

Performance Management Reminders and Guidance

Closing out the current performance appraisal period

Rate and Reward

After the end of the rating cycle, prepare a rating of record for each employee who has completed the minimum appraisal period. These written ratings, including electronic formats, should be assigned, approved and provided to employees in a timely manner, consistent with agency policy and timelines.

Ratings of record are a summation of progress updates received throughout the year and the employee should know what to expect.

Be aware of all the factors that contribute to employee performance, including employee conduct as it affects job performance. Exercise the authority to provide additional recognition responsibly, particularly in these times of fiscal constraints. When granting rating-based performance awards or pay adjustments, make meaningful distinctions based on the ratings assigned.

Performance award pools for Senior Executive Service (SES), Senior-Level (SL) and Scientific and Professional (ST) and non-SES/SL/ST employees must be within the limits established by the most recent U.S. Office of Personnel Management (OPM) and U.S. Office of Management and Budget (OMB) Awards Guidance on Spending Limitations.

Awards granted under 5 U.S.C. 45 must receive OPM approval when the amount per individual is greater than \$10,000 and up to \$25,000. Presidential approval is required for granting an award more than \$25,000.

Document and report awards to OPM in accordance with reporting requirements found in the *Guide to Human Resources Reporting* and the *Guide to Processing Personnel Actions* available on OPM's webpage, www.opm.gov.

Reminders specific to SES and SL/ST employees include the following:

- SES and SL/ST employees are under performance-based pay and award systems. Both pay adjustments and awards must be based on appropriate ratings.
- For purposes of certifying agency appraisal systems as making meaningful distinctions in performance, it will be important that ratings distributions accurately and appropriately capture observed distinctions in performance.
- SES performance ratings must be derived, however, based on the comparison of an individual's performance against the expectations communicated through the performance plan (critical elements, performance standards, performance requirements), which provides for meaningful distinction in ratings.

- Quotas for levels of performance are not permissible. The ability to demonstrate meaningful distinctions in ratings will depend on the clarity with which rating levels above fully successful are defined by the agency.
- Ratings and pay/awards recommendations for SL/ST employees in agencies where there are more than 10 SL/ST employees must be reviewed by a centralized panel prior to approval by the agency head. Agencies may satisfy this requirement by including their SL/ST employees with SES members reviewed by a Performance Review Board.
- Ratings must be assigned, reviewed and approved in a timely manner for all senior employees (SES, SL/ST), and particularly to allow the agency head to effect SL/ST pay adjustments based on performance ratings when the General Schedule (GS) is adjusted generally in January (at the beginning of the first applicable pay period commencing on or after the first day of the month in which an annual adjustment takes effect to the GS under 5 U.S.C. 5303). This is the only annual adjustment authorized for SL/ST employees.
- SES performance awards are 5 to 20 percent of the SES member's base salary and payment is a lump sum. Only career appointees are eligible for performance awards. Agencies generally use the authority found at 5 U.S.C. 4505a and 5 CFR 451.101(e) as the basis for SL/ST rating-based awards. These awards are limited to 10 percent of the employee's basic rate of pay, unless an award up to 20 percent is authorized by the agency head.
- The current Pay Freeze for Certain Senior Political Officials includes, but is not limited to, noncareer appointees in the SES paid at or above the rate for EX-IV and limited term appointees or limited emergency appointees in the SES serving under a political appointment paid at or above the rate for EX-IV.
- All discretionary cash awards are also prohibited for all political appointees.
- Do not use single contribution-based awards (Special Act Awards) to supplement the awards pool.
- Take appropriate action, as required by 5 U.S.C. 4314(b), when an SES member's annual summary rating is less than Fully Successful.
- Inform SES and SL/ST employees of the general outcome of the appraisal process, including overall distribution of ratings, and average performance awards and performance adjustments for each rating level. Special provisions may need to be made for small groups to protect confidentiality of the information.

Preparing for the new performance appraisal period

Plan, Monitor and Develop

Conduct briefings early in the performance cycle to remind employees of the procedures, stakeholders and responsibilities included in the agency's performance management program.

The proper development of performance plans at the beginning of the appraisal period is critical to an employee's understanding of what is expected of him or her, and is crucial to achieving agency goals and accomplishing the agency mission. Use well-developed performance plans to

let employees know what they need to accomplish and the standards that will be used to evaluate their performance.

During the appraisal period, engage with employees to provide updates on work the employee is doing, why it is important, and how it impacts the organization's goals and objectives. Periodically review the standards and measures that will be used to assess performance, discuss updates on problems that need to be addressed and resources that are needed. Conduct ongoing dialogues that are future-focused.

In addition to the required progress reviews, hold frequent, informal feedback sessions to appraise performance; discuss changing organizational missions, goals or priorities; and examine progress toward meeting those goals and priorities.

To ensure that annual ratings are expected and never come as a surprise to an employee, provide frequent, timely, continuous touch-point discussions regarding progress toward goals.

Provide employees with information and opportunities to improve and grow throughout the performance cycle. Provide feedback to empower employees by relating what they do to the overall mission.

Reminders specific to GS, SL/ST, or prevailing rating employees include the following:

- Provide each employee with a performance plan (elements and standards upon which their performance will be assessed) at the beginning of each appraisal period (normally within 30 days of the beginning of the appraisal period or as required by the agency appraisal program). Encourage employees to be involved in the development and implementation of their performance plans.

Reminders specific to SES include the following:

- Develop performance plans in consultation with senior executives and communicate the plans to them in a timely manner, on or before the beginning of the appraisal period.
- Each SES member's performance plan must contain an agency-specific performance requirement in the "Leading People" critical element that holds them responsible for improving employee engagement within their organization, and for creating inclusive work environments.
- Performance standards must clearly distinguish what is required to achieve performance at the various performance levels. For example, more is required to meet the highest performance level (i.e., Outstanding) in comparison to the standards set for the next level (e.g., Exceeds Fully Successful level), and so on for each rating level. These distinctions among standards for various performance levels during the establishment of the performance plan ensures that the SES member and his or her rating official are aware of the standards upon which performance ratings will be based.
- Performance plans submitted for certification review must contain results and applicable measures that are marked/highlighted (e.g., underline the result and **bold** the measure; highlight the result in **yellow** and the measure in **blue**). It is recommended that all SES members' performance plans – not just those submitted as part of the sample for certification review – include results and measures that are marked/highlighted at the

time they are established. OPM will not accept plans for certification after January 2016 that do not have marked/highlighted results and measures in the Results Driven element.