USDA
Senior Level/Scientific or Professional (SL/ST) Performance Appraisal System

Windwalker Corporation/CI International

Objectives

- Enhance the understanding of pay-for-performance systems and OPM certification requirements
- Introduce new USDA SL/ST performance appraisal system and template
- Set the stage for effective performance management throughout USDA

Why the Performance Management Focus – Big Picture

- USDA wants performance plans to drive behavior of all employees
- All performance plans should clearly show alignment to Department/Agency goals
- Particularly important for senior leader plans, which are the ones most closely tied to Agency goals
- OPM requires performance appraisal training with new performance systems

Why the Focus on Performance Management – Personal Level

- OPM requires certification of SL/ST performance appraisal system
- Agencies/Department without certification have lower SL/ST total pay package
- Potential direct impact on SL/ST pay
- Can impact ability to hire best available talent

Consequences of OPM SL/ST Performance Certification Decision

Impact on Pay (effective January 2010)

Structure of the SL/ST Pay System	Minimum	Maximum
Agencies with a Certified Performance Appraisal System	$ 119,554	$ 179,700
Agencies without a Certified Performance Appraisal System	$ 119,554	$165,300

Value of Performance Certification

- Department is viewed by OPM/OMB to be providing appropriate focus on performance
- System is being used as a leadership tool
- Performance management system is seen as a leadership responsibility and not merely an administrative/ HR function

Why Results-Oriented Pay for Senior Employees

- High-performing organizations recognize effective performance management systems drive change and achieve results
- Leaders are held accountable for Agency results that drive continuous improvement

Pay for Performance: Two government – wide policies

- SES covered under government-wide policy since 2004

- SL/ST since April 2009

General Features of All Senior Employee Systems

- Open range of basic pay with access to higher pay
- Minimum and maximum rate range established
- Agency plan for setting and adjusting rates of pay must reflect meaningful distinctions between performance rating levels
- OPM must certify, with OMB concurrence, agency senior employee appraisal systems before agencies can use the full pay range for performance pay adjustments

Agencies are Being Held Accountable

- Performance Management systems are reviewed by OPM every 1 or 2 years to ensure system policies and framework are appropriate
- Three Possible Outcomes of OPM review
  1. Provisional Certification
  2. Full Certification
  3. Deny Certification

OPM Certification Requirements

- Very specific requirements outlined in law – 5 CFR 430.404
- OPM SL/ST Performance Appraisal Assessment Tool (PAAT) must be completed and submitted to OPM along with sample performance plans

Performance Assessment Accountability Tool (PAAT)

- Must request certification via SL/ST-PAAT
- Done internally within USDA then submitted to OPM
- SL/ST supervisors and employees themselves play key role in ensuring on-going certification
- PAAT reflects how well USDA senior employees demonstrate accountability for performance
- Adherence to OPM requirements by supervisors and employees vital to continued certification

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Highlights of USDA SL/ST Performance Appraisal System

- 5-level element rating and 5-level summary rating Civil Rights element rated pass-fail
- Plans communicated to the SL/ST within 30 days of the beginning of the appraisal period
- Appraisal Plan and Appraisal Record are one document; same document for all SL/ST
- 3 mandatory critical elements, including Civil Rights element
  - 1 additional critical element for supervisors
  - 2 optional critical elements for program and position specific elements may be included in the performance plan

Highlights of USDA SL/ST Performance Appraisal System

- Separate, critical, pass/fail Civil Rights element required for all SL/ST; specific Civil Rights goals must be included in the Mission Results critical element
- No non-critical elements
- Mission Results element will show measurable results and drive the summary rating above the fully successful level

SL/ST Mandatory Element #1: Mission Results

- Measures the employee's leadership in the development and implementation of program initiatives, including goals and objectives in the Agency Strategic, Operating, Program, and/or Business Plans
  - Includes any Civil Rights goals

SL/ST Mandatory Element #2 Professional Leadership

- Measures success in leading and managing his/her organization/program in their scientific, technical, or professional discipline where the employee is accepted/sought as an authoritative source of information internal and/or external to the Agency
  - Includes standards for incorporating customer perspective

SL/ST Mandatory Element #3
Civil Rights

- Measures an employee's contributions to civil rights through the development, implementation, and advancement of civil rights strategic goals; enforcement of civil rights laws, rules, regulations
- Includes holding subordinate supervisors accountable for achieving measureable civil rights goals and objectives in all employment, program delivery, and other administrative activity

