no requirement for approval by the U.S. Office of Personnel Management (OPM).

- **Offering increased promotion opportunities to career executives.**

  -- Under the supergrade system, executives had promotion opportunities to GS-16, 17, or 18 positions. Promotions beyond these grades to the Executive Level ranks were rare.

  -- The SES system includes the next higher level executive position, Executive Level V, thereby increasing promotion opportunities for members. SES members may also accept Presidential appointments to Executive Level positions and carry with them their SES status, salary, and benefits. Such executives have guaranteed fallback rights to SES when their Presidential appointments are terminated.

- **Mandating the establishment of Executive Resources Boards (ERB), composed of agency management officials, to conduct the merit staffing process for career SES appointees.**

  -- Under the supergrade system, ERB's were recommended but not required.

  -- Under the SES system, ERB's review the qualifications of candidates for executive positions and provide written recommendations on candidates to the appointing authority. 6/

6/ The U. S. Office of Personnel Management also issued guidance recommending that agencies use ERB's to establish the agency's executive personnel policies, and to oversee such functions as executive development, position and pay management, performance appraisal, awarding bonuses and rank awards, and discipline and removal of executives.

Safeguards Against Politicization

CSRA also established specific protections to guard against "politicization" of the SES. They include requirements that:

- No more than 10% of SES positions Government-wide, and no more than 25% in any agency, may be filled by non-career executives. (Prior to CSRA, there were no limitations on the number of non-career appointees.) 7/

- Positions which require impartiality or the public's confidence in the impartiality of the Government must be designated as "career-reserved." Such "career-reserved" positions can only be filled by career executives.

- In order to prevent new agency leadership from making premature personnel decisions affecting career SES members based on insufficient understanding of the career executive's competence or the needs of the agency, career SES members may not be:

  -- involuntarily reassigned to another position within the agency for 120 days following the appointment of a new agency head;

  -- involuntarily reassigned within 120 days after the appointment of the executive's immediate supervisor, if that supervisor is a non-career appointee and has authority to reassign the career member; or

  -- given a performance appraisal earlier than 120 days after the beginning of a new Administration.

- When a career SES member's performance rating is being reviewed by the agency's PRB, the majority of the PRB's members must be career appointees (except in the case of a smaller agency where OPM has determined that there are not enough career apppointees available to comply with this provision.) Thus, the PRB's are intended to act as buffers against arbitrary or retaliatory personnel actions.

Conversion to SES

Federal executives with career or career-conditional appointments who were employed prior to the date the SES system became effective were given the option of either converting to SES on July 13, 1979, or declining conversion and

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7/ Career executives have "career appointments," and are selected through a competitive "merit staffing process." Their managerial qualifications must be approved by the U.S. Office of Personnel Management. Non-career executives have "non-career appointments" and are not selected through a competitive "merit staffing process." Instead, each agency approves its own candidates' technical and managerial qualifications for the position.

retaining their current appointment, rights, and benefits. Executives in SES-designated positions with excepted appointments or limited executive assignments were given the option of accepting a non-career SES appointment. 8/

- About 98% of the incumbents of SES-designated positions chose to enter SES.

- Those career executives who accepted appointment in the SES are at least arguably more "vulnerable" in some ways. For example, SES career executives are subject to involuntary reassignments and are theoretically more vulnerable to removal for poor performance, reduction in pay, and demotion than they were under the former supergrade system. (Whether or not agencies will use these authorities widely is yet to be seen.)

- Along with such putatively higher risks for career executives, the SES system was intended to hold out the potential for increased compensation (salary increases, bonuses, and rank awards), added benefits (e.g., unlimited annual leave accrual), and promotion to top policy-making positions.

- On the other hand, executives with non-career appointments under the former supergrade system who entered SES on a career appointment gained both more job security and the opportunity for greater compensation and benefits.

Executive Compensation

The SES compensation system has not operated as many hoped it would under the laws governing executive pay.

In 1975, the Congress enacted the Executive Salary Cost-of-Living Adjustment Act (Public Law 94-82), requiring the adjustment of congressional and other top Federal officials' salaries by the same amount as the annual pay adjustments made in the Civil Service General Schedule. However, with the exception of the adjustment in October 1975, the Congress has either voted to reduce or suspend entirely the salary increases which would have occurred had the law been allowed to operate freely. Consequently, the salaries of Federal executives "have fallen drastically behind both the corresponding group in the private sector from which the Government must recruit its leaders and the economy in general." 9/ Moreover, the salaries of **all** members of the SES are today "capped" at $50,112.50, even though the SES pay schedule nominally provides for higher annual rates.

8/ Federal executives with "career-type" appointments in the excepted service, and executives with excepted appointments who also had reinstatement rights to the competitive service were also given the opportunity to accept a career SES appointment in July 1979.

9/ The Report of the Commission on Executive, Legislative, and Judicial Salaries, December 1980, page 7.

These limitations have resulted in "pay compression," a situation in which all SES members (and in many cases the executive's subordinates) earn the same basic salary, despite significant differences in individual responsibilities and authority. Moreover, the pay ceiling has meant that some executives have accepted "promotions" with no increase in pay.

Linked to this problem are events surrounding the SES bonus system, which was intended to motivate and reward high level performance by career executives. The law itself limited bonuses to 20% of the executive's basic pay and restricted awards to no more than 50% of the number of SES positions in the agency. However, because of concern that agencies might use bonuses to circumvent the executive pay ceiling and might not award bonuses fairly, the Congress, in July 1980, restricted the proportion of SES members who could receive annual bonuses to 25% of SES positions in the agency. Subsequently, OPM further limited the number of bonuses to 20% of an agency's SES positions.

CHAPTER TWO

THE IMPACT OF SES INCENTIVES

The framers of the CSRA made clear that they viewed the task of reform principally as one of assuring the rights of the taxpaying public, rather than merely a balancing of the narrower "rights of employees" and the "flexibilities of management." 10/ The polar star of the CSRA is the thesis that "the public has a right to an efficient and effective Government, which is responsive to their needs as perceived by elected officials." 11/

This public right to an efficient and effective government is enshrined in the fifth merit principle, which provides that "the Federal work force should be used efficiently and effectively." 12/

The SES system created by CSRA was understood to be crucial to the successful attainment of this public right. "Perhaps more than any other provision in this bill, the Senior Executive Service can provide the framework to meet the Government's management needs." 13/

In pursuit of this end, CSRA established as the policy of the United States that:

> A Senior Executive Service should be established to provide the flexibility needed by agencies to recruit and retain the highly competent and qualified executives needed to provide more effective management of agencies and their functions, and the more expeditious administration of the public business. 14/

Thus, the SES is the heartwood of the merit system. After all is said and done, the Federal Government can only be as "efficient and effective" as this corps of top career managers. Because of its crucial importance to the health of the merit system, we were particularly interested in whether the SES is in fact providing "the flexibility needed by agencies to recruit and retain the highly competent and qualified executives needed."

10/ S. Rep. No. 95-969, 95th Congress, 2d Session 4 (1978), reprinted in House Committee on Post Office and Civil Service, 96th Congress, 1st Session, Legislative History of the Civil Service Reform Act of 1978 (Committee Print No. 96-2, 1979) (hereinafter cited Senate Report).

11/ Id.

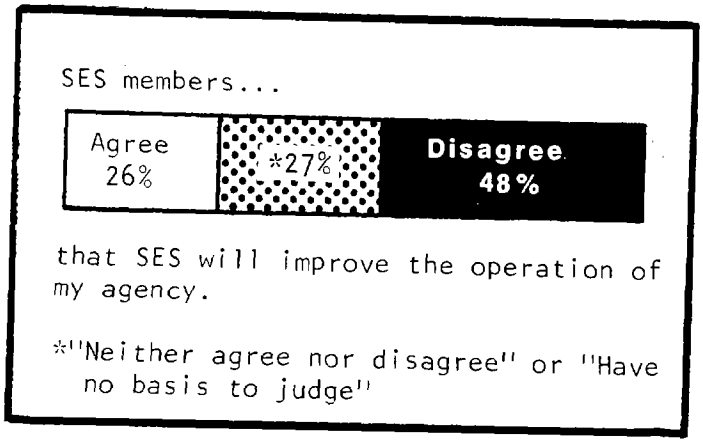
12/ 5 U.S.C. Section 2301 (b)(5).

13/ H. Rep. No. 95-1403, 95th Congress, 2d Session 5 (1978), reprinted in House Committee on Post Office and Civil Service, 96th Congress, 1st Session, Legislative History of the Civil Service Reform Act of 1978 (Committee Print No. 96-2, 1979).

14/ Section 3(6), Pub.L. No. 95-454, 92 Stat. 1113 (1978).

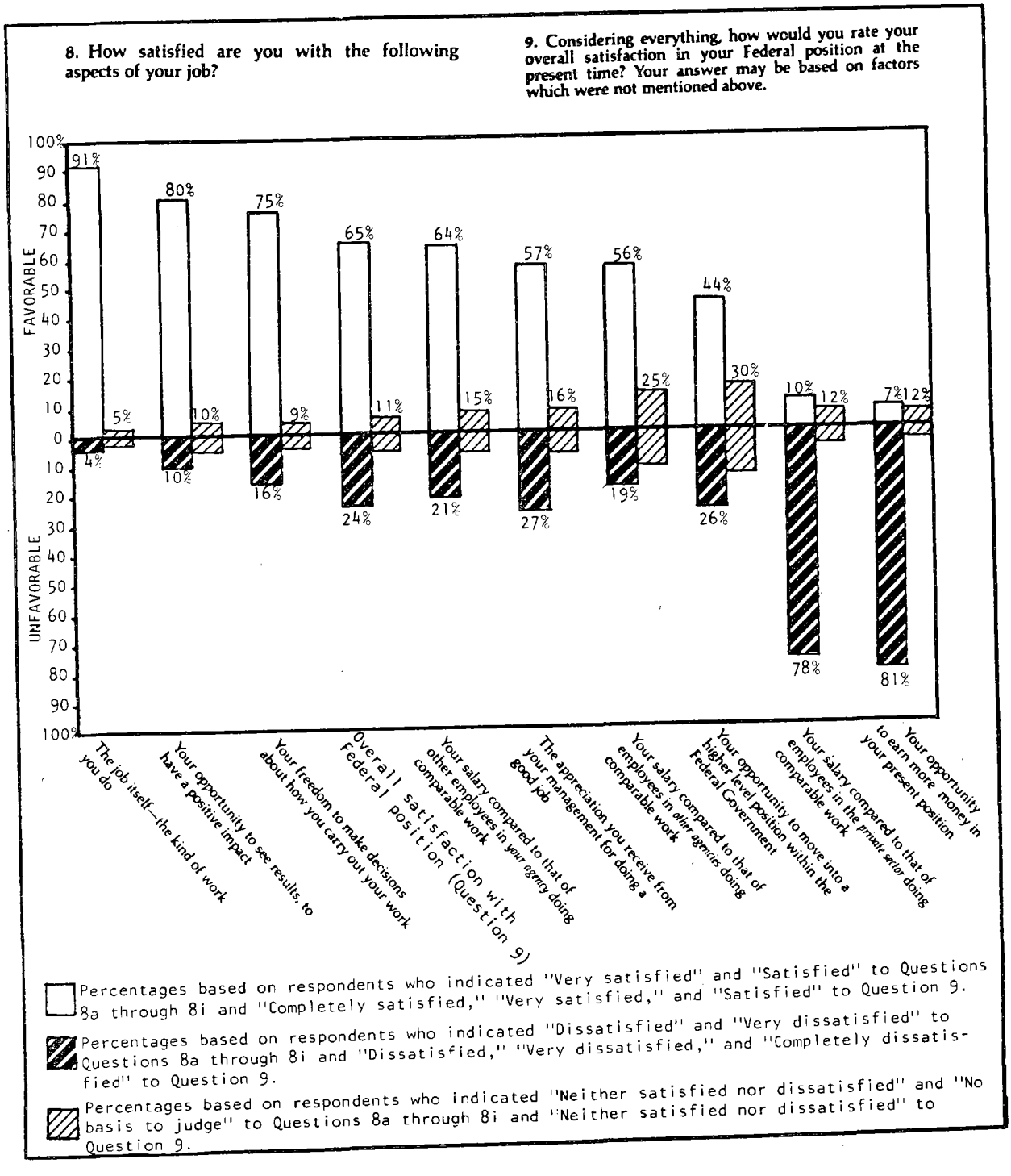
There is grave doubt that this indispensable end of CSRA is being realized.

1. **Federal executives, by their own report, say that the SES is not achieving the goals and objectives set out by the Reform Act--that it has had little positive impact on their agencies.** Only about one in four executives (26%) believe that SES will improve the operation of their agency. Shortfalls in meeting the goals of the CSRA appear to be linked directly to the lack of a credible and effective reward system for first-rate performance. To understand this, it is important to consider why executives chose to join the SES.

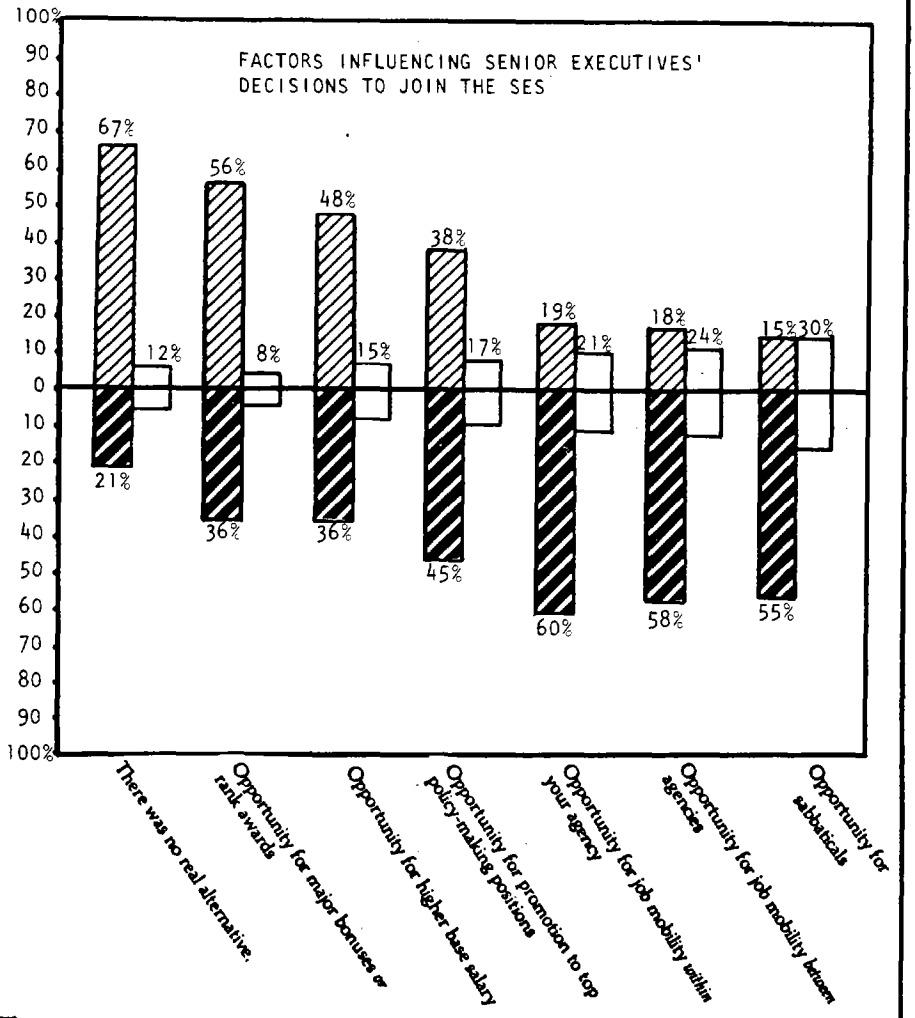


2. **The single most important inducement for Federal executives to join SES was the fact that there was no real alternative; the second major inducement was the opportunity for bonuses or rank awards.** Nearly 7 out of 10 (67%) executives saw SES as the only viable option available to them. Many thought that not joining would effectively end their careers, that they would thereby forfeit future promotions and not be considered to be "team players." More than half (56%) said that the opportunity for major bonuses or rank awards was quite important to their decision to join. (See figure on page 17.)

3. **Executives are very disillusioned with their pay situation; they feel that the Congress and OPM have breached their promise to pay executives for top notch performance.** Because the Congress and OPM have reduced the number of bonuses the CSRA originally provided for, SES members believe that the Congress and OPM have failed to provide the incentives promised to them when they joined SES. More than 6 out of 10 (63%) are dissatisfied with the way the bonuses and rank awards systems have actually worked out in practice. Nearly eight out of 10 (78%) executives are dissatisfied with their pay compared to that of private sector executives, and an even greater percentage (81%) are dissatisfied with their opportunity to earn more in their present position. (See Appendix A for comments concerning executive compensation.)



54. Which of the following factors, if any, did you consider when deciding whether to join SES, and how important were they to your decision to join?



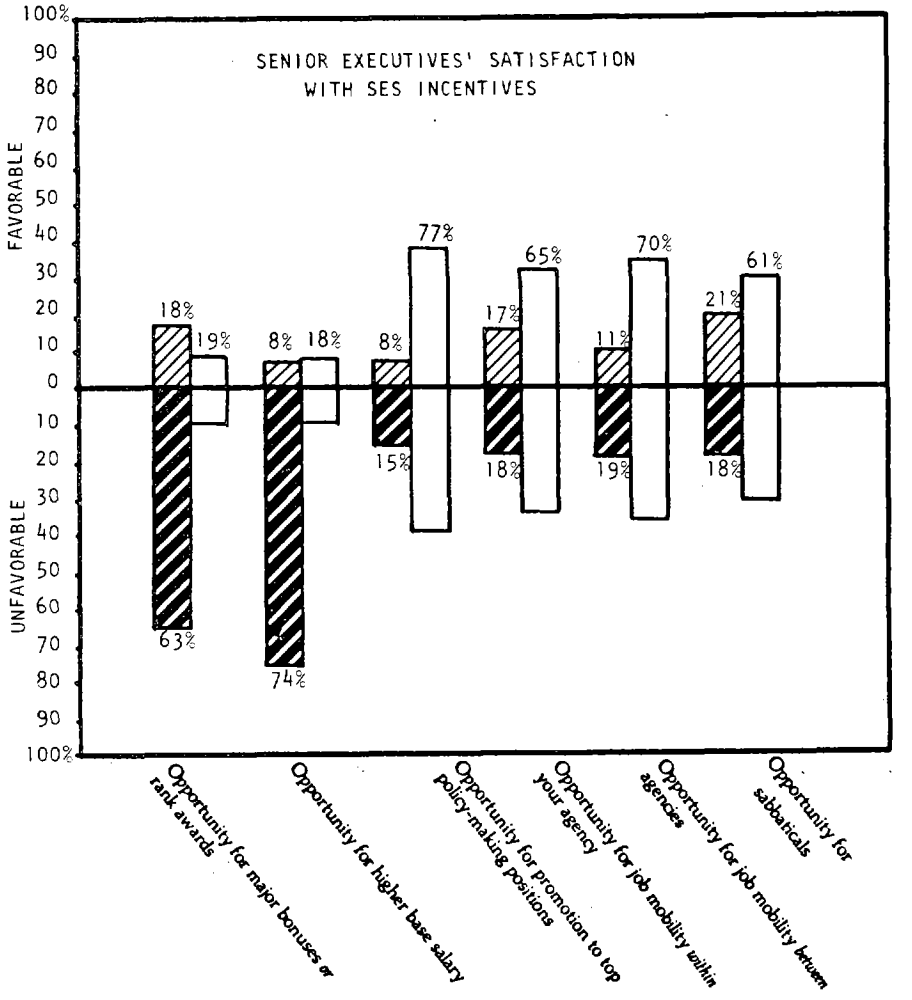
Percentages based on respondents who indicated that the incentive was "Extremely important" or "Quite important" to their initial decision to join.

Percentages based on respondents who indicated that the incentive was "Somewhat important" or "Not important at all" to their initial decision to join.

Percentages based on respondents who indicated "I did not consider it" or "I was not aware of it" in their initial decision to join.

NOTE: 1.5% of the respondents reported that the opportunity for unlimited annual leave accrual was an important factor in their decision to join SES.

55. How satisfied are you with the changes SES has brought about in the following areas as they apply to you personally?



Percentages based on respondents who indicated they were "Completely satisfied" or "Generally satisfied" with SES incentives as they have actually played out.

