HUMAN CAPITAL

Selected Agencies Have Implemented Key Features of Their Senior Executive Performance-Based Pay Systems, but Refinements Are Needed

What GAO Found

Overall, the selected agencies are making positive steps toward three key areas related to OPM and OMB’s certification criteria, with some opportunities for refinements in these areas.

Factoring organizational performance into senior executive performance appraisal decisions: All of the selected agencies have policies in place that require senior executives’ performance expectations to be aligned with organizational results and organizational performance to be factored into appraisal decisions. Improvements in communicating organizational performance to reviewing officials could be made.

Making meaningful distinctions in senior executive performance: While all of the selected agencies have multiple rating levels in place for assessing senior executive performance, senior executives were concentrated at the top two rating levels in the fiscal year 2007 appraisal cycle, as shown below.

Building safeguards into senior executive performance appraisal and pay systems: The selected agencies varied in how they implemented predecisional checks of appraisal recommendations through higher-level reviews and Performance Review Boards as well as transparency in the aggregate results with opportunities to improve communication of aggregate appraisal results to all senior executives.