SL/ST Mandatory Element #4: Supervision and Human Resources Management

- For Senior Employees Officially Designated as Supervisors
  - Measures leadership and management of human resources to accomplish assigned responsibilities and to achieve Departmental and Agency goals
  - Includes standards for performance management accountability and employee perspective

SL/ST Critical Elements #5 and #6 Optional

- Rating official and the SL/ST employee may add up to two program/position-specific critical elements that the employee is expected to accomplish during the appraisal period
- Performance on these critical elements will have a direct impact on overall rating. As such, the duties and responsibilities should be important to the position

New System Summary

- New system provides consistent approach throughout Department
- Places particular emphasis on "Mission Results" as differentiator of performance
  - OPM requires that measurable results account for at least 60% of the rating
  - This will derive largely from this element

Crafting Performance Goals

- Primary "free space" in performance plan to craft goals is under Mission Results
- Other elements (Leadership, Supervision, Civil Rights) provide mandatory performance language
- Optional elements also need to be crafted
- How do we craft effective performance goals?

Align Organizational and Personal Goals to Mission Results

- Review the USDA, organization and program strategic goals
- Review your agency budget, the USDA GPRA annual report, OMB PART evaluation or additional agency or program measures
- Ask your supervisor to share his/her goals
- Ask yourself, "Which of these goals, objectives and organizational measures do I own, or am I personally accountable for and which of them have I delegated?"

Creating Performance Measures for Mission Results

- Select a USDA organizational, or program, goal for which the individual is responsible
- Develop performance measures
- There are no minimum or maximum number of measures. In general, ensure enough measures are included to adequately capture scope of required effort

Creating Balanced Measures

- OPM and USDA policy require SL/ST performance plans to be "balanced"
- Balanced Measures—
  - Originally developed by Kaplan and Norton as a performance measurement framework to supplement traditional financial measures
- Kaplan and Norton believe that organizations should develop performance measures from four perspectives
  - Financial
  - Process
  - Customer (Stakeholder)
  - Learning and Growth (Employee)

Creating Effective Measures

- Alignment of senior employee performance plans to USDA, organization or program strategic plans
- Focus on measurable, outcome driven results
- Measures must include perspectives of
  - Customers
  - Employees-include them in developing initiatives; solicit and use their ideas
- Senior employee involvement and consultation in the development of performance plans is required

Employee Participation in Developing Performance Plans

SL/STs MUST participate in developing their own performance requirements

1. Employee and supervisor discuss and develop the performance plan together;
2. Employee provides supervisor with the draft performance plan
3. Employee comments on draft performance plan prepared by the supervisor
4. Employees who occupy similar positions prepare draft performance plan(s), with the supervisor's approval

Organizational Assessment

- Agencies must assess organizational performance
  - Reports of the Agency's GPRA goals
  - Annual performance plans and targets
  - Program performance measures
  - Other appropriate measures
- Assessments at all levels serve as basis for individual performance evaluations
- Executives have responsibility to share data on organizational performance throughout the organization

Writing Effective Performance Goals

Many agencies use the acronym SMART to describe criteria for developing performance standards, including senior leader standards. SMART stands for

Specific
Measurable
Aligned
Realistic/Relevant
Timed

Activities vs Results

Task Description (activity):

- Focuses on the *activities* or tasks completed
- Describes "how" the person will do the work
- Manager ultimately responsible for outcome

Performance Measure (result):

- Focuses on the *results* and contribution
- Describes "what" the person will accomplish
- Executive responsible for outcome

What → How/When/How Much/How good

Activities vs Results

- Activities are “what” we do and results are “why” we do them
- Performance measures should be focused on results not activities
- What do we get from the activity?
- How does it help achieve our organization’s goals?
- Focus on outputs and outcomes, not process and inputs

Common Terms

- Never
- Rarely
- Occasionally
- Frequently
- Routinely
- Consistently
- Always

Employee Participation During the Performance Period

- Participate in development of performance plans
- Track accomplishments during the performance period
- Participate in mid-year progress review and the end-of-year appraisal
- Document performance accomplishments at end of cycle

Writing Accomplishment Reports

- Challenge
- Context
- Action
- Result

End-of-Year Rating Process

- Initial rating comes from Rating Official
- Rated employee reviews/rebuts as appropriate w/in 5 days
- Input evaluated by Reviewing Official
- Forwards, with any additional comments, to Performance Review Board (PRB). Cannot change Rating Official's rating but can make different recommendation to PRB