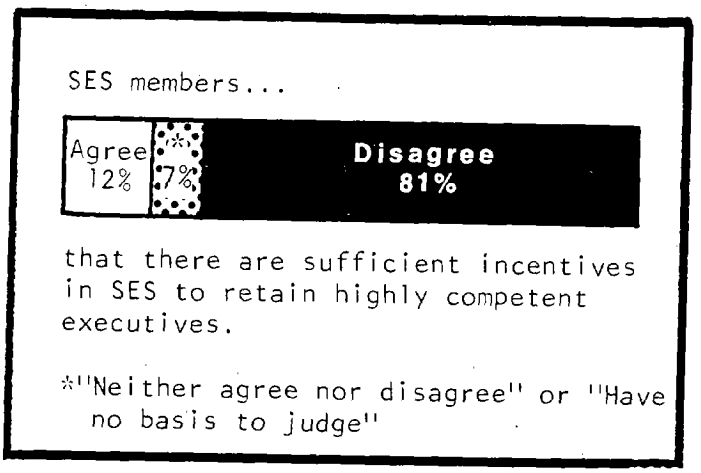
Percentages based on respondents who indicated they were "Generally dissatisfied" or "Completely dissatisfied" with SES incentives as they have actually played out.

Percentages based on respondents who indicated "Neither satisfied nor dissatisfied" and "Too soon to tell" to SES incentives as they have actually played out.

4. **For the majority of executives, other SES incentives--such as the opportunity for promotion to top policy-making positions, increased job mobility, unlimited annual leave accrual, and sabbaticals--were essentially unimportant inducements for joining SES.** Fewer than four in ten (38%) executives felt the promise of increased promotion opportunities heavily influenced their decision to join. Fewer than 20% of executives viewed the opportunity for increased job mobility or sabbaticals as "quite important" to their decision. And, fewer than 2% reported that the opportunity for unlimited annual leave accrual was an important factor in their decision to join SES. Even so, only one out of five (21%) executives were happy with the way opportunities for sabbaticals have worked out in practice. An even smaller percentage was satisfied with the changes SES has brought about in job mobility, promotions to top jobs, and accumulation of annual leave. (See figure on page 17.)

5. **Despite the overwhelming disillusionment with compensation matters (frozen base salaries and reduced bonus opportunities), executives report that they find a high level of intrinsic satisfaction in their jobs.** More than 9 out of 10 (91%) executives say they are satisfied with their own jobs--the work itself. 94% say they believe that taxpayers get their money's worth from the work they do. Eight in 10 (80%) say they have an opportunity to make a positive impact in their jobs.

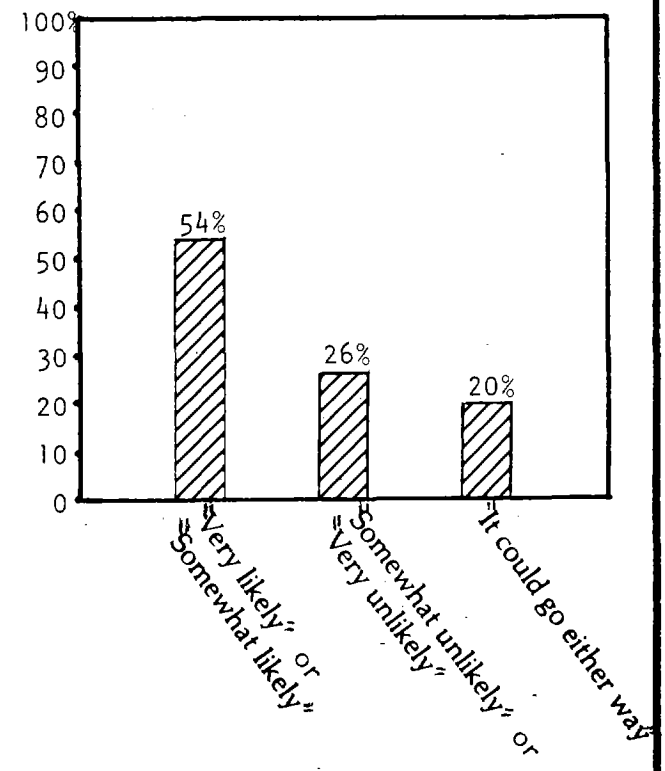
6. **Despite the mitigating influence of executives' satisfaction with their work, senior executives in large numbers indicate that it is likely they will leave Government employment in the next two years.** More than 8 executives in 10 (81%) said that there are insufficent incentives in SES to retain highly competent executives. Over one such employee in four (26%) indicated that it was unlikely that they would be working for the Federal Government two years from now.



Another 20% said that there is an even chance that they will leave Federal employment within two years. 15/ (See Table 1 on the following page.)

Extrapolating these findings to the entire SES population of approximately 6,800 executives, about 1,768 predict that they will leave Government employment within two years. Of these, approximately 725 say they plan to retire; the remainder plan to resign. An additional 20%, or 1,360, say there is an even chance they could leave Government employment. In total, as many as 3,128 executives (46% of the executive work force) are considering leaving their Government jobs during the next two years.

12. If you have your own way, will you be working for the Federal Government two years from now?



15/ These survey findings are consistent with the The Report of the Commission on Executive, Legislative, and Judicial Salaries, December 1980, pp. 18-22. According to that report, "depressed compensation levels are leading to increasing difficulties in both recruiting and retaining appointed and top career Executive branch officials. . . the retirement rate for career employees at the Executive Level V pay ceiling has increased from 17.6% of those eligible to retire during the twelve months ending in March 1978 to an astonishing 57.1% during the twelve months ending in March 1980. The increase in the retirement rate for career employees at the pay ceiling between the ages of 55 and 59 is even greater--from 15.5% of those eligible for retirement during the twelve months ending in March 1978 to 74.6% during the twelve months ending in March 1980. . . . It is obvious that the dramatic increases in retirement rates for career employees at the pay ceiling are directly related to the lack of increases in pay for these employees." (All SES members are currently at the pay ceiling.)

TABLE 1

Q12. If you have your own way, will you be working for the Federal Government two years from now?

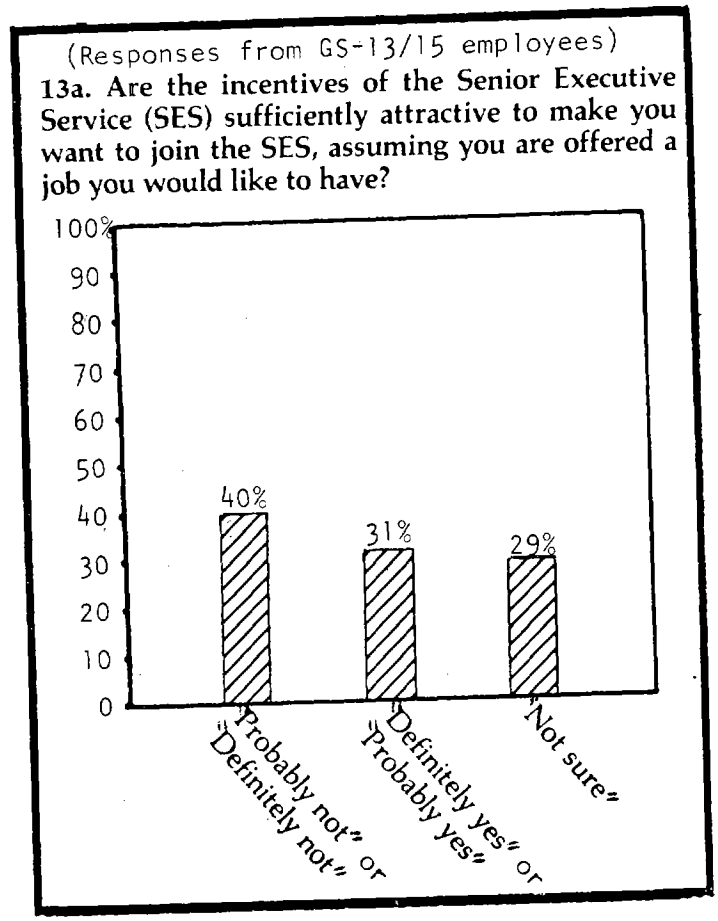
Agency	Number of SES respondents for this question	RESPONSES 1/ "Very likely" or "Somewhat likely"		"It could go go either way"	"Somewhat unlikely" or "Very unlikely"
1. Agriculture	(54)	80%	(± 10%) 2/	7%	13%
2. Veterans Administration	(48)	67%	(± 12%)	8%	25%
3. Navy	(44)	64%	(± 13%)	18%	18%
4. Environmental Protection Agency	(46)	59%	(± 13%)	17%	24%
5. National Aeronautics and Space Administration	(46)	59%	(± 13%)	15%	26%
6. Health and Human Services	(47)	57%	(± 13%)	19%	23%
WEIGHTED SURVEY AVERAGE	(975)	54%	(± 3%)	20%	26%
7. All other agencies	(240)	53%	(± 3%)	20%	27%
8. Commerce	(54)	52%	(± 12%)	11%	37%
9. Justice	(29)	52%	(± 17%)	21%	28%
10. Army	(39)	51%	(± 15%)	18%	31%
11. Other Department of Defense	(57)	49%	(± 12%)	26%	25%
12. Treasury	(49)	49%	(± 13%)	27%	25%
13. Interior	(35)	49%	(± 16%)	31%	20%
14. Air Force	(38)	47%	(± 15%)	18%	34%
15. Transportation	(54)	46%	(± 12%)	22%	32%
16. Energy	(57)	44%	(± 12%)	19%	37%
17. Nuclear Regulatory Commission	(29)	38%	(± 17%)	38%	24%

1/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses for a specific agency may not sum to 100%.

2/ The number in parenthesis indicates the possible error range, at the 95% confidence level, for the associated figure. In other words, based on a sample of this size, one can say with 95% confidence that the error attributable to sampling and other random effects could be up to this many percentage points in either direction but there is less than 5% chance that the "true" figure lies outside the indicated bracket. Due to the error ranges shown, differences between closely-ranked agencies are not statistically significant.

7. **Among those already in the SES, a significant number seem to be having second thoughts about having joined.** One in ten (10%) of current SES members surveyed said that they would seriously consider leaving the SES to accept a GS-15 position in their agency in the same kind of work if the opportunity arose. Another 15% said they were not sure, but might consider it.

8. **Among those mid-level employees not yet in SES but in the pool of candidates who will be expected to someday fill SES positions, SES is becoming alarmingly unattractive.** In a separate study conducted by the Office of Merit Systems Review and Studies, Federal employees in grades GS-13 through GS-15 were asked if the incentives in SES were sufficiently attractive to make them want to join if they were offered a "job they would like to have." Only one in ten (9%) said definitely yes. Perhaps even more surprising was the fact that 40% of these employees said probably or definitely no. Overall, only about three in ten (31%) GS-13 to GS-15 employees said they are likely to join SES if offered a job.



CHAPTER THREE

SES PERFORMANCE APPRAISAL AND PERFORMANCE AWARD SYSTEMS

One of CSRA's principal goals was to forge within the merit system a strong link between the individual Federal employee's performance and the rewards and sanctions of the workplace. This strong link is explicitly articulated in the sixth merit principle, which provides:

> Employees should be retained on the basis of the adequacy of their performance, inadequate performance should be corrected, and employees should be separated who cannot or will not improve their performance to meet required standards. 16/

The same concept is expressed in another dimension in the third merit principles, which provides that "appropriate incentives and recognition should be provided for excellence in performance." 17/

The CSRA embodied these general concepts into specific systems for performance appraisal and performance awards for the SES. The high hopes of the architects of these systems were express as follows:

> In the SES, rank will be based on an executive's individual talents and performance, not the position.
>
> Evaluation of executives in the SES will be based on their actual performance. Those whose work is exceptional will be eligible for performance awards. In addition, the psychic rewards will be considerable; serving in the SES will be an honor because it will be earned on merit. Those executives who cannot or do not live up to its standards will be removed, but their rights will be protected. 18/

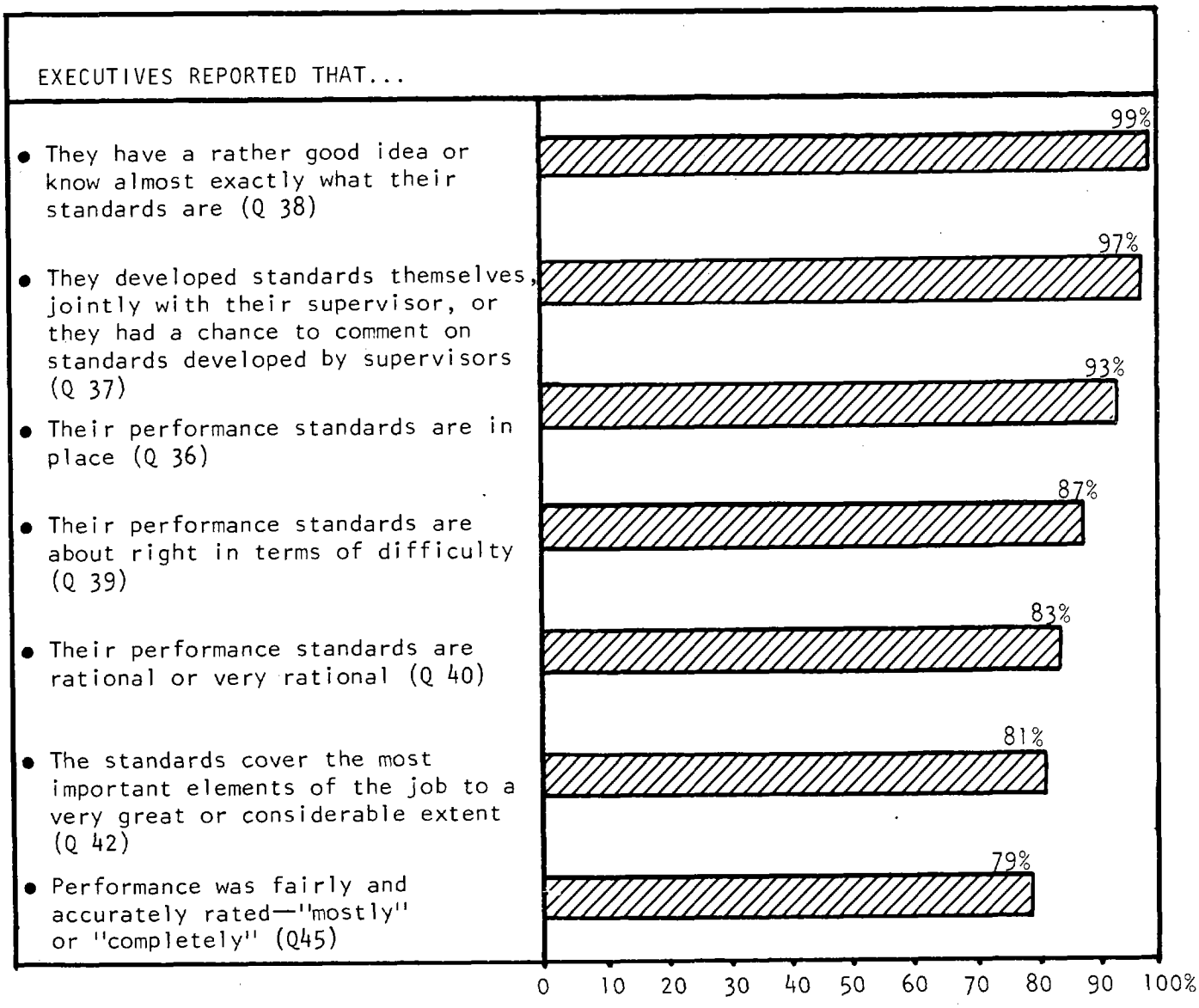
We address in this chapter how well the ideal of this fundamental link in the reformed civil service has been forged on the anvil of reality.

16/ 5 U.S.C. Section 2301 (b)(6).

17/ 5 U.S.C. Section 2301 (b)(3).

18/ Senate Report at 11.

9. **SES performance appraisal systems are in place.** Nearly all (93%) SES members covered in the survey said that performance standards had been established for their current position. Only a handful of executives (7%) reported that they had no specific standards at the time of the survey. However, this does not appear to be a serious problem, since it is likely that factors such as changing job requirements or movement between positions account for the absence of standards for this small group.



10. **There is no evidence that performance standards are being arbitrarily imposed.** Virtually all (97%) of those with performance standards participated in some measure in their development. Only 3% said their standards were developed "unilaterally" by their superiors. (See Table 2 below.)

TABLE 2

Q37. Who determined your current performance standards?

Agency	Number of SES respondents for this question	RESPONSES 1/ "I did, alone." "I did, primarily, with some contribution from my supervisor." or "They were jointly developed, involving me and my supervisor."		"My immediate or higher level supervisor determined them and then asked for my comments."	"My immediate or higher level supervisor determined them unilaterally."	"Don't know"
1. Air Force	(33)	100%	(± 0%) 2/	0%	0%	0%
2. Energy	(50)	100%	(± 0%)	0%	0%	0%
3. Agriculture	(55)	100%	(± 7%)	0%	0%	0%
4. National Aeronautics and Space Administration	(45)	96%	(± 6%)	4%	0%	0%
5. Other Department of Defense	(56)	95%	(± 5%)	4%	2%	0%
6. Navy	(38)	95%	(± 7%)	5%	0%	0%
7. Transportation	(52)	94%	(± 6%)	6%	0%	0%
8. Treasury	(42)	91%	(± 8%)	5%	5%	0%
9. Commerce	(46)	91%	(± 7%)	9%	0%	0%
10. Environmental Protection Agency	(46)	91%	(± 7%)	7%	2%	0%
WEIGHTED SURVEY AVERAGE	(897)	89%	(± 3%)	8%	3%	0%
11. Army	(36)	89%	(± 10%)	8%	3%	0%
12. Interior	(35)	86%	(± 11%)	11%	3%	0%
13. All other agencies	(213)	86%	(± 3%)	10%	4%	1%
14. Health and Human Services	(44)	84%	(± 10%)	14%	2%	0%
15. Veterans Administration	(47)	77%	(± 11%)	15%	9%	0%
16. Nuclear Regulatory Commission	(24)	71%	(± 17%)	17%	13%	0%
17. Justice	(28)	68%	(± 17%)	21%	7%	4%

1/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses for a specific agency may not sum to 100%.

2/ The number in parenthesis indicates the possible error range, at the 95% confidence level, for the associated figure. In other words, based on a sample of this size, one can say with 95% confidence that the error attributable to sampling and other random effects could be up to this many percentage points in either direction but there is less than 5% chance that the "true" figure lies outside the indicated bracket. Due to the error ranges shown, differences between closely-ranked agencies are not statistically significant.

11. **Executives have a good understanding of their performance standards and believe that the standards are rational.** The overwhelming majority (87%) said the standards against which their performance will be measured are appropriate for the level of difficulty, 83% said that the standards are rational, and 81% said that the standards cover the elements in their jobs which are most important. (See Tables 3 and 4.)

TABLE 3

Q39. How would your rate your current performance standards with respect to the degree of difficulty you think they will pose for you?

Agency	Number of SES respondents for this question	RESPONSES 1/ "About right"		"Much too difficult" or "Too difficult"	"Too easy" or "Much too easy"
1. Air Force	(32)	94%	(± 8%) 2/	0%	6%
2. National Aeronautics and Space Administration	(44)	93%	(± 7%)	7%	0%
3. All other agencies	(212)	91%	(± 2%)	8%	1%
4. Agriculture	(55)	91%	(± 7%)	5%	4%
5. Treasury	(43)	91%	(± 8%)	2%	7%
6. Justice	(29)	90%	(±11%)	7%	3%
7. Veterans Administration	(47)	89%	(± 8%)	11%	0%
8. Energy	(50)	88%	(± 8%)	10%	2%
WEIGHTED SURVEY AVERAGE	(894)	87%	(± 3%)	10%	3%
9. Army	(36)	86%	(±10%)	14%	0%
10. Health and Human Services	(43)	86%	(±10%)	9%	5%
11. Other Department of Defense	(56)	86%	(± 8%)	13%	2%
12. Interior	(35)	83%	(±12%)	11%	6%
13. Environmental Protection Agency	(45)	82%	(±10%)	13%	4%
14. Navy	(38)	82%	(±12%)	16%	3%
15. Commerce	(45)	80%	(±11%)	16%	4%
16. Nuclear Regulatory Commission	(25)	80%	(±15%)	20%	0%
17. Transportation	(52)	77%	(±10%)	15%	8%

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TABLE 4

Q40. In your opinion, how rational are the standards that your supervisor uses to evaluate your performance?

Agency	Number of SES respondents for this question	RESPONSES 1/ "Very rational" or "Rational"		"Irrational" or "Very irrational"	"Not sure"
1. Navy	(38)	95%	(± 7%) 2/	3%	3%
2. Agriculture	(55)	94%	(± 5%)	4%	2%
3. National Aeronautics and Space Administration	(45)	93%	(± 7%)	7%	0%
4. Other Department of Defense	(56)	91%	(± 7%)	5%	4%
5. Army	(36)	89%	(± 10%)	6%	6%
6. Treasury	(43)	88%	(± 9%)	7%	5%
7. Veterans Administration	(48)	88%	(± 9%)	8%	4%
WEIGHTED SURVEY AVERAGE	(898)	83%	(± 3%)	11%	6%
8. Environmental Protection Agency	(46)	87%	(± 9%)	7%	7%
9. Energy	(50)	86%	(± 9%)	8%	6%
10. Transportation	(52)	83%	(± 9%)	10%	8%
11. All other agencies	(213)	80%	(± 3%)	12%	8%
12. Justice	(29)	79%	(± 14%)	17%	3%
13. Interior	(35)	74%	(± 14%)	17%	9%
14. Health and Human Services	(41)	73%	(± 13%)	20%	7%
15. Air Force	(33)	73%	(± 14%)	15%	12%
16. Nuclear Regulatory Commission	(25)	72%	(± 17%)	16%	12%
17. Commerce	(46)	72%	(± 12%)	20%	9%

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12. **Even though executives feel that performance standards are rational, they are apprehensive about how the standards will be applied by their supervisors in rating their performance.** Nearly one-third (28%) of the executives surveyed feel that they exercise only limited control over the factors that will ultimately determine their rating. Furthermore, one executive in four (25%) is not confident that his or her supervisor will take into account the effect of influences beyond the control of the executive in appraising the executive's performance. (Such factors might include such external decisions as shifting agency priorities and budget reductions.)

These concerns may be partially explained by the executives' perceptions about their supervisors' overall abilities and trustworthiness.

13. **Executives tend to rate their supervisors very highly in subject-matter knowledge, but somewhat less highly on ability to manage people.** Over three-fourths (77%) of executives said their immediate supervisors have a good to very good subject-matter knowledge of the work in the organization. Less than two-thirds (65%) said their immediate supervisors were good to very good in obtaining results through other people. Almost six in ten (58%) rated their supervisors good to very good in their ability to buffer their work groups against unreasonable or conflicting demands from outside sources. More than one-half (55%) indicated their supervisors "almost always" or "usually" inspired them to give extra effort to their work. (See Tables 5, 6, and 7 on the following pages.)

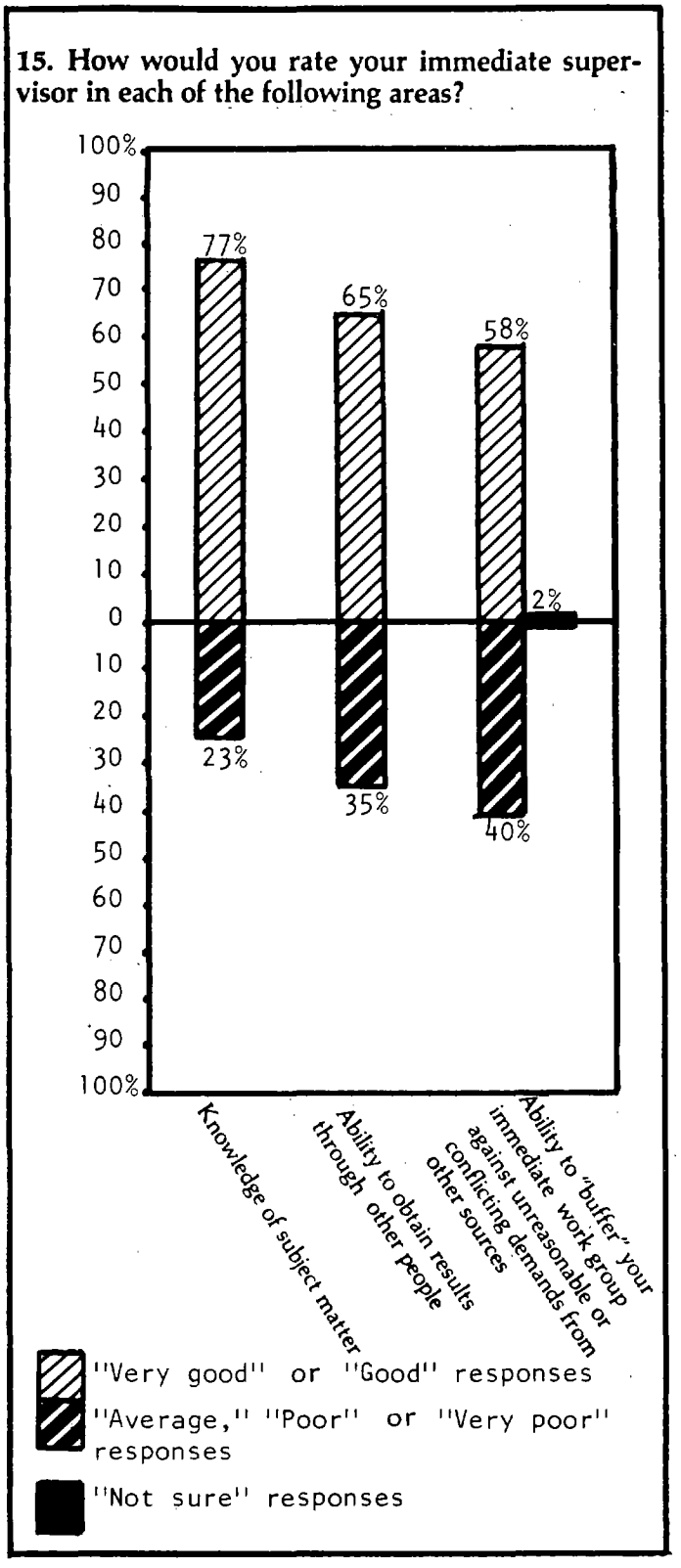

TABLE 5

Q15. How would you rate your immediate supervisor in each of the following areas?

a. "Knowledge of subject matter"

Agency	Number of SES respondents for this question	RESPONSES 1/ "Very Good" or "Good"		"Average"	"Poor" or "Very Poor"
1. Energy	(57)	89%	(± 7%) 2/	5%	5%
2. Treasury	(48)	88%	(± 9%)	6%	6%
3. Veterans Administration	(48)	85%	(± 9%)	10%	4%
4. Agriculture	(55)	84%	(± 9%)	11%	5%
5. Commerce	(54)	80%	(± 10%)	9%	11%
6. Transportation	(54)	80%	(± 10%)	11%	9%
7. Nuclear Regulatory Commission	(29)	79%	(± 14%)	7%	14%
8. Justice	(29)	79%	(± 14%)	10%	10%
WEIGHTED SURVEY AVERAGE	(975)	77%	(± 3%)	15%	8%
9. Other Department of Defense	(57)	77%	(± 10%)	17%	5%
10. All other agencies	(239)	76%	(± 3%)	15%	9%
11. Navy	(44)	75%	(± 12%)	16%	9%
12. Environmental Protection Agency	(46)	74%	(± 12%)	22%	4%
13. Army	(39)	72%	(± 13%)	10%	18%
14. National Aeronautics and Space Administration	(46)	72%	(± 12%)	24%	4%
15. Interior	(35)	66%	(± 15%)	26%	9%
16. Air Force	(38)	66%	(± 14%)	18%	16%
17. Health and Human Services	(48)	60%	(± 13%)	35%	4%

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TABLE 6

Q15. How would you rate your immediate supervisor in each of the following areas?

b. "Ability to obtain results through other people"

Agency	Number of SES respondents for this question	RESPONSES 1/ "Very good" or "Good"		"Average"	"Poor" or "Very Poor"	"Not sure"
1. Veterans Administration	(48)	81%	(± 10%) 2/	8%	10%	0%
2. National Aeronautics and Space Administration	(45)	78%	(± 11%)	9%	13%	0%
3. Agriculture	(55)	76%	(± 10%)	20%	4%	0%
4. Transportation	(53)	74%	(± 11%)	15%	11%	0%
5. Justice	(29)	72%	(± 15%)	17%	10%	0%
6. Other Department of Defense	(57)	68%	(± 11%)	25%	7%	0%
7. Energy	(56)	68%	(± 11%)	23%	9%	0%
8. Air Force	(37)	68%	(± 14%)	8%	24%	0%
9. Treasury	(49)	67%	(± 12%)	22%	10%	0%
WEIGHTED SURVEY AVERAGE	(968)	65%	(± 3%)	20%	15%	0%
10. Navy	(44)	66%	(± 13%)	23%	9%	2%
11. Army	(39)	64%	(± 14%)	18%	18%	0%
12. Commerce	(54)	61%	(± 12%)	17%	22%	0%
13. All other agencies	(236)	61%	(± 3%)	20%	17%	2%
14. Environmental Protection Agency	(45)	60%	(± 13%)	22%	18%	0%
15. Interior	(35)	60%	(± 15%)	23%	17%	0%
16. Nuclear Regulatory Commission	(29)	59%	(± 17%)	28%	10%	3%
17. Health and Human Services	(48)	54%	(± 13%)	31%	15%	0%

1/ Because the percentages in each column were rounded to the nearest whole number, the total of the response for a specific agency may not sum to 100%.

2/ The number in parenthesis indicates the possible error range, at the 95% confidence level, for the associate figure. In other words, based on a sample of this size, one can say with 95% confidence that the erro attributable to sampling and other random effects could be up to this many percentage points in either directio but there is less than 5% chance that the "true" figure lies outside the indicated bracket. Due to the erro ranges shown, differences between closely-ranked agencies are not statistically significant.

TABLE 7

Q21. How often does the supervision you get make you feel that you want to give extra effort to your work?

Agency	Number of SES respondents for this question	RESPONSES 1/ "Almost always" or "Usually"		"Sometimes"	"Rarely" or "Almost never"
1. Agriculture	(55)	73%	(± 11%) 2/	16%	11%
2. Veterans Administration	(48)	71%	(± 12%)	13%	17%
3. Treasury	(49)	67%	(± 12%)	16%	16%
4. Other Department of Defense	(57)	63%	(± 11%)	18%	19%
5. Army	(39)	62%	(± 14%)	13%	26%
6. Navy	(44)	61%	(± 13%)	21%	18%
7. Energy	(57)	60%	(± 12%)	23%	18%
WEIGHTED SURVEY AVERAGE	(974)	55%	(± 3%)	20%	24%
8. Transportation	(54)	54%	(± 12%)	19%	28%
9. National Aeronautics and Space Administration	(46)	54%	(± 13%)	24%	22%
10. All other agencies	(239)	53%	(± 3%)	18%	29%
11. Justice	(29)	52%	(± 17%)	28%	21%
12. Air Force	(38)	50%	(± 15%)	18%	32%
13. Environmental Protection Agency	(45)	49%	(± 14%)	31%	20%
14. Nuclear Regulatory Commission	(29)	48%	(± 17%)	28%	24%
15. Health and Human Services	(48)	48%	(± 13%)	23%	29%
16. Interior	(34)	44%	(± 16%)	21%	35%
17. Commerce	(54)	37%	(± 12%)	28%	35%

1/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses for a specific agency may not sum to 100%.

2/ The number in parenthesis indicates the possible error range, at the 95% confidence level, for the associated figure. In other words, based on a sample of this size, one can say with 95% confidence that the error attributable to sampling and other random effects could be up to this many percentage points in either direction but there is less than 5% chance that the "true" figure lies outside the indicated bracket. Due to the error ranges shown, differences between closely-ranked agencies are not statistically significant.

14. **Roughly one-third of SES members expressed some difficulty in their relationships with their supervisors.** Thirty-one percent said that they had only "some" to "very little or no" trust and confidence in their boss. About the same percentage (33%) reported that they lack effective two-way communication with their supervisors. More than one out of three (36%) also expressed reservation about the extent to which their supervisors understood the problems involved in their jobs. (See Tables 8 and 9.)

TABLE 8

Q17. How much trust and confidence do you have in your immediate supervisor?

Agency	Number of SES respondents for this question	RESPONSES 1/ "A great deal" or "Quite a bit"		"Some" or "Little" "Very little or none"	"No basis to judge"
1. Agriculture	(55)	82%	(± 9%) 2/	18%	0%
2. Treasury	(49)	82%	(± 10%)	18%	0%
3. National Aeronautics and Space Administration	(46)	78%	(± 11%)	22%	0%
4. Navy	(43)	77%	(± 12%)	21%	2%
5. Other Department of Defense	(57)	75%	(± 10%)	25%	0%
6. Energy	(57)	75%	(± 10%)	23%	2%
7. Veterans Administration	(48)	73%	(± 12%)	27%	0%
WEIGHTED SURVEY AVERAGE	(975)	69%	(± 3%)	31%	0%
8. Army	(39)	69%	(± 14%)	31%	0%
9. Air Force	(38)	68%	(± 14%)	32%	0%
10. Environmental Protection Agency	(46)	67%	(± 13%)	33%	0%
11. Transportation	(54)	65%	(± 12%)	35%	0%
12. All other agencies	(239)	64%	(± 3%)	35%	1%
13. Interior	(35)	63%	(± 15%)	37%	0%
14. Justice	(29)	62%	(± 17%)	38%	0%
15. Nuclear Regulatory Commission	(29)	59%	(± 17%)	38%	3%
16. Health and Human Services	(48)	58%	(± 13%)	40%	2%
17. Commerce	(54)	56%	(± 12%)	44%	0%

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2/ The number in parenthesis indicates the possible error range, at the 95% confidence level, for the associated figure. In other words, based on a sample of this size, one can say with 95% confidence that the error attributable to sampling and other random effects could be up to this many percentage points in either direction but there is less than 5% chance that the "true" figure lies outside the indicated bracket. Due to the error ranges shown, differences between closely-ranked agencies are not statistically significant.

TABLE 9

Q16. To what extent is there effective two-way communication between you and your immediate supervisor?

Agency	Number of SES respondents for this question	RESPONSES 1/ "To a very great extent" or "To a considerable extent"		"To some extent" "To a little extent" or "To no extent"
1. Agriculture	(55)	82%	(± 9%) 2/	18%
2. Army	(39)	79%	(± 12%)	21%
3. Energy	(57)	77%	(± 10%)	23%
4. Navy	(43)	74%	(± 12%)	26%
5. Other Department of Defense	(57)	72%	(± 11%)	28%
6. National Aeronautics and Space Administration	(46)	70%	(± 12%)	31%
7. Justice	(29)	69%	(± 16%)	31%
WEIGHTED SURVEY AVERAGE	(975)	67%	(± 3%)	33%
8. Health and Human Services	(48)	67%	(± 12%)	33%
9. Treasury	(49)	65%	(± 12%)	35%
10. Transportation	(54)	65%	(± 12%)	35%
11. Veterans Administration	(48)	65%	(± 12%)	35%
12. All other agencies	(239)	63%	(± 3%)	37%
13. Environmental Protection Agency	(46)	63%	(± 13%)	37%
14. Interior	(35)	63%	(± 15%)	37%
15. Air Force	(38)	61%	(± 15%)	39%
16. Nuclear Regulatory Commission	(29)	59%	(± 17%)	41%
17. Commerce	(54)	52%	(± 12%)	48%

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Aside from the broader implications which these findings pose for overall management efficiency, these factors may indicate a general uneasiness which would complicate the performance appraisal process and contribute to employees' feelings that their performance will not be fairly assessed.

15. **Political appointees inspire slightly less trust and confidence in the executives they supervise than do SES members who supervise other SES executives.** Thirty-six percent of executives whose supervisors are political appointees reported that they had only "some" to "very little or no" trust and confidence in their supervisors, while slightly fewer than one-third (30%) of executives whose supervisors are SES members expressed the same lack of trust and confidence in their bosses. It should be pointed out that even this slight difference in perception may well be further diminished after career executives and political appointees have had time to become acquainted with each other and overcome initial apprehensions.

16. **Although some executives do not fully trust their supervisors, the overwhelming majority of executives who had received performance ratings felt the ratings in themselves were fair.** Practically everyone in the survey (90%) had had one appraisal under the new system. Overall, their reactions were positive. Nearly four out of five (79%) believed that their ratings were fair. However, more than one-third (35%) believed that the appraisal had not been helpful.

17. **Senior executives are highly skeptical that their performance appraisals will actually have an impact on personnel decisions affecting them personally.** More than one-third (36%) felt that their recent performance appraisal affected "positive" personnel actions concerning them (such as promotions, awards, or training) only to "a little" or "no" extent. (See Table 10 on the following page.)

TABLE 10

Q48. To what extent did your most recent performance appraisal affect personnel decisions involving you personally (such as promotions, awards, training opportunities, reassignments, or other personnel actions)?

Agency	Number of SES respondents for this question	RESPONSES 1/ "To a very great extent" or "To a considerable extent"		"To some extent"	"To a little extent" or "To no extent"	"Too early to know"
1. National Aeronautics and Space Administration	(38)	61%	(± 15%) 2/	8%	26%	5%
2. Nuclear Regulatory Commission	(23)	48%	(± 20%)	26%	26%	0%
3. Air Force	(30)	43%	(± 17%)	7%	47%	3%
4. Environmental Protection Agency	(42)	43%	(± 14%)	14%	36%	7%
5. Navy	(35)	43%	(± 15%)	17%	37%	3%
6. All other agencies	(180)	42%	(± 5%)	14%	30%	14%
7. Energy	(48)	42%	(± 13%)	10%	40%	8%
8. Justice	(27)	41%	(± 18%)	7%	41%	11%
9. Treasury	(37)	41%	(± 15%)	16%	32%	11%
WEIGHTED SURVEY AVERAGE	(797)	38%	(± 3%)	13%	36%	13%
10. Interior	(30)	37%	(± 16%)	20%	37%	7%
11. Veterans Administration	(42)	36%	(± 13%)	19%	41%	5%
12. Army	(31)	35%	(± 16%)	10%	55%	0%
13. Health and Human Services	(43)	30%	(± 13%)	12%	39%	19%
14. Other Department of Defense	(49)	29%	(± 12%)	10%	43%	18%
15. Commerce	(44)	27%	(± 12%)	11%	41%	21%
16. Agriculture	(48)	21%	(± 11%)	10%	35%	33%
17. Transportation	(47)	17%	(± 10%)	17%	38%	28%

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18. **A significant percentage of executives doubt that they would be removed from their positions for poor performance.** Sixteen percent felt it was unlikely that they would be removed from their job if they performed poorly in the eyes of their supervisor. Another 23% said there was only a 50-50 chance of being removed for poor performance. The perception that there is a low probability of removal from SES for poor performance is consistent with practice thus far. According to information agencies have provided to OPM, only one career executive has been removed from SES for poor performance as of July 1, 1981. (We note, however, that it is reasonable to suppose that agencies have dealt with some "marginal" executives by reassignment or by allowing them to resign, retire, or accept a demotion; such instances generally would not be detectable from formal records.) (See Table 11 below.)

TABLE 11

Q50. If you were to perform poorly in the eyes of your supervisor, how likely is it that you would be removed from your position?

Agency	Number of SES respondents for this question	RESPONSES 1/ "Very likely" or "Somewhat likely"		"Could go either way"	"Somewhat unlikely" or "Very unlikely"	"Not Sure"
1. Agriculture	(55)	76%	(± 10%) 2/	9%	5%	9%
2. National Aeronautics and Space Administration	(46)	72%	(± 12%)	17%	11%	0%
3. Environmental Protection Agency	(45)	67%	(± 13%)	20%	11%	2%
4. Navy	(42)	67%	(± 13%)	21%	12%	0%
5. Justice	(29)	65%	(± 16%)	28%	7%	0%
6. Other Department of Defense	(57)	61%	(± 11%)	23%	12%	3%
7. Treasury	(49)	61%	(± 13%)	25%	14%	0%
8. Interior	(35)	60%	(± 15%)	29%	9%	3%
9. All other agencies	(238)	57%	(± 3%)	22%	17%	4%
WEIGHTED SURVEY AVERAGE	(969)	57%	(± 3%)	23%	16%	5%
10. Air Force	(37)	54%	(± 15%)	22%	19%	5%
11. Energy	(57)	51%	(± 12%)	25%	21%	3%
12. Commerce	(54)	50%	(± 12%)	17%	24%	9%
13. Transportation	(54)	50%	(± 12%)	20%	17%	13%
14. Nuclear Regulatory Commission	(29)	48%	(± 17%)	24%	21%	7%
15. Veterans Administration	(48)	48%	(± 13%)	35%	10%	6%
16. Health and Human Services	(48)	48%	(± 13%)	27%	17%	8%
17. Army	(37)	38%	(± 15%)	24%	27%	11%

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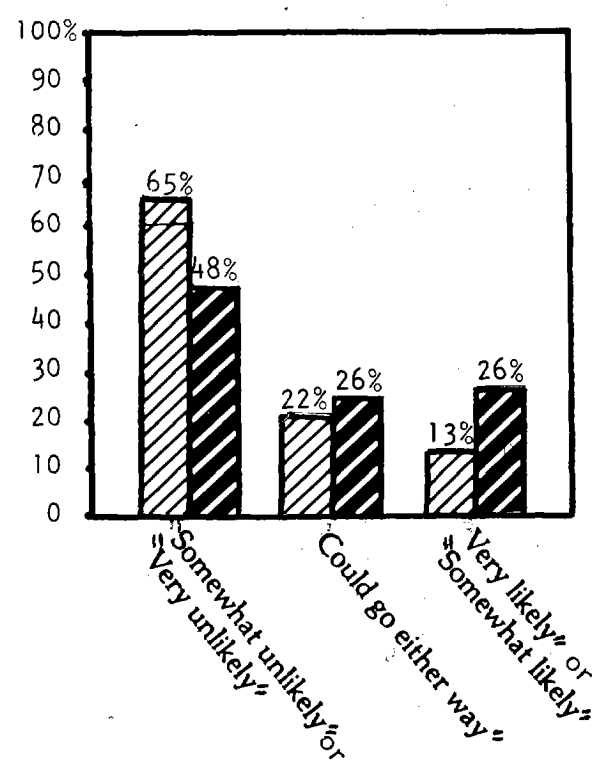
19. **One of the major goals of CSRA-- the motivational impact of SES bonuses-- has been vitiated by the fact that the majority of senior executives hold no expectation of getting them.** Less than 3 out of 10 (26%) SES members eligible for bonuses felt it likely that they would receive a bonus during the next 12 months. Only 13% of eligible executives believed it likely that they would be given a cash or rank award within the coming year. (See Tables 12 and 13 on the following pages.)