End-of-Year Rating Process

- PRB recommends performance based recognition including salary increases, performance awards, and rank awards
- Secretary approves final ratings
- Grievances covered under Administrative Grievance Policy
- Refer to system policy for specifics

USDA SL/ST Performance Plan Template

- Let's turn now to an examination of the new template for USDA SL/ST
- OHRM to evaluate effectiveness of new system and performance plan template after 2010 cycle -- may request SL/ST feedback

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Leadership and Performance Management

- Performance management and measures drive performance
- Senior leader emphasis on performance management can lead to increased focus and performance

Leadership and Performance Management

Performance Management consists of two components:

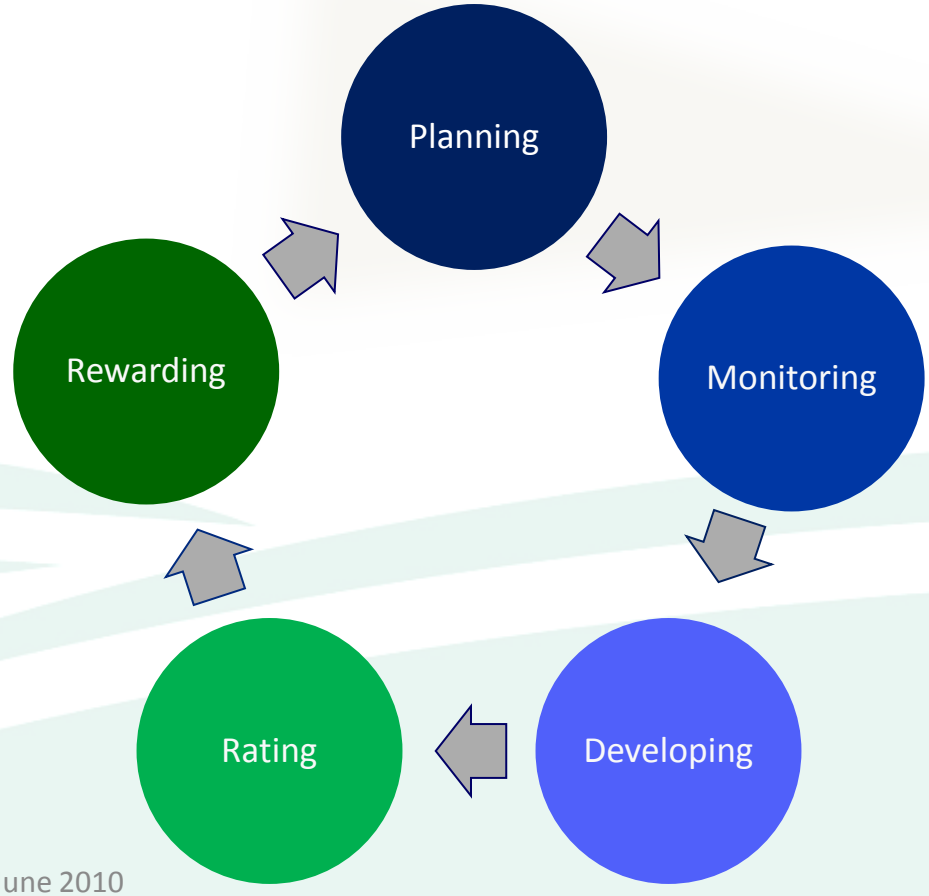
- Clear Goals
- Good Feedback

These are fundamental leadership responsibilities

Goal Setting Improves Performance

- Combining feedback with goal setting is key to success
- Hard goals *that employees accept* increase persistence in achieving those goals

Five Stages of Performance Management



This is a continuous cycle

Planning Phase – Effective

- Performance plans completed in timely manner
- Specific and measurable goals
- Rated employee involved and engaged in crafting goals
- Clear understanding of how plan aligns to/supports agency goals and mission

Planning Phase – Ineffective

- Performance plans not completed
- Not measurable
- Goals don't follow SMART model
- Rated employee not involved in crafting goals
- No performance conversation about expectations and how plan aligns to/supports agency goals and mission

Monitoring Phase – Effective

- Provide real time, on-going performance feedback
- Progress against goals tracked
- Changing circumstances noted and incorporated into plan
- Regular supervisor/employee conversations on progress and setbacks
- Mid-year reviews completed on time

Monitoring Phase – Ineffective

- Little or no performance feedback
- No mechanism to measure progress against goals
- Changing circumstances ignored
- No on-going performance conversations – no mid-year review