61. What do you regard as the likelihood of your receiving an SES *bonus* any time within the next 12 months?

62. What do you regard as the likelihood of your receiving a *cash or rank award* any time within the next 12 months?



Likelihood of receiving a bonus (Question 61)
Likelihood of receiving a cash or rank award (Question 62)

NOTE: These percentages exclude respondents who said, "I am not eligible for a SES bonus" or "I am not eligible for a cash or rank award."

TABLE 12

Q61. What do you regard as the likelihood of your receiving an SES bonus any time within the next 12 months?

Agency	Number of SES respondents for this question	RESPONSES 1/ "Very likely" or "Somewhat likely"		"Could go either way"	"Somewhat unlikely" or "Very unlikely"
1. Other Department of Defense	(57)	37%	(±11%) 2/	29%	34%
2. Environmental Protection Agency	(45)	34%	(±13%)	20%	45%
3. Transportation	(54)	35%	(±11%)	19%	47%
4. Commerce	(53)	33%	(±11%)	10%	56%
5. Veterans Administration	(47)	31%	(±12%)	27%	42%
6. Air Force	(38)	31%	(±14%)	22%	47%
7. Nuclear Regulatory Commission	(29)	30%	(±16%)	22%	48%
8. Navy	(44)	28%	(±12%)	23%	49%
9. Energy	(56)	27%	(±11%)	29%	44%
10. Treasury	(49)	28%	(±11%)	32%	41%
11. Army	(39)	30%	(±13%)	17%	53%
WEIGHTED SURVEY AVERAGE	(969)	26%	(± 3%)	26%	48%
12. National Aeronautics and Space Administration	(46)	24%	(±11%)	31%	45%
13. Health and Human Services	(47)	24%	(±11%)	16%	59%
14. Interior	(35)	26%	(±13%)	35%	38%
15. All other agencies	(238)	23%	(± 3%)	28%	50%
16. Justice	(29)	19%	(±13%)	42%	39%
17. Agriculture	(54)	16%	(± 9%)	22%	61%

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NOTE: The percentages exclude respondents who said they were "not eligible for a SES bonus."

TABLE 13

Q62. What do you regard as the likelihood of your receiving a cash or rank award any time within the next 12 months?

Agency	Number of SES respondents for this question	RESPONSES 1/ "Very likely" or "Somewhat likely"		"Could go either way"	"Somewhat unlikely" or "Very Unlikely"
1. Environmental Protection Agency	(45)	30%	(±12%) 2/	29%	43%
2. Veterans Administration	(47)	17%	(±10%)	21%	62%
3. All other agencies	(235)	18%	(± 2%)	23%	59%
4. Other Department of Defense	(57)	17%	(± 9%)	22%	61%
5. Interior	(35)	16%	(±11%)	35%	48%
6. Army	(38)	15%	(±10%)	21%	63%
7. Commerce	(54)	14%	(± 8%)	14%	73%
WEIGHTED SURVEY AVERAGE	(963)	13%	(± 3%)	22%	65%
8. Treasury	(49)	12%	(± 8%)	23%	64%
9. Navy	(44)	11%	(± 9%)	22%	67%
10. Agriculture	(53)	12%	(± 8%)	14%	73%
11. Transportation	(53)	12%	(± 8%)	19%	68%
12. Energy	(56)	11%	(± 7%)	23%	65%
13. Justice	(29)	11%	(±11%)	33%	56%
14. Nuclear Regulatory Commission	(29)	11%	(±11%)	26%	63%
15. National Aeronautics and Space Administration	(44)	7%	(± 7%)	17%	77%
16. Air Force	(38)	5%	(± 7%)	16%	78%
17. Health and Human Services	(48)	4%	(± 5%)	23%	63%

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NOTE: The percentages exclude respondents who said they were "not eligible for a cash or rank award."

20. **Only a minority of executives feel that SES pay incentives encourage harmful competition.** Only 17% of executives mildly to strongly agree that SES pay incentives lead to harmful competition among executives. On the other hand, 49% mildly to strongly disagree with that proposition, and 34% are undecided. (See Table 14 below.)

SES members...

that SES pay incentives encourage harmful competition among executives in my agency.

*"Neither agree nor disagree" or "Have no basis to judge"

TABLE 14

Q56. Based on your personal experience in your present agency, to what extent do you agree with the following statements concerning SES?

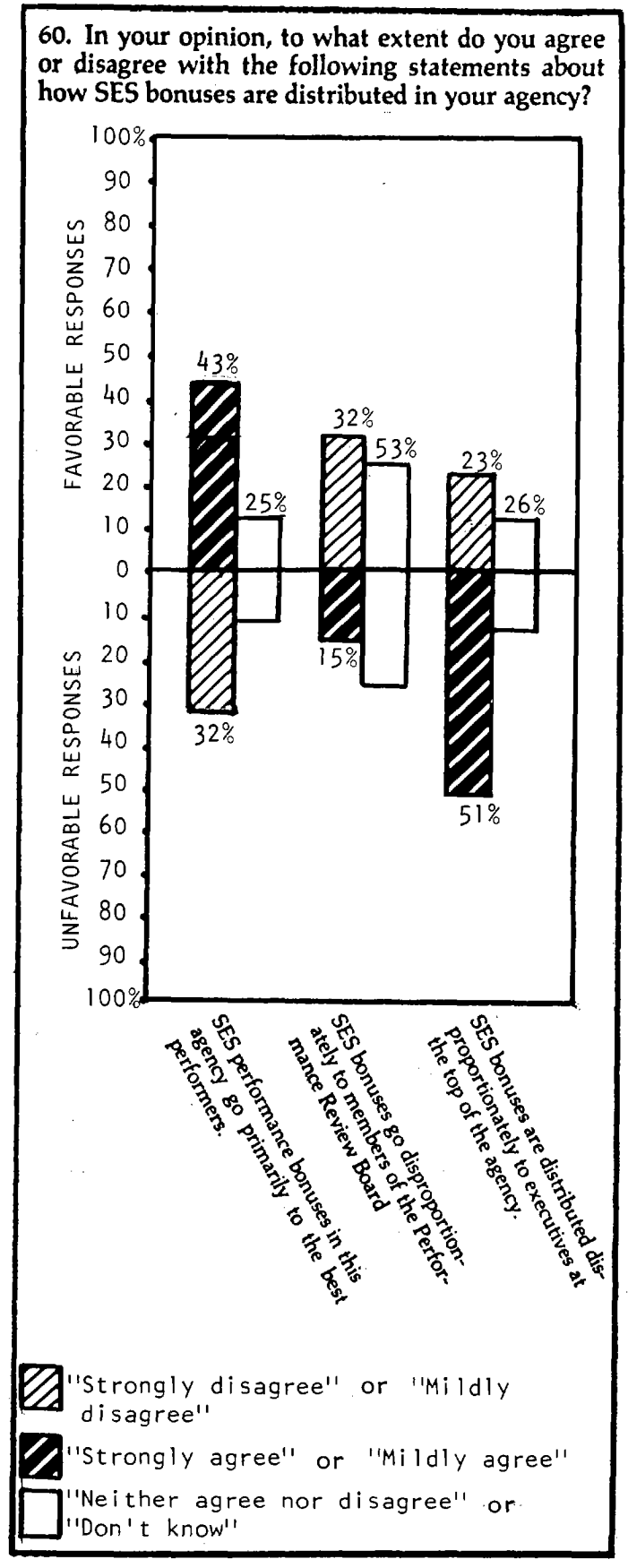
d. "SES pay incentives encourage harmful competition among executives in my agency."

Agency	Number of SES respondents for the question	RESPONSES 1/ "Strongly disagree" or "Mildly disagree"		"Neither agree nor disagree"	"Strongly agree" or "Mildly agree"	"No basis to judge"
1. National Aeronautics and Space Administration	(46)	65%	(± 13%) 2/	13%	15%	7%
2. Environmental Protection Agency	(46)	57%	(± 10%)	13%	15%	15%
3. Navy	(43)	54%	(± 14%)	19%	12%	16%
4. Interior	(34)	53%	(± 16%)	12%	24%	12%
5. Energy	(57)	51%	(± 12%)	25%	5%	19%
6. Health and Human Services	(48)	50%	(± 13%)	13%	21%	17%
7. Transportation	(52)	50%	(± 12%)	19%	21%	10%
8. Justice	(29)	48%	(± 17%)	21%	14%	17%
WEIGHTED SURVEY AVERAGE	(957)	49%	(± 3%)	19%	17%	15%
9. Air Force	(36)	47%	(± 15%)	19%	19%	14%
10. Veterans Administration	(47)	47%	(± 13%)	23%	13%	17%
11. Other Department of Defense	(54)	46%	(± 12%)	19%	15%	20%
12. Army	(39)	46%	(± 15%)	13%	21%	21%
13. All other agencies	(234)	46%	(± 3%)	20%	15%	19%
14. Agriculture	(55)	45%	(± 12%)	15%	18%	22%
15. Commerce	(52)	44%	(± 12%)	17%	21%	17%
16. Nuclear Regulatory Commission	(29)	41%	(± 17%)	28%	21%	10%
17. Treasury	(47)	38%	(± 13%)	26%	21%	15%

1/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses for a specific agency may not sum to 100%.

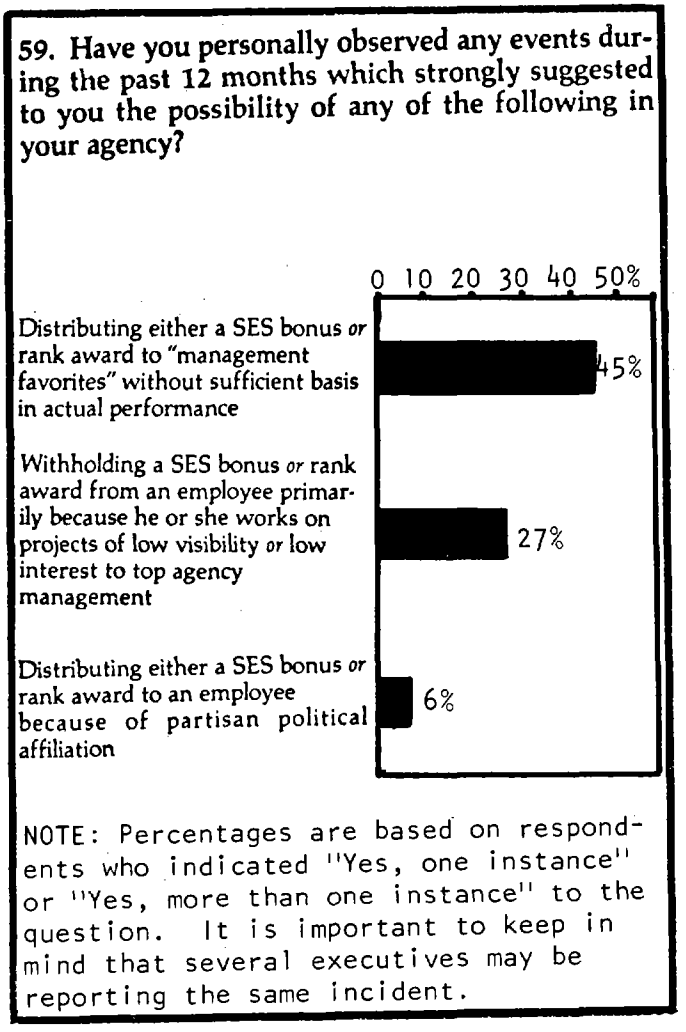
2/ The number in parenthesis indicates the possible error range, at the 95% confidence level, for the associated figure. In other words, based on a sample of this size, one can say with 95% confidence that the error attributable to sampling and other random effects could be up to this many percentage points in either direction, but there is less than 5% chance that the "true" figure lies outside the indicated bracket. Due to the error ranges shown, differences between closely-ranked agencies are not statistically significant.

21. **Executives see giving a disproportionate share of bonuses to the agency's top executives as the major problem with how the bonus distribution process operates.** One-half (51%) of executives see bonuses going disproportionately to executives at the top of the agency. 19/



19/ According to OPM's governmentwide figures for the initial distribution of SES bonuses and rank awards, a mathematically disproportionate share did go to executives at the top three SES pay levels. Bonuses or rank awards went to 55% of executives in levels 5 and 6; to 28% of executives in level 4; and to 16% of executives in levels 1 through 3.

However, an almost equal percentage (45%) report one or more instances in the last 12 months where they believe bonuses were given to "management favorites" without sufficient basis in actual performance. Only a small percentage (6%) report one or more instances in the last 12 months where they believe bonuses or rank awards were given to executives because of partisan political affiliation. 20/ (See Tables 15 through 20 on the following pages.)



20/ It is important to keep in mind that several executives could be reporting the same incident.

TABLE 15

Q59. Have you personally observed any events during the past 12 months which strongly suggested to you the possibility of any of the following in your agency?

a. "Distributing either a SES bonus or rank award to an employee because of partisan political affiliation."

Agency	Number of SES respondents for this question	RESPONSES 1/ "Yes, more than one instance" or "Yes, one instance"	2/	"No"
1. National Aeronautics and Space Administration	(46)	0%	(± 0%)	100%
2. Health and Human Services	(36)	0%	(± 0%)	100%
3. Army	(34)	0%	(± 0%)	100%
4. Nuclear Regulatory Commission	(28)	0%	(± 0%)	100%
5. Treasury	(49)	2%	(± 4%)	98%
6. Interior	(32)	3%	(± 6%)	97%
7. Other Department of Defense	(47)	4%	(± 5%)	96%
WEIGHTED SURVEY AVERAGE	(767)	6%	(± 3%)	94%
8. Energy	(52)	6%	(± 6%)	94%
9. Air Force	(36)	6%	(± 7%)	94%
10. Commerce	(32)	6%	(± 8%)	94%
11. Navy	(42)	7%	(± 7%)	93%
12. Justice	(24)	8%	(±11%)	92%
13. All other agencies	(168)	9%	(± 4%)	91%
14. Environmental Protection Agency	(43)	12%	(± 9%)	88%
15. Veterans Administration	(47)	13%	(± 9%)	87%
16. Transportation	(21)	14%	(±15%)	86%
17. Agriculture	(24)	21%	(±16%)	79%

1/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses for a specific agency may not sum to 100%.

2/ The number in parenthesis indicates the possible error range, at the 95% confidence level, for the associated figure. In other words, based on a sample of this size, one can say with 95% confidence that the error attributable to sampling and other random effects could be up to this many percentage points in either direction, but there is less than 5% chance that the "true" figure lies outside the indicated bracket. Due to the error ranges shown, differences between closely-ranked agencies are not statistically significant.

NOTE: It is important to keep in mind that several executive could be reporting the same incident.

TABLE 16

Q59. Have you personally observed any events during the past 12 months which strongly suggested to you the possibility of any of the following in your agency?

b. "Distributing either a SES bonus or rank award to "management favorites" without sufficient basis in actual performance."

Agency	Number of SES respondents for this question	RESPONSES 1/ "Yes, more than one instance" or "Yes, one instance"		"No"
1. Agriculture	(24)	29%	(±18%) 2/	71%
2. National Aeronautics and Space Administration	(43)	30%	(±13%)	70%
3. Navy	(38)	32%	(±14%)	68%
4. Justice	(22)	32%	(±19%)	68%
5. Treasury	(49)	35%	(±13%)	65%
6. Health and Human Services	(35)	40%	(±16%)	60%
7. Army	(35)	40%	(±16%)	60%
8. Commerce	(31)	42%	(±17%)	58%
9. Veterans Administration	(47)	45%	(±13%)	55%
WEIGHTED SURVEY AVERAGE	(756)	45%	(±3%)	55%
10. Air Force	(37)	46%	(±15%)	54%
11. Other Department of Defense	(46)	50%	(±14%)	50%
12. All other agencies	(167)	51%	(± 6%)	49%
13. Energy	(51)	51%	(±13%)	49%
14. Environmental Protection Agency	(43)	58%	(±14%)	42%
15. Interior	(32)	59%	(±16%)	41%
16. Nuclear Regulatory Commission	(28)	61%	(±18%)	39%
17. Transportation	(22)	68%	(±19%)	32%

1/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses for a specific agency may not sum to 100%.

2/ The number in parenthesis indicates the possible error range, at the 95% confidence level, for the associated figure. In other words, based on a sample of this size, one can say with 95% confidence that the error attributable to sampling and other random effects could be up to this many percentage points in either direction, but there is less than 5% chance that the "true" figure lies outside the indicated bracket. Due to the error ranges shown, differences between closely-ranked agencies are not statistically significant.

NOTE: It is important to keep in mind that several executive could be reporting the same incident.

TABLE 17

Q59. Have you personally observed any events during the past 12 months which strongly suggested to you the possibility of any of the following in your agency?

c. "Withholding a SES bonus or rank award from an employee primarily because he or she works on projects of low visibility or low interest to top agency agency management."

Agency	Number of SES respondents for this question	RESPONSES 1/ "Yes, more than one instance" or "Yes, one instance"		"No"
1. Veterans Administration	(46)	9%	(± 8%) 2/	91%
2. National Aeronautics and Space Administration	(44)	14%	(±10%)	86%
3. Agriculture	(23)	17%	(±15%)	83%
4. Transportation	(22)	18%	(±16%)	82%
5. Interior	(31)	19%	(±13%)	81%
6. Health and Human Services	(36)	20%	(±12%)	81%
7. Treasury	(49)	22%	(±11%)	78%
8. Environmental Protection Agency	(43)	23%	(±12%)	77%
9. Justice	(24)	25%	(±17%)	75%
WEIGHTED SURVEY AVERAGE	(757)	27%	(± 3%)	73%
10. All other agencies	(169)	29%	(± 5%)	71%
11. Army	(34)	32%	(±15%)	68%
12. Navy	(40)	35%	(±14%)	65%
13. Nuclear Regulatory Commission	(26)	35%	(±18%)	65%
14. Other Department of Defense	(46)	37%	(±13%)	63%
15. Energy	(51)	41%	(±13%)	59%
16. Commerce	(30)	43%	(±17%)	57%
17. Air Force	(37)	46%	(±15%)	54%

1/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses for a specific agency may not sum to 100%.

2/ The number in parenthesis indicates the possible error range, at the 95% confidence level, for the associated figure. In other words, based on a sample of this size, one can say with 95% confidence that the error attributable to sampling and other random effects could be up to this many percentage points in either direction, but there is less than 5% chance that the "true" figure lies outside the indicated bracket. Due to the error ranges shown, differences between closely-ranked agencies are not statistically significant.

NOTE: It is important to keep in mind that several executive could be reporting the same incident.

TABLE 18

Q60. In your opinion, to what extent do you agree or disagree with the following statements about how SES bonuses are distributed in your agency?

a. "SES performance bonuses in this agency go primarily to the best performers."

Agency	Number of SES respondents for this question	RESPONSES 1/ "Strongly agree" or "Mildly agree"		"Neither agree nor disagree"	"Mildly disagree" or "Strongly disagree"	"Don't know"
1. National Aeronautics and Space Administration	(46)	63%	(±13%) 2/	4%	28%	4%
2. Nuclear Regulatory Commission	(27)	52%	(±18%)	11%	37%	0%
3. Treasury	(47)	51%	(±14%)	17%	28%	4%
4. Navy	(42)	48%	(±14%)	21%	19%	12%
5. Agriculture	(21)	48%	(±21%)	5%	24%	24%
6. Health and Human Services	(36)	47%	(±16%)	17%	25%	11%
7. Army	(36)	45%	(±16%)	17%	31%	8%
WEIGHTED SURVEY AVERAGE	(766)	43%	(±3%)	13%	32%	12%
8. Interior	(33)	42%	(±16%)	18%	33%	6%
9. All other agencies	(168)	41%	(± 6%)	11%	39%	9%
10. Commerce	(32)	41%	(±16%)	9%	28%	22%
11. Environmental Protection Agency	(43)	40%	(±14%)	9%	40%	12%
12. Veterans Administration	(48)	38%	(±13%)	15%	35%	13%
13. Other Department of Defense	(47)	36%	(±13%)	21%	23%	19%
14. Justice	(25)	36%	(±18%)	4%	40%	20%
15. Energy	(52)	33%	(±12%)	15%	35%	17%
16. Air Force	(36)	31%	(±14%)	25%	31%	14%
17. Transportation	(21)	29%	(±19%)	5%	29%	38%

1/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses for a specific agency may not sum to 100%.

2/ The number in parenthesis indicates the possible error range, at the 95% confidence level, for the associated figure. In other words, based on a sample of this size, one can say with 95% confidence that the error attributable to sampling and other random effects could be up to this many percentage points in either direction, but there is less than 5% chance that the "true" figure lies outside the indicated bracket. Due to the error ranges shown, differences between closely-ranked agencies are not statistically significant.

TABLE 19

Q60. In your opinion, to what extent do you agree or disagree with the following statements about how SES bonuses are distributed in your agency?

b. "SES bonuses are distributed disproportionately to executives at the top of the agency."

Agency	Number of SES respondents for this question	RESPONSES 1/ "Strongly disagree" or "Mildly disagree"		"Neither agree nor disagree"	"Mildly agree" or "Strongly agree"	"Don't know"
1. All other agencies	(167)	34%	(± 6%) 2/	14%	41%	11%
2. Treasury	(48)	31%	(±12%)	2%	60%	6%
3. Army	(36)	31%	(±14%)	17%	50%	3%
4. Health and Human Services	(37)	30%	(±14%)	16%	41%	14%
5. National Aeronautics and Space Administration	(46)	24%	(±12%)	13%	59%	4%
WEIGHTED SURVEY AVERAGE	(767)	23%	(±3%)	13%	51%	13%
6. Other Department of Defense	(47)	23%	(±11%)	13%	49%	15%
7. Interior	(33)	21%	(±13%)	24%	52%	3%
8. Veterans Administration	(47)	21%	(±11%)	30%	28%	21%
9. Environmental Protection Agency	(43)	21%	(±12%)	9%	58%	12%
10. Justice	(25)	20%	(±15%)	4%	36%	40%
11. Agriculture	(21)	19%	(±16%)	10%	52%	19%
12. Commerce	(32)	16%	(±12%)	3%	50%	31%
13. Navy	(42)	14%	(±10%)	12%	62%	12%
14. Energy	(52)	12%	(± 8%)	14%	62%	14%
15. Transportation	(21)	10%	(±12%)	0%	52%	38%
16. Air Force	(36)	8%	(± 9%)	17%	53%	22%
17. Nuclear Regulatory Commission	(28)	7%	(± 9%)	0%	93%	0%

1/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses for a specific agency may not sum to 100%.

2/ The number in parenthesis indicates the possible error range, at the 95% confidence level, for the associated figure. In other words, based on a sample of this size, one can say with 95% confidence that the error attributable to sampling and other random effects could be up to this many percentage points in either direction, but there is less than 5% chance that the "true" figure lies outside the indicated bracket. Due to the error ranges shown, differences between closely-ranked agencies are not statistically significant.

TABLE 20

Q60. In your opinion, to what extent do you agree or disagree with the following statements about how SES bonuses are distributed in your agency?

c. "SES bonuses go disproportionately to members of the Performance Review Board."

Agency	Number of SES respondents for this question	RESPONSES 1/ "Strongly disagree" or "Mildly disagree"		"Neither agree nor disagree"	"Mildly agree" or Strongly agree"	"Don't know"
1. Health and Human Services	(36)	50%	(±16%) 2/	8%	8%	33%
2. All other agencies	(167)	45%	(± 6%)	13%	18%	24%
3. National Aeronautics and Space Administration	(46)	41%	(±13%)	4%	13%	41%
4. Treasury	(47)	40%	(±13%)	11%	19%	30%
5. Commerce	(32)	38%	(±16%)	9%	9%	44%
6. Environmental Protection Agency	(43)	33%	(±13%)	12%	12%	44%
WEIGHTED SURVEY AVERAGE	(763)	32%	(±3%)	13%	15%	40%
7. Air Force	(36)	31%	(±14%)	8%	8%	53%
8. Army	(36)	31%	(±14%)	17%	25%	28%
9. Agriculture	(21)	29%	(±19%)	5%	19%	48%
10. Other Department of Defense	(47)	28%	(±12%)	13%	4%	55%
11. Veterans Administration	(47)	28%	(±12%)	26%	6%	40%
12. Navy	(41)	27%	(±13%)	20%	12%	42%
13. Nuclear Regulatory Commission	(28)	21%	(±15%)	4%	71%	4%
14. Justice	(25)	20%	(±15%)	12%	8%	60%
15. Interior	(33)	15%	(±12%)	33%	15%	36%
16. Transportation	(21)	14%	(±15%)	5%	10%	71%
17. Energy	(51)	8%	(± 7%)	18%	6%	69%

1/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses for a specific agency may not sum to 100%.

2/ The number in parenthesis indicates the possible error range, at the 95% confidence level, for the associated figure. In other words, based on a sample of this size, one can say with 95% confidence that the error attributable to sampling and other random effects could be up to this many percentage points in either direction, but there is less than 5% chance that the "true" figure lies outside the indicated bracket. Due to the error ranges shown, differences between closely-ranked agencies are not statistically significant.

CHAPTER FOUR

THE SES AND POLITICAL ACTIVITY

The Federal Government's career executives are the direct interface between the nation's political system--the President, his appointees, and the Congress--and the vast machinery of government itself. The magnitude of this responsibility has been described by the Congress in Herculean terms:

> Meeting this great responsibility requires strong executive leadership, which can respond to rapidly changing conditions and circumstances surrounding Federal programs and still chart a course which takes into account the national interest, the achievement of presidential and congressional goals, and simultaneously maintains the soundest management techniques. 21/

The great tension which arises in the pursuit of this ideal executive leadership is that between proper "responsiveness" and improper "politicization."

The Congress felt that the former supergrade system had great disabilities in this regard, which it enumerated as follows:

> . . . the existing system for designating career and noncareer positions fails to provide adequate protection against politicization of the career service, yet it is so rigid that it fails to provide agency heads with sufficient flexibility to fill critical positions with executives of their own choosing . . . even with the rigid structures governing executive employees, there is inadequate protection against political abuse and incompetence. 22/

The SES system was intended to overcome these weaknesses, in tandem with the broader prohibition against improper political activity by or directed against federal employees, found in general provisions of civil service law. 23/ CSRA enacted into law the proposition that "the Senior Executive Service shall be administered so as to . . . provide for an executive system which is guided by the public interest and free from improper political interference." 24/

21/ Senate Report at 67.

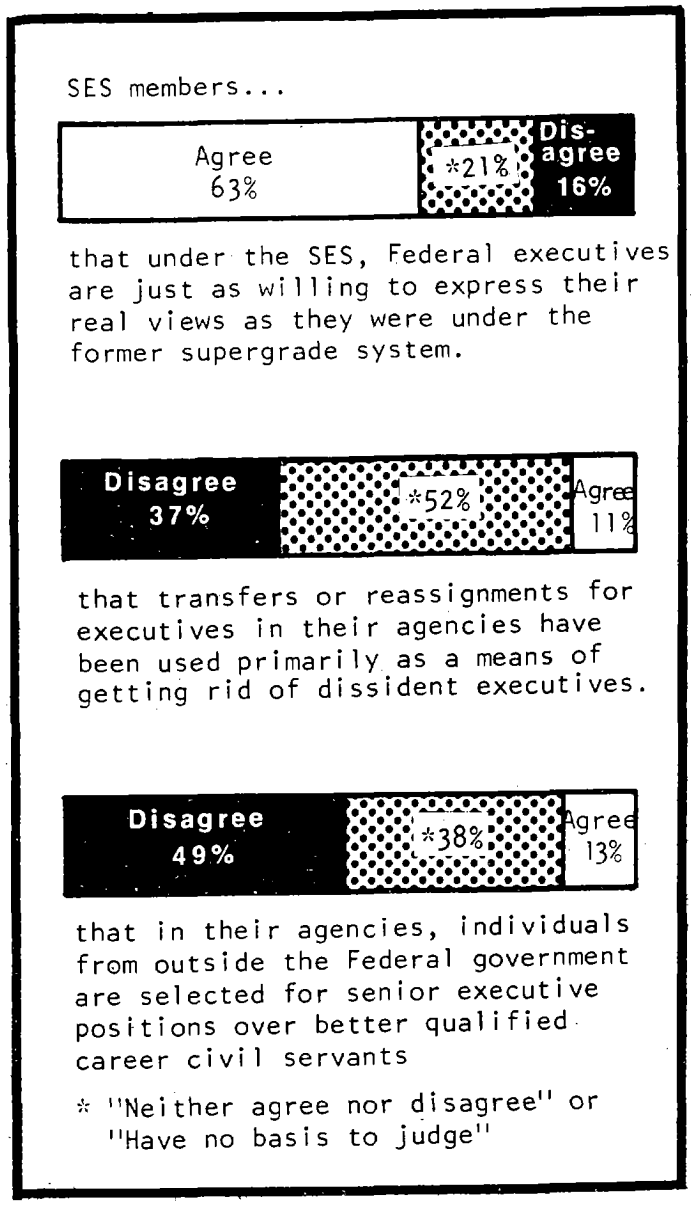
22/ Senate Report at 10.

23/ See, e.g., the eighth merit principle, 5 U.S.C. Section 2301 (b)(8); the third prohibited personnel practice, 5 U.S.C. Section 2302 (b)(3); and the numerous restrictions on political activity at 5 U.S.C. Sections 7321, et seq.

24/ 5 U.S.C. Section 3131 (13).

We described in Chapter One the specific protections Congress enacted to protect the SES system. In this chapter we discuss how well those protections appear to have worked during the first months of the recent change in Presidential administrations.

22. **As of mid-March, 1981, there were no indications of any widespread abuses of the 120-day protected period for career SES members.** MSRS' follow-up SES study surveyed career SES members to determine if there were violations of the 120-day moratorium on involuntary reassignments and performance appraisals for career SES members. In no instances did executives in the survey recount any specific evidence that any SES members had been pressured to vacate their positions through resignation, retirement, reassignment, or involuntary details. Nor was there any evidence that the 120-day moratorium on appraisals was being violated. Some executives did express anxiety over the possibility of being reassigned to another position for partisan political reasons following the 120-day moratorium, but their concerns were based on rumors, media stories, or general speculation about the outcome of proposed program cutbacks in the agency, rather than on specific actions by new agency leadership in the incoming Administration.



23. **For now at least, the vast majority of executives feel that SES has not had a chilling effect on SES members' willingness to express their real views to the agency's top management.** Only 16% of executives report that SES members are less willing to express their real views than executives working under the former supergrade system. Likewise, only a small percentage (11%) believe that reassignments or transfers in their agencies have been used primarily as a means of getting rid of dissident executives. (See Tables 21 and 22 on the following pages.)

TABLE 21

Q56. Based on your personal experience in your present agency, to what extent do you agree with the following statements concerning SES?

e. "Under the SES, Federal executives are just as willing to express their real views as they were under the former supergrade system."

Agency	Number of SES respondents for this question	RESPONSES 1/ "Strongly agree" or "Mildly agree"		"Neither agree nor disagree"	"Mildly disagree" or "Strongly disagree"	"No basis to judge"
1. Army	(39)	77%	(± 12%) 2/	10%	13%	0%
2. Justice	(29)	76%	(± 15%)	10%	14%	0%
3. National Aeronautics and Space Administration	(46)	70%	(± 12%)	9%	11%	11%
4. Interior	(35)	69%	(± 15%)	11%	20%	0%
5. Treasury	(49)	67%	(± 12%)	10%	14%	8%
6. Other Department of Defense	(56)	66%	(± 11%)	13%	13%	9%
7. Navy	(44)	66%	(± 13%)	16%	14%	5%
8. Agriculture	(55)	65%	(± 11%)	13%	13%	9%
WEIGHTED SURVEY AVERAGE	(966)	63%	(± 3%)	12%	16%	9%
9. Air Force	(37)	62%	(± 15%)	14%	16%	8%
10. All other agencies	(237)	61%	(± 3%)	11%	18%	8%
11. Nuclear Regulatory Commission	(29)	62%	(± 17%)	7%	24%	7%
12. Veterans Administration	(47)	62%	(± 13%)	13%	21%	4%
13. Commerce	(52)	61%	(± 12%)	14%	13%	12%
14. Transportation	(52)	58%	(± 12%)	17%	21%	4%
15. Environmental Protection Agency	(46)	57%	(± 13%)	11%	22%	11%
16. Energy	(57)	54%	(± 12%)	11%	25%	11%
17. Health and Human Services	(47)	51%	(± 13%)	17%	11%	21%

1/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses for a specific agency may not sum to 100%.

2/ The number in parenthesis indicates the possible error range, at the 95% confidence level, for the associated figure. In other words, based on a sample of this size, one can say with 95% confidence that the error attributable to sampling and other random effects could be up to this many percentage points in either direction, but there is less than 5% chance that the "true" figure lies outside the indicated bracket. Due to the error ranges shown, differences between closely-ranked agencies are not statistically significant.

TABLE 22

Q56. Based on your personal experience in your present agency, to what extent do you agree with the following statements concerning SES?

f. "Transfer or reassignments for executives in my agency have been used primarily as a means of getting rid of dissident executives."

Agency	Number of SES respondents for this question	RESPONSES 1/ "Strongly disagree" or "Mildly disagree"		"Neither agree nor disagree"	"Mildly agree" or "Strongly agree"	"No basis to judge"
1. Treasury	(49)	63%	(± 12%) 2/	10%	8%	18%
2. Nuclear Regulatory Commission	(28)	46%	(± 18%)	4%	14%	36%
3. National Aeronautics and Agency	(46)	46%	(± 13%)	15%	11%	28%
4. Agriculture	(55)	45%	(± 12%)	20%	6%	29%
5. Transportation	(52)	42%	(± 12%)	12%	13%	33%
6. Justice	(29)	41%	(± 17%)	3%	0%	55%
7. Veterans Administration	(46)	41%	(± 13%)	13%	7%	39%
8. Interior	(35)	40%	(± 15%)	20%	9%	31%
9. Commerce	(52)	38%	(± 12%)	6%	12%	44%
WEIGHTED SURVEY AVERAGE	(964)	37%	(± 3%)	11%	11%	41%
10. Environmental Protection Agency	(46)	35%	(± 13%)	15%	15%	35%
11. All other agencies	(237)	35%	(± 3%)	11%	16%	39%
12. Navy	(44)	34%	(± 13%)	9%	9%	48%
13. Health and Human Services	(47)	32%	(± 12%)	6%	11%	51%
14. Army	(39)	31%	(± 14%)	15%	3%	51%
15. Air Force	(37)	27%	(± 13%)	5%	5%	62%
16. Other Department of Defense	(56)	25%	(± 10%)	14%	7%	54%
17. Energy	(57)	18%	(± 9%)	16%	16%	51%

1/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses for a specific agency may not sum to 100%.

2/ The number in parenthesis indicates the possible error range, at the 95% confidence level, for the associated figure. In other words, based on a sample of this size, one can say with 95% confidence that the error attributable to sampling and other random effects could be up to this many percentage points in either direction, but there is less than 5% chance that the "true" figure lies outside the indicated bracket. Due to the error ranges shown, differences between closely-ranked agencies are not statistically significant.

24. **The overwhelming majority of executives feel that better qualified career executives are not being passed over for senior executive positions in favor of non-career candidates.** Only 13% of survey respondents believe that individuals from outside the Federal Government are selected for executive positions over better qualified career executives. (See Table 23 below.)

TABLE 23

Q56. Based on your personal experience in your present agency, to what extent do you agree with the following statements concerning SES?

c. "In my agency, individuals from outside the Federal government are selected for senior executive positions over better qualified career civil servants."

Agency	Number of SES respondents for this question	RESPONSES 1/ "Strongly disagree" or "Mildly disagree"		"Neither agree nor disagree"	"Mildly agree" or "Strongly agree"	"No basis to judge"
1. Treasury	(48)	81%	(± 10%) 2/	6%	4%	8%
2. Interior	(34)	68%	(± 15%)	12%	9%	12%
3. Navy	(42)	57%	(± 14%)	7%	5%	31%
4. Agriculture	(55)	53%	(± 12%)	13%	13%	22%
5. Commerce	(52)	52%	(± 12%)	14%	14%	21%
6. Nuclear Regulatory Commission	(29)	52%	(± 17%)	14%	10%	24%
WEIGHTED SURVEY AVERAGE	(957)	49%	(± 3%)	15%	13%	23%
7. Army	(39)	49%	(± 15%)	10%	3%	39%
8. Other Department of Defense	(54)	48%	(± 12%)	20%	13%	19%
9. National Aeronautics and Space Administration	(46)	48%	(± 13%)	17%	15%	20%
10. All other agencies	(235)	47%	(± 3%)	14%	18%	22%
11. Veterans Administration	(46)	46%	(± 13%)	17%	7%	30%
12. Health and Human Services	(47)	45%	(± 13%)	15%	15%	26%
13. Transportation	(52)	44%	(± 12%)	14%	15%	27%
14. Justice	(29)	41%	(± 17%)	21%	14%	24%
15. Air Force	(37)	38%	(± 15%)	19%	16%	27%
16. Environmental Protection Agency	(46)	37%	(± 13%)	22%	22%	20%
17. Energy	(57)	21%	(± 10%)	26%	16%	37%

1/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses for a specific agency may not sum to 100%.

2/ The number in parenthesis indicates the possible error range, at the 95% confidence level, for the associated figure. In other words, based on a sample of this size, one can say with 95% confidence that the error attributable to sampling and other random effects could be up to this many percentage points in either direction, but there is less than 5% chance that the "true" figure lies outside the indicated bracket. Due to the error ranges shown, differences between closely-ranked agencies are not statistically significant.

25. **A small percentage (13%) of SES members now holding positions designated as "general" believe that their positions should be designated "career-reserved."** The CSRA required agencies to designate positions as "career-reserved" if the filling of the position by a career appointee was necessary to ensure programs administered by the incumbent were free from improper political bias or favoritism, and that the public's confidence in impartiality of the Government would be maintained. If these executives are correct and the response is extrapolated to the overall SES population, about 490 SES "general" positions (now at least theoretically open to political appointments) should be "career-reserved." It should also be noted, however, that it is not possible to ascertain within the limits of our survey data the bases upon which these executives feel that their positions should be re-designated, nor to determine whether those bases are valid. (See Table 24 below.)

TABLE 24

Q57. What is the designation of your current SES position, and what is your view of that designation?

Agency	Number of SES respondents for this question	RESPONSES 1/ "It is now general, and I think it should be career-reserved." (Percentage of career SES members now occupying "general" positions.)	
1. Navy	(44)	36%	(±13%) 2/
2. Transportation	(53)	25%	(±11%)
3. Agriculture	(55)	24%	(±10%)
4. Air Force	(38)	21%	(±12%)
5. Interior	(33)	18%	(±12%)
6. Justice	(29)	17%	(±13%)
7. Army	(39)	15%	(±11%)
8. All other agencies	(234)	15%	(± 2%)
9. Health and Human Services	(48)	15%	(± 9%)
WEIGHTED SURVEY AVERAGE	(956)	13%	(± 3%)
10. Treasury	(49)	8%	(± 7%)
11. Other Department of Defense	(56)	7%	(± 6%)
12. Nuclear Regulatory Commission	(28)	7%	(± 9%)
13. Veterans Administration	(43)	7%	(± 7%)
14. Environmental Protection Agency	(44)	5%	(± 6%)
15. Commerce	(53)	4%	(± 5%)
16. Energy	(55)	2%	(± 3%)
17. National Aeronautics and Space Administration	(46)	0%	(± 0%)

1/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses for a specific agency may not sum to 100%.

2/ The number in parenthesis indicates the possible error range, at the 95% confidence level, for the associated figure. In other words, based on a sample of this size, one can say with 95% confidence that the error attributable to sampling and other random effects could be up to this many percentage points in either direction, but there is less than 5% chance that the "true" figure lies outside the indicated bracket. Due to the error ranges shown, differences between closely-ranked agencies are not statistically significant.

26. **Despite the fact that ERB's play a critical role in deciding matters personally affecting executives, more than one in four executives (27%) said they had no idea of what their agency's ERB was supposed to do. More distressing is the fact that of those who knew the ERB and its role, 52% were unsure or less than confident that ERB decisions affecting them personally would be fair and equitable. 25/** (See Tables 25 and 26.)

TABLE 25

Q65. Have you heard of your agency's Executive Resources Board (ERB), and how much do you know about what it is supposed to do?