Developing Phase – Effective

- Individual development plan created and followed
- Focused on increasing capacity of employee to perform
- Opportunities/new assignments given to increase skills
- Training/coaching/mentoring emphasized

Developing Phase – Ineffective

- Little thought given to increasing capacity
- Over-emphasis on here and now/short range view
- May get the job done this year, but future effectiveness will be limited.
- Can create discontent amongst top performers

Rating Phase – Effective

- Input sought from rated employee
- Evaluation done against requirements and in consideration of organizational assessment
- Able to differentiate levels of performance
- Sufficient data provided to support the rating
- Appraisals done consistent with agency/department direction
- Rating communicated clearly to employee with focus on performance against goals

Rating Phase – Ineffective

- Appraisal done with little supporting documentation
- Not evaluated against established requirements
- "Drive-by" appraisal conversation with rated employee
- Untimely
- Not used as leadership tool to drive desired behavior

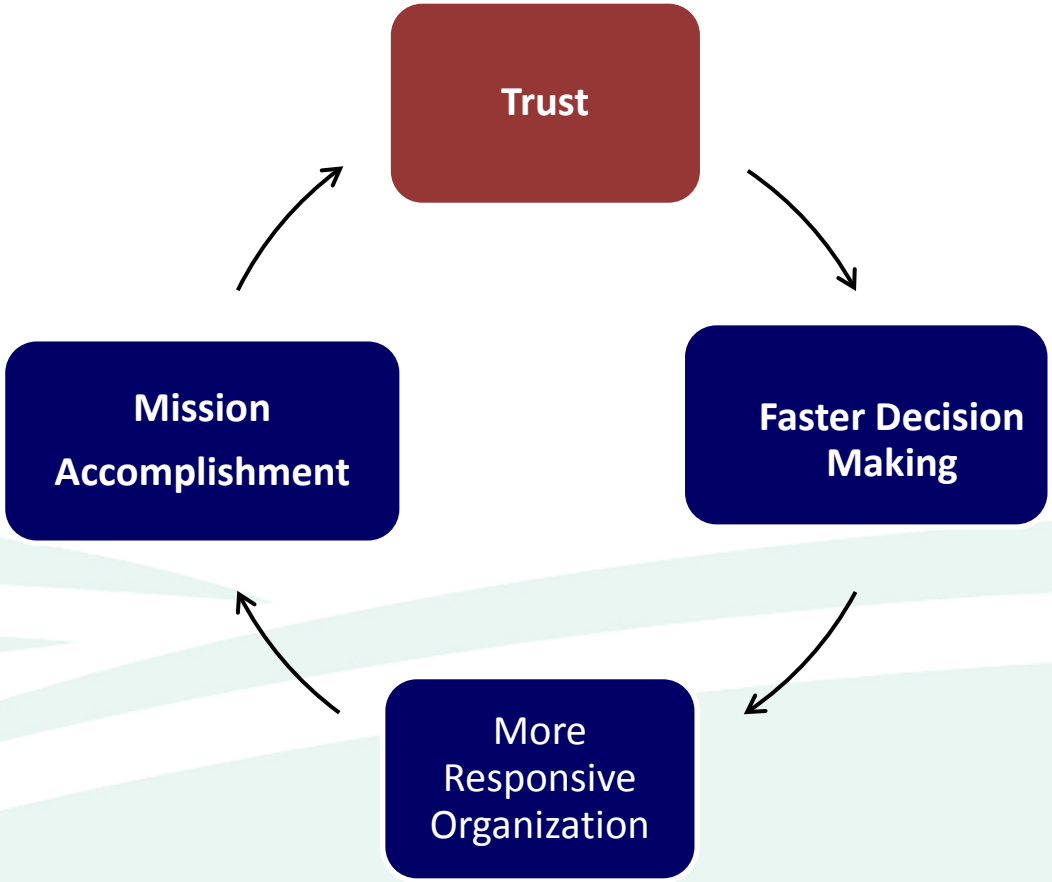
Rewarding Phase – Effective

- Acknowledges contribution to Agency mission
- Shows positive consequences of focus on accomplishing performance requirements
- Rating of record completed on time, thus providing access to awards/etc

Rewarding Phase – Ineffective

- No apparent connection between rewards and performance requirements
- Rating of record not completed/completed late
- Employees who do not receive rating of record can be rendered ineligible for some rewards/recognition
- Significant negative impact on morale

The Leadership Contract



Workshop Closing

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