Agency	Number of SES respondents for this question	RESPONSES 1/ "I have a pretty good idea of what it is supposed to do." or "I have a very good idea of what it is supposed to do."		"I have only a vague idea of what it is supposed to do."	"I have never heard of the ERB." or "I have no idea of what it is supposed to do."
1. Veterans Administration	(47)	79%	(±11%) 2/	17%	4%
2. Treasury	(49)	78%	(±11%)	10%	12%
3. Air Force	(38)	71%	(±14%)	8%	21%
4. Commerce	(53)	70%	(±11%)	19%	11%
5. Agriculture	(54)	65%	(±12%)	7%	
6. All other agencies	(239)	62%	(± 3%)	17%	21%
7. Nuclear Regulatory Commission	(28)	61%	(±17%)	14%	25%
8. Navy	(43)	60%	(±14%)	16%	23%
WEIGHTED SURVEY AVERAGE	(965)	58%	(±3%)	15%	27%
9. Interior	(35)	57%	(±15%)	11%	32%
10. National Aeronautics and Space Administration	(45)	56%	(±13%)	13%	31%
11. Other Department of Defense	(56)	50%	(±12%)	27%	23%
12. Health and Human Services	(48)	48%	(±13%)	10%	42%
13. Transportation	(54)	46%	(±12%)	19%	35%
14. Army	(38)	45%	(±15%)	11%	45%
15. Justice	(29)	41%	(±17%)	14%	45%
16. Energy	(55)	40%	(±12%)	18%	42%
17. Environmental Protection Agency	(45)	38%	(±13%)	16%	47%

1/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses for a specific agency may not sum to 100%.

2/ The number in parenthesis indicates the possible error range, at the 95% confidence level, for the associated figure. In other words, based on a sample of this size, one can say with 95% confidence that the error attributable to sampling and other random effects could be up to this many percentage points in either direction, but there is less than 5% chance that the "true" figure lies outside the indicated bracket. Due to the error ranges shown, differences between closely-ranked agencies are not statistically significant.

25/ Under the Reform Act, agency heads are responsible for decisions involving the staffing of SES positions, executive development, performance appraisals, performance awards, pay administration, nominations for awarding of executive rank, and discipline and removal of executives. Although variations exist among agencies, responsibilities for establishing policy and managing one or more of the above functions are typically delegated to the agency's Executive Resources Boards (ERB).

TABLE 26

Q66. How confident are you that the Executive Resources Board's decisions which affect you personally will be fair and equitable?

Agency	Number of SES respondents for this question	RESPONSES 1/ "Very confident" "or Confident"		"Less than confident" or "Not at all confident"	"Not Sure"
1. National Aeronautics and Space Administration	(33)	70%	(±15%) 2/	9%	21%
2. Treasury	(43)	60%	(±14%)	35%	5%
3. Interior	(27)	56%	(±18%)	33%	11%
4. All other agencies	(197)	55%	(± 4%)	29%	16%
5. Commerce	(48)	54%	(±13%)	35%	10%
6. Agriculture	(40)	53%	(±14%)	28%	20%
7. Veterans Administration	(45)	51%	(±14%)	36%	13%
WEIGHTED SURVEY AVERAGE	(743)	48%	(±3%)	34%	18%
8. Health and Human Services	(29)	45%	(±17%)	41%	14%
9. Navy	(35)	43%	(±15%)	23%	34%
10. Army	(22)	41%	(±20%)	27%	32%
11. Environmental Protection Agency	(27)	41%	(±18%)	44%	15%
12. Nuclear Regulatory Commission	(21)	38%	(±20%)	38%	24%
13. Other Department of Defense	(44)	36%	(±13%)	48%	16%
14. Justice	(17)	35%	(±22%)	41%	24%
15. Transportation	(38)	29%	(±14%)	32%	40%
16. Energy	(37)	27%	(±13%)	43%	30%
17. Air Force	(31)	26%	(±15%)	58%	16%

1/ Because the percentages in each column were rounded to the nearest whole number, the total of the responses for a specific agency may not sum to 100%.

2/ The number in parenthesis indicates the possible error range, at the 95% confidence level, for the associated figure. In other words, based on a sample of this size, one can say with 95% confidence that the error attributable to sampling and other random effects could be up to this many percentage points in either direction, but there is less than 5% chance that the "true" figure lies outside the indicated bracket. Due to the error ranges shown, differences between closely-ranked agencies are not statistically significant.

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

Greater Risks for Greater Rewards. In theory, joining SES meant greater risks for greater rewards. Thus far, the SES reality appears to be that neither the greater risks nor the increased rewards have materialized for most executives.

Bonus Restrictions and Their Impact. The SES bonus system was designed to provide strong monetary incentives for high level performance, and our study confirms that SES members considered the opportunity for such bonuses to be a major inducement to joining the SES. But, restricting bonuses below those originally authorized by CSRA has seriously weakened the intended incentive.

- **No Motivational Impact.** At least half of SES executives have written off the possibility of receiving bonuses, rank, or cash awards in the coming year. Consequently, it appears that management's primary tool for motivating executive performance--the bonus--has little or no incentive value for half of the executive work force.

- **Favoritism in Bonus Distribution.** Equally disturbing is the perception among executives that a disproportionate share of the bonuses go to the agencies' top executives or to "management favorites" who do not deserve them. This perception may well be a direct result of the restrictions on bonuses.

  -- Obviously, if only a small fraction of those who feel they deserve a bonus can get them, any method of distributing bonuses will be perceived as inherently unfair.

  -- Additionally, if there are a limited number of bonuses to be given out, it is highly likely that agency heads will award bonuses to top level officials first. Top level executives have a greater opportunity to have a large impact as a result of their greater authorities and responsibilities, and are generally in positions of greater visibility. In this situation, lower level executives are likely to feel that their contributions are unfairly ignored.

- Whether or not favoritism actually exists, the perception that it does exist undoubtedly breeds dissatisfaction.

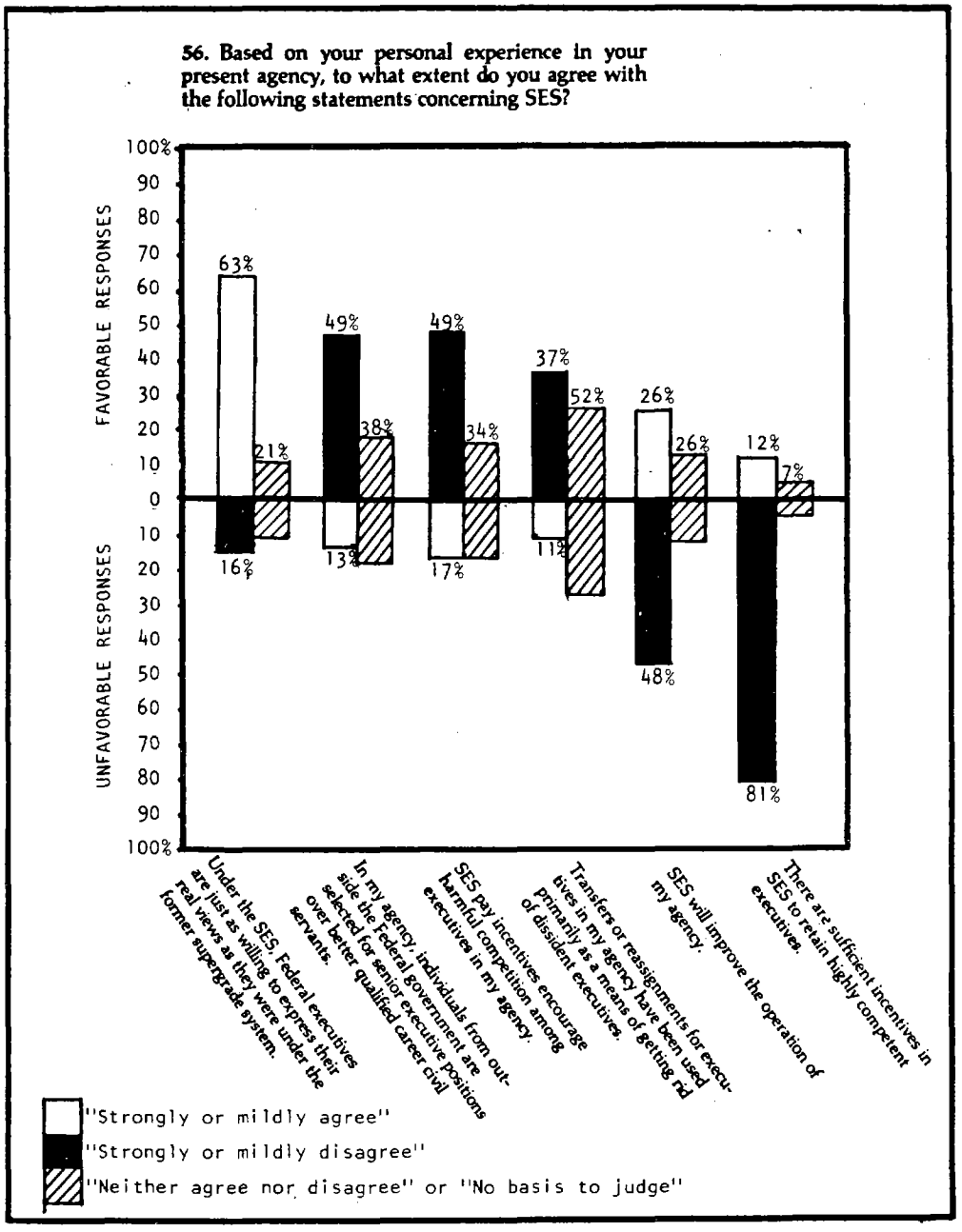
Recruitment and Retention. More disturbing is the fact that other incentives in the work place apparently are not enough to attract and retain competent Federal executives.

- Although executives like their work, better than 80% believe that there are insufficient SES incentives to retain highly competent executives.

- As many as 46% of current executives say they are considering leaving the Federal Government within the next two years.

- The SES system is alarmingly unattractive to mid-level Federal employees--the applicant pool from which a large segment of future SES members will be drawn.

The early indications provided by this study are that the present bonus system, with its current restrictions, is not providing management with the tools necessary to attract, retain, and motivate a competent executive work force. It is not surprising, therefore, that the majority of executives say that SES will not improve the operation of their agencies.



Executive Pay. At the time of the initial conversion to SES, executives were told that SES pay-setting practices would offer them the opportunity for higher salaries. However, the ceiling on executive pay has kept all executives at the same pay level. Continuing the pay cap has serious implications for the SES compensation system:

- The pay cap prevents distinctions in pay despite significant differences in responsibilities for executives at different levels within organizations.

- Executives may become less willing to accept promotions.

- The SES will become less and less attractive to candidates from the mid-level ranks of Government and from the private sector.

Performance Appraisals. On the positive side of the ledger, the overwhelming majority of those executives who have had a performance appraisal under SES thought the appraisal was fair. But, for a variety of reasons, it is clear that the full potential for the SES performance appraisal system is not being realized.

- **Concern Over Fairness in the Rating Process.** One-fourth of executives indicate some concern that their immediate supervisors may not consider factors beyond the executives' control when rating their performance. Our study suggests that this concern over the potential for an unfair rating may be linked to executives' lack of trust and confidence in their immediate supervisors, and to how effective they see their communications being with their bosses.

  There is no simple solution to the problem of lack of trust and confidence. However, performance appraisal systems afford at least the opportunity for supervisors and employees to discuss goals, assess progress, and in the course of these discussions, to develop an improved mutual understanding. This aspect of the performance appraisal process, given sufficient emphasis and attention, should foster greater trust and confidence between supervisors and employees.

- **Impact of Performance Appraisals.** Over one-third of executives are not sure that the results of performance appraisals will actually have an impact on personnel decisions affecting them personally. There are several possible explanations for this attitude.

  -- Executives' experience with their agencies' performance appraisal systems in the past may have colored their outlook toward such systems in general.

  -- The present "pay cap" has, in effect, frozen the base salaries of the executives and eliminated meaningful pay distinctions among wide ranges of executive responsibility.

-- Limitations on the number of bonuses have made at least half of the executive work force feel they have no real opportunity to receive a bonus in the coming year.

-- Agencies have apparently not been willing to utilize the expedited procedures for removal that the SES performance appraisal process allows. According to information agencies have provided to OPM, only one career executive has been removed from SES for poor performance as of July 1, 1981. (On the other hand, it is reasonable to suppose that agencies have dealt with some "marginal" executives by reassignment or by allowing them to resign, retire, or accept a demotion; such instances generally would not be detectable from formal records.)

So long as executives see little or no personal impact from the appraisal process, it will not serve to encourage high level performance.

Safeguards Against Politicization. Our study revealed no indications of broadscale efforts to politicize SES as of the middle of March 1981. Significantly, executives reported that:

- Career employees have not been passed over for executive positions in favor of less qualified candidates from outside the Federal Government.

- The vast majority of executives are still willing to provide their bosses with honest appraisals of their agency's programs, despite the fact that they have less job security under SES than under the former supergrade system.

- As of mid-March, there were no indications of widespread abuses of the 120-day protections against performance appraisals or involuntary reassignments of career executives.

Although the Board found no indications of major problems with improper political influence, there were some troubling areas.

Improper Designation of SES Positions. Thirteen percent of executives holding "general" positions believe that those positions should be designated "career-reserved" to protect SES from improper political interference or to maintain public confidence in the impartiality of the Government. Whether a position should properly be "career-reserved" or "general" is not always clear-cut, and the problem may be less severe than the figures might indicate. Nevertheless, if these executives are correct about the designation for a sufficient number of these positions, the potential for improper political influence in Government programs is substantial. At a minimum, this finding calls attention to the need for a closer and continuing oversight over the designation of these positions.

Executives Lack of Knowledge About SES Protections. A substantial number of the survey respondents indicated a surprising lack of understanding about the operation of their agency Executive Resources Boards. This finding, coupled with comments made to us in our follow-up survey, suggests that many executives do not fully understand the SES system and the protections CSRA established for career executives. This lack of knowledge may make career executives more vulnerable to improper political influence, including arbitrary personnel actions.

Bonus Awards Based on Political Affiliation. Only a small number (6%) of all senior executives report one or more instances in the last 12 months where they believe bonuses or rank awards were given to executives because of partisan political affiliation. However, there are significant variations among agencies in the reported incidence.

It is important to note that the studies were conducted before the 120-day protected period for career SES members had expired. Further, the studies were conducted at a time when agency heads and many top ranking executives in the new Administration were only recently in place or yet to take office. Consequently, these studies give only a preliminary view of just how the change in Administrations will ultimately affect career executives. The Office of Merit Systems Review and Studies will continue to monitor the protections against improper political interference in SES.

RECOMMENDATIONS

Based on the findings and discussion presented above, the following recommendations are offered:

1. Congress should consider:

   - Lifting the current pay cap on executive pay, and allow the annual adjustments for executives under Public Law 94-82 to take effect.

   - Lifting restrictions on bonuses, and allow them to operate as the effective incentive they were originally intended to be.

2. As of July 1, 1981, only one out of approximately 6,200 career executives has been removed from the SES for poor performance. This suggests that SES's expedited procedures for the removal of poor performers have not been used to identify and remove poor performers. Agency heads should review their agency's performance appraisal system to determine:

   - whether executives who perform poorly are being identified through the appraisal process, and

   - if action is being taken to assist any such executives to improve their performance, to reassign them to positions where they can perform satisfactorily, or to remove them from SES.

3. This study suggests the executives' concern over potential unfair ratings in the performance appraisal process is linked to executives' lack of trust and confidence in their immediate supervisors and to how effective they see their communications to be with their bosses. For this reason, agencies should review their executive development programs to determine if adequate emphasis is being placed on communication skills and the performance appraisal process in management training.

4. OPM should institute a program to:

   - determine if agencies have properly designated positions as "general" or "career-reserved," and require changes in designation where appropriate;

   - establish and publicize communication channels for executives to use in notifying OPM of positions the executive believes have been improperly designated as "general";

   - clarify and sharpen existing guidelines if it finds a substantial number of improper designations.

5. OPM should provide information to career SES members on the protections accorded career executives under SES.

6. Outside agencies, such as OPM and MSPB's Office of the Special Counsel, should publicize the availability of their services regarding complaints of prohibited personnel practices in the awarding of bonuses, cash or rank awards.

7. Agencies should provide information to all SES members on the purpose and operation of the agencies' Executive Resources Boards.

The Office of Merit Systems Review and Studies will continue to monitor the SES and provide periodic reports to the President and the Congress on the status of the system. In addition, the Office will provide the Office of the Special Counsel with specific data from this study concerning alleged prohibited personel practices within specific agencies.

APPENDIX A

SELECTED EXAMPLES OF EXECUTIVES' ATTITUDES TOWARD THE SENIOR EXECUTIVE SERVICE

Approximately 60% of the respondents in the survey elaborated on their responses to specific questions or made general statements about SES in the open-ended comment section. Only seven out of approximately 600 respondents gave positive (or even mixed) assessments of SES. Those comments are included immediately below. The remaining comments are typical of the generally critical appraisal offered by SES members.

"The concept of SES is sound but its success or failure as an institution will hinge on how its members are treated during its first transition. If politics not program candidates dictate transfers and adverse personnel actions, the system will be perceived to have degenerated into a spoils system and this will kill its effectiveness."

* * * * *

"I think the SES is working out well. However, the major test will be how the new administration uses its increased freedom to remove career officials from their current positions and put them into a "holding pool" or a job they consider undesirable."

* * * * *

"The potential for SES is good. It is new and requires more time for a fair trial. There is less confidence that it will be successful now than at the beginning. A high level of confidence must be generated or it will fail."

* * * * *

"I strongly believe that the SES represents an improvement in the management of senior executives in the Federal Government. However, I believe that significant improvement needs to be made in the administration of bonuses, rank awards and pay adjustments and in the administration of the appraisal system. I believe that the current system results in less than equal treatment in the final performance evaluation of individuals, is <u>too</u> dependent upon the ability or interest of a single supervisor in administering the performance appraisals--and does not necessarily result in the most deserving employees receiving awards."

* * * * *

"The SES has many good features. I like the idea of the annual contract, also the idea of bonuses. I seriously doubt, however, that the bonus system will ever be allowed to work in a meaningful way in Government. The 20% restriction on numbers of bonuses makes it virtually a hollow shell."

* * * * *

"To summarize my answers, I believe the Civil Service Reform Act will make a positive contribution by requiring written performance standards and evaluations based on those standards. My experience thus far indicates SES is not making much of a difference other than the effect of performance standards, and the anxieties and extra work-hours consumed in calculating merit-pay and SES bonuses, salary adjustment, etc., is counter-productive."

* * * * *

"One of the primary benefits of the CSRA is the ability of Management to move SES people from one job to another without going through the extremely lengthy selection process. My agency has used this mechanism for six of it 70 SES people already. It provides a tremendous degree of management flexibility, particularly when it takes a minimum of seven months to competitively select an SES member."

* * * * *

"The total experience with SES has been one of complete dissatisfaction. Start over."

* * * * *

"There is really very little left to the SES. Salaries are frozen -- awards are limited and the bonus provision has been cut back to nothing. I believe the members gave up a good deal based on what now appears to be broken promises."

* * * * *

"SES, in operation, is a fraud on the public, to the extent it has been led to believe anything has changed, and on its members, to the extent they were led to believe things would change. Both Congress and the Executive Branch are at fault. Overall, great concept -- putrid execution."

* * * * *

"The SES represented a no-choice, no-win situation; job stagnation and no salary raises if one remained in GS, a risky promise, which was promptly broken by Congress, if one joined."

* * * * *

"The existing "cap" on SES pay has destroyed the ability of the SES system to meet its objectives. Failure to adjust the SES pay cap for "real-life" factors such as inflation (unlike the private and non-SES federal service sectors) punishes SES members instead of rewarding them for performance, sacrifice of tenure, etc. After pay cap constraints, the second greatest area of dissatisfaction is the invasion of privacy resulting from excessive requirements for financial disclosure."

* * * * *

"I retired August 29, 1980, but "reenlisted" in the same job, which it now appears I will hold through the transition. I had modest hopes for Civil Service Reform -- SES, etc., but they have not, and are unlikely to be realized. For senior executives, compensation, grade compression continues to be a central concern, a concern clearly not shared by this administration, which has shown no leadership in this area whatsoever, and the Congress. I have been with this Department since its creation in 1967 and have observed a marked and steady decline in the quality and number of experienced managers. Frustration and disillusionment are the reasons I've bailed out."

* * * * *

"The SES has not lived up to its initial promises especially in salary and awards. In addition, the underlying premise now being pushed in the SES awards and bonus system is that it is the "exception" for any civil service executive to be performing well enough to warrant a bonus or an award. This is directly opposite the private industry view where it is an exception for an executive of a successful management team not to warrant a bonus. The current approach to the SES performance and awards system can only be described as a "negative" management philosophy."

* * * * *

"When Congress and the Administration limited the number and the amount of bonuses they gutted SES."

* * * * *

"My dissatisfaction with SES is due to the pay cap and the limitations which have been placed on bonus awards (20% in my agency). I believe the SES system will marginally improve agency operations, due almost solely to the structured performance standards and appraisal system, which a) makes clear what is expected, and b) provides feedback to encourage self-correction."

* * * * *

"Focus on the pros and cons of continuing the SES. In my opinion, it is a disaster, administratively and substantively."

* * * * *

"I was optimistic about the SES initially. But now I doubt it will make any difference. OPM folded under Congressional pressure when NASA overdid the bonuses."

* * * * *

"In my opinion, the SES system has not made Federal Executives more productive. I believe that the large majority of these people did a good job before SES and are continuing to perform at a high level. The SES system has made it easier to move people around. It should be noted, however, that when Exec's had to be moved or downgraded before SES, we did it. It simply was slightly more difficult. The bonus system is not a substitute for inadequate salaries. Cabinet Officers should be paid $200,000 per year. The departments of the Executive Branch are more difficult to manage than most if not all large industrial firms. The lower level executives are underpaid by 30 to 100 percent."

"The SES system has had a completely demoralizing effect in my unit. It has increased administrative paper workload of both supervisors of SES personnel and the personnel itself by an inordinate amount. Since many of the salary or bonus oriented alleged advantages have been reneged on, which were the only advantages, while the negative security-related factors have remained intact, most SES personnel feel: a) that they have been cheated b) that the system is characterized primarily by the worst features of the private sector systems and the public sector system. As a group all SES personnel known to me are very bitter about the system's imposition."

* * * * *

"Aside from the pay and other obvious breaches of faith (if not contract) by management, the major problem is that the SES has been administered at the smallest agency level possible rather than really being one, government-wide system which would provide the kinds of opportunity (forced) needed for movement."

* * * * *

"The result is tragic and in good conscience I could not recommend to young professionals to join the government. Congress reneged on the SES and that finished a lot of what was presumed good about it. Actually it is defective in concept since government executives rarely have control over money, personnel, spaces and physical space in a coordinated fashion. Consequently the reward system has to be inconsistent. The bonus system does not offer tax breaks as do industry benefits for executives and the risks are not with the rewards."

* * * * *

"Relating to pay the SES has done a disservice. I feel it has helped to retain the pay cap because it gives the impression to Congress and the public that we are being paid more (through the bonus system) than is actually the case - congressional changes to 25% and OPM reductions beyond that have reduced the pay possibilities to almost zero -- I would retire <u>today</u> if someone would abolish my job -- I'm fed up with the way Government Execs are treated--."

* * * * *

"The SES system was a hoax perpetrated on the Senior Civil Service managers. It was falsely advertised (e.g. up to 50% of the people being eligible for bonuses), and enmeshed in the politics of an election year. The net effect is a pronounced negative one and is largely demotivating. Combined with the pay cap it is an absurd system that <u>no</u> private firm would tolerate. <u>Anyone</u> endorsing the present system is so ignorant of basic management principles and so woefully inept as to have demonstrated a total incompetence to occupy even the most junior management position in the Federal Government. The political appointees and elected officials responsible should be mortally ashamed of their performance -- unfortunately they will crow with pride over their actions and it will probably be applauded by all those with neither the experience or responsibility to carry out a job."

* * * * *

"I simply thought that the SES system would work and that as a manager I would finally get a chance to really manage. God. How wrong I was."

* * * * *

"I believe that morale is extremely low within SES. Most members that I talk with feel that the Civil Service Reform Act has produced little more than a series of broken promises. In fact, a union like SES organization is forming principally because of the frustation stemming from the broken promises. People have joined the SES, giving up rights in exchange for promised higher rewards. The higher rewards have never materialized. The pay cap has been retained. Bonuses have been limited to an extent that they no longer have any real meaning. The other real problem that I see is with the SES contract. The contract inhibits risk-taking -- not encourages it. Most people feel that only a fool would agree to a high risk critical element -- especially in light of the limited rewards. I believe that there are some in SES who will insist that their subordinate SES employee include high risk critical elements in their contract -- but I suggest that the number will be small."

* * * * *

"Gov't service has become somewhat less desirable for all workers but still remains desirable for many. Unfortunately its desirability is inverse to the grade level of its employees. Today it is completely undesirable employment for the highest level employees. The pay ceiling, the incentive to take retirement benefits together with the SES system and merit pay have just about destroyed incentive for its top level people."

* * * * *

"The SES system is a disaster -- there is no way it can work. First it mandates that of its very best people only half (at best) can get a bonus - any bonus is so small and always will remain so because of Congress's concern for abuse that there will never be an effective reward. By placing cost savings and EEO effectiveness as statutory measures of a manager's effectiveness, a major tendency to give most of the awards to individuals whose jobs are involved in property management and personnel has been created. Most managers are involved in managing programs yet it is much harder to measure their performance and thus to justify to congress bonuses for these people. An examination of the first years recipients of bonuses confirms this built-in bias."

* * * * *

APPENDIX B

U.S. Merit Systems Protection Board
Washington, D.C.

The MSPB 1981 Questionnaire Series on the Senior Executive Service

Survey No. 1: General Attitudes and Experiences

This is a survey of the opinions and experiences of Federal executives. The questionnaire covers seven topic areas:

- Job Satisfaction At Your Current Agency
- Organizational Climate and Relationships
- Employee Selection and Placement
- Prohibited Practices
- Performance Appraisal
- Senior Executive Service
- Demographic and Job Data

What you say in this questionnaire is confidential. Please do not sign your name.

We appreciate your taking the time to complete this questionnaire. The usefulness of this study in making the Federal Government a better place in which to work depends upon the frankness and care with which you answer the questions. This is the first in a series of three to four questionnaires. The Merit Systems Protection Board will be sending subsequent questionnaires in this series to individuals who volunteer to participate in further surveys over the next twelve months.

For each question, please check the box next to the best response. Some of the questions include an "other" category where you may write in a response if the ones we have provided do not fit your situation or experiences. So that we may easily read and analyze the responses of this type, we ask that you place your written responses on page 15 of this questionnaire. At the end of the questionnaire we also invite you to express your opinions about other topics on which to focus in future studies.

Job Satisfaction at Your Current Agency

In this section, we ask about your job satisfaction and your agency as a place to work.

1. Where do you work? (Please check the box next to the appropriate response.)

001 ☐ Agency for International Development

Agriculture
002 ☐ Agricultural Marketing Service
003 ☐ Agricultural Stabilization and Conservation Service
004 ☐ Animal and Plant Health Inspection Service
005 ☐ Economic Statistics Service
006 ☐ Farmers Home Administration
007 ☐ Food and Nutrition Service
008 ☐ Food Safety and Quality Service
009 ☐ Forest Service
010 ☐ Science and Education Administration
011 ☐ Soil Conservation Service
012 ☐ Other Department of Agriculture

CAB
013 ☐ Civil Aeronautics Board

CRC
014 ☐ Civil Rights Commission

Commerce
015 ☐ Bureau of the Census
016 ☐ Economic Development Administration
017 ☐ International Trade Administration
018 ☐ National Bureau of Standards
019 ☐ National Oceanic and Atmospheric Administration
020 ☐ Other Department of Commerce

Defense Department
021 ☐ Air Force
022 ☐ Army
023 ☐ Defense Intelligence Agency
024 ☐ Defense Supply Agency
025 ☐ Defense Contract Audit Agency
026 ☐ Defense Mapping Agency
027 ☐ Navy
028 ☐ Other Department of Defense

Education
029 ☐ Education

Energy
030 ☐ Bonneville Power Administration
031 ☐ Economic Regulatory Commission
032 ☐ Other Department of Energy

EPA
033 ☐ Environmental Protection Agency

EEOC
034 ☐ Equal Employment Opportunity Commission

FCA
035 ☐ Farm Credit Administration

036 ☐ Federal Communications Commission

037 ☐ Federal Deposit Insurance Corporation

038 ☐ General Services Administration

Health and Human Services
039 ☐ Office of Secretary
040 ☐ Office of Assistant Secretary for Health
041 ☐ Alcohol, Drug Abuse, and Mental Health Administration
042 ☐ Center for Disease Control
043 ☐ Food and Drug Administration
044 ☐ Health Care Financing Administration
045 ☐ Health Services Administration
046 ☐ National Institutes of Health
047 ☐ Social Security Administration
048 ☐ Other Department of Health and Human Services

HUD
049 ☐ Housing and Urban Development

Interior
050 ☐ Bureau of Indian Affairs
051 ☐ Bureau of Land Management
052 ☐ Bureau of Mines
053 ☐ Bureau of Sport Fisheries and Wildlife
054 ☐ Geological Survey
055 ☐ National Park Service
056 ☐ Water and Power Resources Service
057 ☐ Other Interior Department

ICA
058 ☐ International Communications Agency

ICC
059 ☐ Interstate Commerce Commission

Justice
060 ☐ Bureau of Prisons
061 ☐ DOJ Offices, Boards, and Divisions
062 ☐ Drug Enforcement Administration
063 ☐ Federal Bureau of Investigation
064 ☐ Immigration and Naturalization Service
065 ☐ U.S. Marshals Service
066 ☐ U.S. Attorneys
067 ☐ Other Department of Justice

Labor
068 ☐ Bureau of Labor Statistics
069 ☐ Employment and Training Administration
070 ☐ Employment Standards Adminstration
071 ☐ Mine Safety and Health Administration
072 ☐ Occupational Safety and Health Administration
073 ☐ Other Department of Labor

074 ☐ National Aeronautics and Space Administration

075 ☐ National Labor Relations Board

076 ☐ National Science Foundation

077 ☐ Nuclear Regulatory Commission

078 ☐ Office of Management and Budget

079 ☐ Office of Personnel Management

080 ☐ Panama Canal Company

081 ☐ Selective Service System

082 ☐ Small Business Administration

State
083 ☐ State (excluding Agency for International Development)

Transportation
084 ☐ Federal Aviation Administration
085 ☐ Federal Highway Administration
086 ☐ U.S. Coast Guard
087 ☐ Other Department of Transportation

Treasury
088 ☐ Bureau of Alcohol, Tobacco, and Firearms
089 ☐ Bureau of Engraving and Printing
090 ☐ Bureau of Government Financial Operations
091 ☐ Bureau of the Mint
092 ☐ Bureau of the Public Debt
093 ☐ Comptroller of the Currency
094 ☐ Internal Revenue Service
095 ☐ U.S. Customs Service
096 ☐ U.S. Secret Service
097 ☐ Other Treasury Department

Metric Board
098 ☐ U.S. Metric Board

Veterans Administration
099 ☐ Department of Medicine and Surgery
100 ☐ Department of Veterans Benefits
101 ☐ Other Veterans Administration

Other Agency
102 ☐ Other (Specify your agency on page 15.)

Throughout this questionnaire, **your immediate work group** refers to the co-workers with whom you come in contact on a more-or-less daily basis, and **your agency** refers to the organization you checked in question 1 above.

2. How often do you look forward to coming to work each day?

1 ☐ Almost always
2 ☐ Usually
3 ☐ Sometimes
4 ☐ Seldom
5 ☐ Almost never

3. How would you rate the *Federal Government* as an employer, compared to other employers that you know about?

1 ☐ One of the best
2 ☐ Above average
3 ☐ Average
4 ☐ Below average
5 ☐ One of the worst
6 ☐ No basis to judge

4. How would you rate *your agency* as a place to work, compared to other agencies that you know about?

1 ☐ One of the best
2 ☐ Above average
3 ☐ Average
4 ☐ Below average
5 ☐ One of the worst
6 ☐ No basis to judge

5. Do you feel that taxpayers are getting their money's worth from the contribution you are able to make in your current job?

1 ☐ Definitely yes
2 ☐ Probably yes
3 ☐ Not sure
4 ☐ Probably not
5 ☐ Definitely not

6. How often is good use made of your skills and abilities in your present job?

1 ☐ Almost always
2 ☐ Usually
3 ☐ Sometimes
4 ☐ Seldom
5 ☐ Never

7. How do you feel about the amount of work you are expected to do?

1 ☐ Too much
2 ☐ About the right amount
3 ☐ I would prefer to do more

8. How satisfied are you with the following aspects of your job?

	Very satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Very dissatisfie	No bas to judg
a. The job itself—the kind of work you do	☐	☐	☐	☐	☐	☐
b. Your salary compared to that of other employees in *your agency* doing comparable work	☐	☐	☐	☐	☐	☐
c. Your salary compared to that of employees in *other agencies* doing comparable work	☐	☐	☐	☐	☐	☐
d. Your salary compared to that of employees in the *private sector* doing comparable work	☐	☐	☐	☐	☐	☐
	1	2	3	4	5	6
e. Your opportunity to earn more money in your present position	☐	☐	☐	☐	☐	☐
f. Your opportunity to move into a higher level position within the Federal Government	☐	☐	☐	☐	☐	☐
g. Your freedom to make decisions about how you carry out your work	☐	☐	☐	☐	☐	☐
h. Your opportunity to see results, to have a positive impact	☐	☐	☐	☐	☐	☐
i. The appreciation you receive from your management for doing a good job	☐	☐	☐	☐	☐	☐
	1	2	3	4	5	6

9. Considering everything, how would you rate your overall satisfaction in your Federal position at the present time? Your answer may be based on factors which were not mentioned above.

1 ☐ Completely satisfied
2 ☐ Very satisfied
3 ☐ Satisfied
4 ☐ Neither satisfied nor dissatisfied
5 ☐ Dissatisfied
6 ☐ Very dissatisfied
7 ☐ Completely dissatisfied

10. If you had known when you entered government service what you know now, would you have come to work for the Federal Government?

1 ☐ Definitely yes
2 ☐ Probably yes
3 ☐ Not sure
4 ☐ Probably not
5 ☐ Definitely not

11. How has your general attitude about working for the Federal Government changed as a result of the Civil Service Reform Act?

1 ☐ Much more positive than before
2 ☐ Somewhat more positive than before
3 ☐ No significant change, one way or another
4 ☐ Somewhat more negative than before
5 ☐ Much more negative than before
6 ☐ Not sure
7 ☐ Too soon to tell

12. If you have your own way, will you be working for the Federal Government two years from now?

1 ☐ Very likely
2 ☐ Somewhat likely
3 ☐ It could go either way
4 ☐ Somewhat unlikely
5 ☐ Very unlikely

Skip to Question 14

13. If you do not expect to be working for the Federal Government two years from now, why not?

1 ☐ I expect to retire.
2 ☐ I expect to leave for other reasons.

Organizational Climate and Relationships

This section asks about your relationship with your supervisor, and also your and your co-workers' ability to express opinions freely and without fear of reprisal. Throughout this questionnaire, *your immediate work group* refers to the co-workers with whom you come in contact on a more-or-less daily basis.

14. How long have you worked for your present immediate supervisor?

1 ☐ Less than 6 months
2 ☐ 6 months to less than 1 year
3 ☐ 1 to less than 3 years
4 ☐ 3 to less than 5 years
5 ☐ 5 years or more

15. How would you rate your immediate supervisor in each of the following areas?

	Very good	Good	Average	Poor	Very poor	Not sur
a. Knowledge of subject matter	☐	☐	☐	☐	☐	☐
b. Ability to obtain results through other people	☐	☐	☐	☐	☐	☐
c. Ability to "buffer" your immediate work group against unreasonable or conflicting demands from other sources	☐	☐	☐	☐	☐	☐
	1	2	3	4	5	6

16. To what extent is there effective two-way communication between you and your immediate supervisor?

1 ☐ To a very great extent
2 ☐ To a considerable extent
3 ☐ To some extent
4 ☐ To a little extent
5 ☐ To no extent

17. How much trust and confidence do you have in your immediate supervisor?

1 ☐ A great deal
2 ☐ Quite a bit
3 ☐ Some
4 ☐ Little
5 ☐ Very little or none
6 ☐ No basis to judge

18. In your opinion, how fairly does your supervisor treat his or her subordinates?

1 ☐ Very fairly
2 ☐ More or less fairly
3 ☐ Could go either way
4 ☐ More or less unfairly
5 ☐ Very unfairly
6 ☐ No basis to judge

19. To what extent does your supervisor show that he or she understands the problems involved in your job?

1 ☐ To a very great extent
2 ☐ To a considerable extent
3 ☐ To some extent
4 ☐ To a little extent
5 ☐ To no extent

20. How much emphasis does your supervisor place on striving for excellence in your work?

1 ☐ A great deal
2 ☐ Quite a bit
3 ☐ Some
4 ☐ Little
5 ☐ Very little or none

21. How often does the supervision you get make you feel that you want to give extra effort to your work?

1 ☐ Almost always
2 ☐ Usually
3 ☐ Sometimes
4 ☐ Rarely
5 ☐ Almost never

22. To what extent do you feel that you and the people in your immediate work group belong to a team that works together?

1 ☐ To a very great extent
2 ☐ To a considerable extent
3 ☐ To some extent
4 ☐ To a little extent
5 ☐ To no extent

23. If the number of people in your immediate work group stayed the same, to what extent do you think the amount of work done in your area could be increased?

1 ☐ To a very great extent
2 ☐ To a considerable extent
3 ☐ To some extent
4 ☐ To a little extent
5 ☐ To no extent

24. To what extent do you think the quality of work done in your immediate work group could be improved?

1 ☐ To a very great extent
2 ☐ To a considerable extent
3 ☐ To some extent
4 ☐ To a little extent
5 ☐ To no extent

25. If your immediate work group used *contractors or consultants* during the past 12 months, how do you feel about the amount of work that was contracted out or handled by consultants?

1 ☐ To my knowledge, no contractors or consultants were used. *(Skip to Question 26.)*
2 ☐ Too much was contracted out or handled by consultants.
3 ☐ About the right amount was contracted out or handled by consultants.
4 ☐ Too little was contracted out or handled by consultants.
5 ☐ I have insufficient basis to judge.

25a. If contractors or consultants were used, which of the following factors most influenced the decision to use a *contractor or consultant*, rather than your agency's own employees? (Check the box for all that apply.)

1 ☐ I have insufficient basis to judge
2 ☐ Hiring ceilings
3 ☐ Lack of in-house expertise
4 ☐ Agency personnel were unavailable
5 ☐ Prospect of higher quality work from contractor or consultant
6 ☐ Prospect of speedier delivery of finished work by contractor or consultant
7 ☐ Lower costs for work when performed by contractor or consultant
8 ☐ Other *(Write your specific comments on page 15.)*

26. Within your immediate work group, how often do employees tell their supervisors what they really believe, whether or not they think it is what their supervisors would like to hear?

1 ☐ Almost always
2 ☐ Usually
3 ☐ Sometimes
4 ☐ Seldom
5 ☐ Never

27. In your opinion, how adequate are the protections presently available to persons attempting to expose wrongful practices within Government operations (e.g., fraud, waste, mismanagement, prohibited personnel practices)?

1 ☐ Very adequate
2 ☐ Adequate
3 ☐ Inadequate
4 ☐ Very inadequate
5 ☐ Not sure

28. During the last 12 months, have you ever been concerned that doing your job too thoroughly—too conscientiously—might result in your getting in trouble with your own immediate management?

1 ☐ Very often
2 ☐ Quite often
3 ☐ Sometimes
4 ☐ Seldom
5 ☐ Never

29. Have you heard about the *Merit Systems Protection Board*, and how much do you know about what it is supposed to do?

1 ☐ I have never heard of the organization.
(Skip to Question 31.)

I have heard of the organization, and:

2 ☐ I have no idea of what it is supposed to do.
3 ☐ I have only a vague idea of what it is supposed to do.
4 ☐ I have a pretty good idea of what it is supposed to do.
5 ☐ I have a very good idea of what it is supposed to do.

30. How confident are you that the *Merit Syste Protection Board* would judge your case fairly a equitably if you were to appeal a personnel acti affecting you?

1 ☐ Very confident
2 ☐ Confident
3 ☐ Less than confident
4 ☐ Not at all confident
5 ☐ Not sure

31. Have you heard about the *Office of Spec Counsel* within the Merit Systems Protecti Board, and how much do you know about what is supposed to do?

1 ☐ I have never heard of the organization.
(Skip to Question 33.)

I have heard of the organization, and:

2 ☐ I have no idea of what it is supposed to d
3 ☐ I have only a vague idea of what it is sup posed to do.
4 ☐ I have a pretty good idea of what it is sup posed to do.
5 ☐ I have a very good idea of what it is supposed to do.

32. How confident are you that the *Office of Special Counsel* in the Merit Systems Protecti Board would protect you from reprisal, if y were to need protection for having disclosed illegal or wasteful practice?

1 ☐ Very confident
2 ☐ Confident
3 ☐ Less than confident
4 ☐ Not at all confident
5 ☐ Not sure

Employee Selection and Placement

We would like to touch briefly on certain kinds of experiences you may have had in your immediate work group with how people are recruited, selected, promoted and reassigned.

33. During the past 12 months, how often have you personally observed the following events in your immediate work group?

	Almost always	Usually	Sometimes	Seldom	Never	No basis to judge
a. Competent candidates were selected over less qualified candidates.	☐	☐	☐	☐	☐	☐
b. Applicants from *outside* the agency were given a fair shot at being considered for the position.	☐	☐	☐	☐	☐	☐
c. Applicants from *inside* the agency were given a fair shot at being considered for the position.	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5	☐ 6
d. Only the "heir apparent" was ever seriously considered for the position.	☐	☐	☐	☐	☐	☐
e. Efforts to increase the representation of women and minorities resulted in the hiring of well qualified women and minorities who would not otherwise have been hired.	☐	☐	☐	☐	☐	☐
f. Efforts to increase the representation of women and minorities resulted in the hiring of seriously deficient candidates who would not otherwise have been hired.	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5	☐ 6

Prohibited Practices

This section asks about your experiences with prohibited practices in your workplace.

34. During the past 12 months, have you personally observed any events which strongly suggested to you the possibility of any of the following prohibited practices in your immediate work group?

	Yes, more than one instance	Yes, one instance	No
a. An employee being pressured to contribute to a political campaign	☐	☐	☐
b. An employee being pressured to participate in partisan political activity	☐	☐	☐
c. An employee actively seeking partisan political office or raising funds on behalf of a partisan political candidate	☐ 1	☐ 2	☐ 3
d. A career employee being pressured to resign or transfer on account of his or her political affiliation	☐	☐	☐
e. An appointment to the competitive service made as a result of political party affiliation	☐	☐	☐
f. An attempt to get back at someone because he or she disclosed some wrongful activity in the agency	☐	☐	☐
g. An attempt to get back at someone because he or she filed a formal appeal	☐	☐	☐
h. An attempt to influence someone to withdraw from competition for a Federal job in order to help another person's chances for getting the job	☐ 1	☐ 2	☐ 3
i. A selection for job or job reward based on family relationship	☐	☐	☐
j. A selection for job or job reward based primarily on the "buddy system"	☐	☐	☐
k. An attempt to get back at someone because he or she engaged in lawful union activity	☐	☐	☐
l. An employee being pressured by a supervisor for sexual favors	☐ 1	☐ 2	☐ 3

35. During the past 12 months, have you personally observed any events which strongly suggested to you the possibility of any of the following discriminatory practices in your immediate work group?

	Yes, more than one instance	Yes, one instance	No
a. A person being denied a job or job reward on account of *sex*	☐	☐	☐
b. A person being denied a job or job reward on account of *race, color, or national origin*	☐	☐	☐
c. A person being denied a job or job reward on account of *religion*	☐ 1	☐ 2	☐ 3
d. A person being denied a job or job reward on account of *age*	☐	☐	☐
e. A person being denied a job or job reward on account of a *handicap unrelated to job requirements*	☐	☐	☐
f. A person being denied a job or job reward on account of *marital status*	☐	☐	☐
g. A person being denied a job or job reward on account of *political affiliation*	☐ 1	☐ 2	☐ 3

Performance Appraisal

This section asks your observations about how the performance appraisal process is working in your immediate work group.

In the following questions, "job elements" refer to **what** you do and "performance standards" refer to **how well** you do it.

36. Have job elements and performance standards based on Civil Service Reform Act requirements been written and established for your current job?

1 ☐ No
2 ☐ Not sure
→ *Skip to Question 49.*
3 ☐ Yes → *Continue*

37. Who determined your current performance standards?

1 ☐ I did, alone.
2 ☐ I did, primarily, with some contribution from my supervisor.
3 ☐ They were jointly developed, involving me and my supervisor.
4 ☐ My immediate or higher level supervisor determined them and then asked for my comments.
5 ☐ My immediate or higher level supervisor determined them unilaterally.
6 ☐ Don't know.

38. How familiar are you with your current performance standards?

1 ☐ I have no idea what the standards are → *Skip to Question 49.*
2 ☐ I know almost exactly what the standards are
3 ☐ I have a rather good idea
4 ☐ I have only a vague impression

38a. In your opinion, will your supervisor use these standards to evaluate your performance?

1 ☐ Definitely yes
2 ☐ Probably yes
3 ☐ Not sure
4 ☐ Probably not
5 ☐ Definitely not

39. How would you rate your current performance standards with respect to the degree of difficulty you think they will pose for you?

1 ☐ Much too difficult
2 ☐ Too difficult
3 ☐ About right
4 ☐ Too easy
5 ☐ Much too easy

40. In your opinion, how rational are the standards that your supervisor uses to evaluate your performance?

1 ☐ Very rational
2 ☐ Rational
3 ☐ Irrational
4 ☐ Very irrational
5 ☐ Not sure

41. To what extent do your performance standards cover the elements of your job which, in your opinion, are most important?

1 ☐ To a very great extent
2 ☐ To a considerable extent
3 ☐ To some extent
4 ☐ To a little extent
5 ☐ To no extent

42. From your point of view, to what extent is it within your control to satisfy your performance standards?

1 ☐ To a very great extent
2 ☐ To a considerable extent
3 ☐ To some extent
4 ☐ To a little extent
5 ☐ To no extent

43. How confident are you that your supervisor—in evaluating your performance—will take into account influences beyond your control?

1 ☐ Very confident
2 ☐ Confident
3 ☐ Less than confident
4 ☐ Not at all confident
5 ☐ Not sure

44. Within the past 12 months, have you received a performance appraisal in your current position that was based on Civil Service Reform Act requirements (appraisal based on critical elements and performance standards)?

1 ☐ No
2 ☐ Not sure
→ *Skip to Question 49.*
3 ☐ Yes, but the appraisal was used for a "dry run" or "test" of the new appraisal system.
4 ☐ Yes, I received an actual appraisal (not a "dry run" or "test").

45. In your opinion, was your performance fairly and accurately rated?

1 ☐ Yes, completely
2 ☐ Yes, mostly
3 ☐ Yes, to some extent
4 ☐ No, not really

46. How satisfied was your supervisor with your performance?

1 ☐ Almost entirely satisfied
2 ☐ Generally satisfied
3 ☐ Neither satisfied nor dissatisfied
4 ☐ Generally dissatisfied
5 ☐ Almost entirely dissatisfied
6 ☐ Too little information from supervisor for me to know
7 ☐ Do not recall

47. How would you rate this appraisal experience?

1 ☐ Very helpful
2 ☐ Quite helpful
3 ☐ Somewhat helpful
4 ☐ Not very helpful
5 ☐ Did more harm than good

48. To what extent did your most recent performance appraisal affect personnel decisions involving you personally (such as promotions, awards, training opportunities, reassignments, or other personnel actions)?

1 ☐ To a very great extent
2 ☐ To a considerable extent
3 ☐ To some extent
4 ☐ To a little extent
5 ☐ To no extent
6 ☐ Too early to know

49. If *your supervisor* were to perform poorly in the eyes of his or her supervisor, how likely is it that he or she would be removed from his or her position?

1 ☐ Very likely
2 ☐ Somewhat likely
3 ☐ Could go either way
4 ☐ Somewhat unlikely
5 ☐ Very unlikely
6 ☐ Not sure

50. If *you* were to perform poorly in the eyes of your supervisor, how likely is it that you would be removed from your position?

1 ☐ Very likely
2 ☐ Somewhat likely
3 ☐ Could go either way
4 ☐ Somewhat unlikely
5 ☐ Very unlikely
6 ☐ Not sure

Senior Executive Service

The following questions deal with issues related to the Senior Executive Service (SES).

51. How long have you been in the SES?

1 ☐ Less than 3 months
2 ☐ 3 months to 1 year
3 ☐ More than 1 year

52. Are you a charter member of the SES?

1 ☐ Yes
2 ☐ No

53. Which type of SES appointment do you have?

1 ☐ Career
2 ☐ Non-career
3 ☐ Limited

54. Which of the following factors, if any, did you consider when deciding whether to join SES, and how important were they to your decision to join?

	Extremely important	Quite important	Somewhat important	Not important at all	I did not consider it	I was not aware of it
a. Opportunity for higher base salary	☐	☐	☐	☐	☐	☐
b. Opportunity for major bonuses *or* rank awards	☐	☐	☐	☐	☐	☐
c. Opportunity for job mobility *within* your agency	☐	☐	☐	☐	☐	☐
d. Opportunity for job mobility *between* agencies	☐	☐	☐	☐	☐	☐
	1	2	3	4	5	6
e. Opportunity for promotion to top policy-making positions	☐	☐	☐	☐	☐	☐
f. Opportunity for sabbaticals	☐	☐	☐	☐	☐	☐
g. There was no real alternative.	☐	☐	☐	☐	☐	☐
h. Other *(Write your specific comments on page 15.)*	☐	☐	☐	☐	☐	☐
	1	2	3	4	5	6

55. How satisfied are you with the changes SES has brought about in the following areas as they apply to you personally?

	Completely satisfied	Generally satisfied	Neither satisfied nor dissatisfied	Generally dissatisfied	Completely dissatisfied	Too soon to tell
a. Opportunity for higher base salary	☐	☐	☐	☐	☐	☐
b. Opportunity for major bonuses *or* rank awards	☐	☐	☐	☐	☐	☐
c. Opportunity for job mobility *within* your agency	☐	☐	☐	☐	☐	☐
d. Opportunity for job mobility *between* agencies	☐	☐	☐	☐	☐	☐
	1	2	3	4	5	6
e. Opportunity for sabbaticals	☐	☐	☐	☐	☐	☐
f. Opportunity for promotion to top policy-making positions	☐	☐	☐	☐	☐	☐
g. Other *(Write your specific comments on page 15.)*	☐	☐	☐	☐	☐	☐
	1	2	3	4	5	6

56. Based on your personal experience in your present agency, to what extent do you agree with the following statements concerning SES?

	Strongly agree	Mildly agree	Neither agree nor disagree	Mildly disagree	Strongly disagree	No basis to judge
a. SES will improve the operation of my agency.	☐	☐	☐	☐	☐	☐
b. There are sufficient incentives in SES to retain highly competent executives.	☐	☐	☐	☐	☐	☐
c. In my agency, individuals from outside the Federal government are selected for senior executive positions over better qualified career civil servants.	☐	☐	☐	☐	☐	☐
d. SES pay incentives encourage harmful competition among executives in my agency.	☐	☐	☐	☐	☐	☐
	1	2	3	4	5	6

56. (Continued) Based on your personal experience in your present agency, to what extent do you agree with the following statements concerning SES?

	Strongly agree	Mildly agree	Neither agree nor disagree	Mildly disagree	Strongly disagree	No basis to judge
e. Under the SES, Federal executives are just as willing to express their real views as they were under the former supergrade system.	☐	☐	☐	☐	☐	☐
f. Transfers or reassignments for executives in my agency have been used primarily as a means of getting rid of dissident executives.	☐	☐	☐	☐	☐	☐
g. Executives perform their jobs no differently under SES than under the former supergrade personnel system.	☐	☐	☐	☐	☐	☐
h. It is much easier to hire minorities and women using SES staffing procedures than under the former supergrade system.	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5	☐ 6

57. What is the designation of your current SES position, and what is your view of that designation?

1 ☐ It is now *career-reserved,* and I think this is appropriate.
2 ☐ It is now *career-reserved,* and I think it should be general.
3 ☐ It is now *career-reserved,* and I am not sure what it should be.
4 ☐ It is now *general,* and I think this is appropriate.
5 ☐ It is now *general,* and I think it should be career-reserved.
6 ☐ It is now *general,* and I am not sure what it should be.

7 ☐ I am not sure of the current designation.

58. To date, has your agency distributed SES bonuses or rank awards?

1 ☐ No
2 ☐ Not sure } → *Skip to Question 61.*
3 ☐ Yes → *Continue.*

59. Have you personally observed any events during the past 12 months which strongly suggested to you the possibility of any of the following in your agency?

	Yes, more than one instance	Yes, one instance	No
a. Distributing either a SES bonus *or* rank award to an employee because of partisan political affiliation	☐	☐	☐
b. Distributing either a SES bonus *or* rank award to "management favorites" without sufficient basis in actual performance	☐	☐	☐
c. Withholding a SES bonus *or* rank award from an employee primarily because he or she works on projects of low visibility *or* low interest to top agency management	☐ 1	☐ 2	☐ 3

60. In your opinion, to what extent do you agree or disagree with the following statements about how SES bonuses are distributed in your agency?

	Strongly agree	Mildly agree	Neither agree nor disagree	Mildly disagree	Strongly disagree	Don't know
a. SES performance bonuses in this agency go primarily to the best performers.	☐	☐	☐	☐	☐	☐
b. SES bonuses are distributed disproportionately to executives at the top of the agency.	☐	☐	☐	☐	☐	☐
c. SES bonuses go disproportionately to members of the Performance Review Board	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5	☐ 6

61. What do you regard as the likelihood of your receiving an SES *bonus* any time within the next 12 months?

1 ☐ Very likely
2 ☐ Somewhat likely
3 ☐ Could go either way
4 ☐ Somewhat unlikely
5 ☐ Very unlikely
6 ☐ I am not eligible for a SES bonus.

62. What do you regard as the likelihood of your receiving a *cash or rank award* any time within the next 12 months?

1 ☐ Very likely
2 ☐ Somewhat likely
3 ☐ Could go either way
4 ☐ Somewhat unlikely
5 ☐ Very unlikely
6 ☐ I am not eligible for these awards.

63. If you had known when you joined the SES what you know now, would you have joined the SES?

1 ☐ Definitely yes
2 ☐ Probably yes
3 ☐ Not sure
4 ☐ Probably not
5 ☐ Definitely not

64. If a GS-15 vacancy occurred in your agency, involving approximately the same kind of work, would you seriously consider leaving your present SES position for the GS-15 job?

1 ☐ Definitely yes
2 ☐ Probably yes
3 ☐ Not sure
4 ☐ Probably not
5 ☐ Definitely not

65. Have you heard of your agency's Executive Resources Board (ERB), and how much do you know about what it is supposed to do?

1 ☐ I have never heard of the ERB.
(Skip to Question 67.)

I have heard of the ERB, and:

2 ☐ I have no idea of what it is supposed to do.
3 ☐ I have only a vague idea of what it is supposed to do.
4 ☐ I have a pretty good idea of what it is supposed to do.
5 ☐ I have a very good idea of what it is supposed to do.

66. How confident are you that the Executive Resources Board's decisions which affect you personally will be fair and equitable?

1 ☐ Very confident
2 ☐ Confident
3 ☐ Less than confident
4 ☐ Not at all confident
5 ☐ Not sure

67. Do you supervise Merit Pay employees, either directly or through intermediate supervisors?

1 ☐ Yes
2 ☐ No

68. In your opinion, which of the following statements best describes your agency's merit pay plan?

1 ☐ A Merit Pay plan has not been established in my agency.
2 ☐ The *plan itself* appears *basically sound* and the *administration* of it will likely be *competent.*
3 ☐ The *plan itself* appears *basically sound* but the *administration* of it will likely be *less-than-competent.*
4 ☐ The *plan itself* appears *basically flawed* although the *administration* of it will likely be *as competent as possible.*
5 ☐ The *plan itself* appears *basically flawed* and the *administration* of it will likely be *less-than-competent.*
6 ☐ No opinion.

Demographic and Job Data

The following information is needed to help us with the statistical analyses of all questionnaires. All your responses are confidential, and cannot be associated with you individually. Your responses will not be seen by anyone within your organization.

69. Where is your job located?

1 ☐ Headquarters within Washington, D.C., metropolitan area
2 ☐ Headquarters outside Washington, D.C., metropolitan area
3 ☐ Field location within Washington, D.C., metropolitan area
4 ☐ Field location outside Washington, D.C., metropolitan area

70. How many years have you been a Federal Government employee (excluding military service)?

1 ☐ Less than 1 year
2 ☐ 1 to less than 4 years
3 ☐ 4 to less than 10 years
4 ☐ 10 to less than 21 years
5 ☐ 21 to less than 30 years
6 ☐ 30 years or more

71. How long have you worked in your current agency?

1 ☐ Less than 3 months
2 ☐ 3 to 12 months
3 ☐ 1 to less than 4 years
4 ☐ 4 to less than 8 years
5 ☐ 8 years or more

72. How long have you been in your present position?

1 ☐ Less than 3 months
2 ☐ 3 to 12 months
3 ☐ 1 to less than 4 years
4 ☐ 4 to less than 8 years
5 ☐ 8 years or more

73. What is your current occupation? (Check the *one* best response.)

1 ☐ Economics
2 ☐ Fiscal
3 ☐ Personnel
4 ☐ Legal
5 ☐ Engineering
6 ☐ Biological, mathematical, or physical sciences
7 ☐ Social sciences
8 ☐ Administration
9 ☐ Other *(Write your current occupation on page 15.)*

74. What is your SES pay rate?

1 ☐ ES-I
2 ☐ ES-II
3 ☐ ES-III
4 ☐ ES-IV
5 ☐ ES-V
6 ☐ ES-VI

75. How did your initial SES pay rate compare to your pre-SES salary?

1 ☐ SES pay rate was *higher* than pre-SES rate
2 ☐ SES pay rate was *about equal to* pre-SES rate
3 ☐ SES pay rate was *lower* than pre-SES rate

76. Which of the following describe your present immediate supervisor?

1 ☐ Military
2 ☐ Political appointee
3 ☐ Senior Executive Service (SES)
4 ☐ Supergrade (non-SES)
5 ☐ Other *(Write your response on page 15.)*

77. What was your last job before joining the SES?

1 ☐ Executive level position
2 ☐ Supergrade (Career appointment)
3 ☐ Supergrade (Non-career appointment and Schedule C)
4 ☐ Supergrade (Schedule A)
5 ☐ Ungraded position equivalent to GS-16 or above
6 ☐ GS-15 (or below) in the excepted service
7 ☐ GS-15 (or below) in the competitive service
8 ☐ Private sector employment

78. Prior to joining the SES, how much experience did you have at the GS-16 level or above in the Federal Government?

1 ☐ None
2 ☐ Less than 1 year
3 ☐ 1 to less than 4 years
4 ☐ 4 to less than 9 years
5 ☐ 9 to less than 15 years
6 ☐ 15 years or more

79. How many years of managerial experience have you had in the private sector?

1 ☐ None
2 ☐ Less than 1 year
3 ☐ 1 to less than 4 years
4 ☐ 4 to less than 9 years
5 ☐ 9 to less than 15 years
6 ☐ 15 years or more

80. How many times have you changed jobs in the last 10 years (in the Federal Government or elsewhere)?

1 ☐ Never
2 ☐ One time
3 ☐ Two times
4 ☐ Three to five times
5 ☐ Six to eight times
6 ☐ Nine or more times

81. Has your agency undergone a major reorganization within the past 18 months which affected you personally?

1 ☐ Yes, and I was favorably affected.
2 ☐ Yes, and I was affected very little or not at all.
3 ☐ Yes, and I was adversely affected.
4 ☐ No.

82. Are you a member of a Performance Review Board?

1 ☐ Yes
2 ☐ No

83. Are you a member of an Executive Resources Board?

1 ☐ Yes
2 ☐ No

84. What is your educational level? ***(Please check the highest level completed.)***

1 ☐ Elementary School (Grade 1-8)
2 ☐ Some high school or some technical training
3 ☐ Graduated from high school or GED (Graduate Equivalency Degree)
4 ☐ High school diploma plus technical training or apprenticeship
5 ☐ Some college (including A.A. degree)
6 ☐ Graduated from college (B.A., B.S., or other Bachelor's degree)
7 ☐ Some graduate school
8 ☐ Graduate degree (Master's, LL.B., Ph.D., M.D., etc.)

85. Are you?

1 ☐ Male
2 ☐ Female

86. Are you?

1 ☐ American Indian or Alaskan Native
2 ☐ Asian or Pacific Islander
3 ☐ Black; not of Hispanic origin
4 ☐ Hispanic
5 ☐ White; not of Hispanic origin
6 ☐ Other

87. What is your age?

1 ☐ Under 20
2 ☐ 20 to 29
3 ☐ 30 to 39
4 ☐ 40 to 49
5 ☐ 50 to 59
6 ☐ 60 to 64
7 ☐ 65 or older

88. Now that you have filled it out, how interesting did you find this questionnaire?

1 ☐ Very interesting
2 ☐ Interesting
3 ☐ So-so
4 ☐ Boring
5 ☐ Very boring

Please use the space below to write in specific comments, referring to questions in which you have checked "other" as a response.

QUESTION NUMBER	YOUR COMMENTS

COMMENTS

We invite you to comment below on the questionnaire, or on any specific issues which you feel we should focus on in further questionnaires in this series.

Please do not sign your name on this questionnaire. Enclose it in the larger envelope provided and drop it in the mai
No postage is necessary.

Thank you for your participation.

The number that appears on the label to the right does *not* identify you individually. It is a code that indicates to us the statistical group that you share with other individuals. We need this code to identify the number of responses that have been returned from each group in this survey.

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