



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

The Director

Friday, July 12, 2019

MEMORANDUM FOR: HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: MARGARET M. WEICHERT
ACTING DIRECTOR

Subject: Applying Rigor in the Performance Management Process and Leveraging Awards Programs for a High-Performing Workforce

This memorandum is to provide agencies guidance regarding the development and implementation of performance management and awards programs that improve organizational effectiveness in the accomplishment of agency mission and goals.

The U.S. Office of Personnel Management (OPM) recognizes that performance management programs not only provide the basis for communicating and clarifying organizational goals, identifying individual accountability for accomplishing those goals as appropriate, and assessing performance and identifying developmental needs, but they also form a basis for rewarding excellence in employee performance and reinforcing a high-performing culture that will help improve organizational effectiveness. Effective awards programs support the retention of high-performing employees. In order to recognize high performers, agencies should allocate awards in a manner that provides meaningfully greater rewards to top performers. Agencies should ensure only employees who have demonstrated the highest levels of individual performance receive the highest annual ratings of record and the highest performance awards. This is implemented most effectively when performance plans contain rigorous performance standards upon which employee performance will be assessed. The proper development of performance plans at the beginning of the appraisal period (supplemented by additional oral or written elaboration through the performance period, as circumstances dictate) is of great importance so that employees can understand what is expected of them, and is crucial to ensuring those expectations are aligned with achieving agency goals and accomplishing the agency mission.

Developing Performance Plans with Rigorous Performance Standards

Well-developed performance plans let employees know what they need to accomplish and the standards that will be used to evaluate their performance. Supervisors should encourage employees to be involved in the development and implementation of their performance plans. By law, forced distribution of employees among levels of performance, or grading on the curve, is prohibited, because employees are required to be assessed against documented standards of

performance versus an individual's performance relative to others. Performance appraisal systems must provide for establishing performance standards that will, to the maximum extent feasible, permit the accurate evaluation of job performance on the basis of objective criteria. Performance standards may be more or less objective depending on the job, but must be sufficiently specific to provide a firm benchmark toward which employees must aim their performance. Some degree of subjective judgment does not invalidate the performance standard. The ability to demonstrate meaningful distinctions in ratings depends on the clarity with which rating levels – particularly at *Fully Successful* and above – are defined by the agency when establishing performance standards. Performance standards should be sufficiently specific so that they provide firm benchmarks toward which an employee can aim his or her performance, and are not susceptible to a performance action based on whim instead of considered judgment.

Well-developed performance standards make clear distinctions among what is required to achieve performance at the various performance levels. For example, the standard that describes what is required to meet the highest performance level (i.e., *Outstanding*) should distinguish these accomplishments clearly in comparison to the standard set for the next level (e.g., *Exceeds Fully Successful* level), and so on for each rating level. In addition, the *Fully Successful* level must be written to represent what is normally expected of an employee to contribute meaningfully to an agency's success in meeting its mission and organizational goals. The *Fully Successful* level should never be characterized as a low level of performance or be phrased in such a way as to define unacceptable performance. These distinctions among standards for various performance levels during the establishment of the performance plan establish and support the employee's and his or her supervisor's awareness of the standards upon which performance ratings will be based. Even when performance standards have been validly and carefully drafted, supervisors may clarify and flesh out the day-to-day application of performance standards to particular workplace and job requirements, which may evolve during the appraisal period, by providing feedback and examples. By clearly defining what is expected at different levels of performance, supervisors will be able to make distinctions in performance when rating employees at the end of the appraisal period, and the employees will be able to understand them.

Defining *Fully Successful* Performance Standard and Above

Governmentwide regulations require performance standards to be established at the *Fully Successful* level for critical elements and allow them to be described at other levels. Supervisors must clearly define what is expected of fully successful performers. Generally, when establishing the *Fully Successful* standard supervisors should describe, where possible, a range of acceptable performance (e.g., 3-5 articles are written). When a job does not lend itself to quantitative standards, a supervisor should provide examples for the employee of the kind of workplace performance and accomplishment that is necessary to earn a fully successful rating, in the standards or during the appraisal period as work progresses, if necessary. Performance at the *Fully Successful* level is a positive notation. *Fully Successful* individuals deliver on behalf of our citizens, meeting prescribed objective, measureable outcomes relating to the duties that they perform. *Fully Successful* should be seen as the category for employees who are meeting valid performance standards designed to deliver on what the American public should be able to expect from their civil servants. Performance that exceeds the top of that range would be appraised at a level above *Fully Successful* (e.g., *Exceeds Fully Successful* or *Outstanding*), and performance

below the bottom of that range would be appraised at a level below *Fully Successful* (e.g., *Minimally Successful* or *Unacceptable*).

Adopting a performance management system that contains a level above *Fully Successful* is a good management practice because it allows supervisors to emphasize and reward the high performance that is valued by the organization and to easily identify the top performers. Having a level above *Fully Successful* can provide employees with a challenging target to meet and a clear understanding of what high performance is when management meaningfully articulates what is required to excel beyond a Fully Successful rating.

Typically, performance at the *Exceeds Fully Successful* level should be reserved for the individuals who are delivering measurable outcomes for the American public in a way that is measurably beyond the standard set for fully successful. For example, *Fully Successful* performance might encompass dealing responsibly with problems presented for resolution whereas *Exceeds Fully Successful* performance might encompass being proactive about detecting problems before they were presented.

At the *Outstanding* level, an individual would perform at a level that is measurably better than even the level of performance defined for Exceeds. This could encompass achieving objective, measureable outcomes, while being proactive and going significantly above and beyond daily requirements. For example, an *Outstanding* performance rating could be reflective of how an employee delivered extraordinary results or sustained a high level of performance during a highly demanding period or within a challenging environmental context, such as during a time of transition or undue pressure from extenuating circumstances or unique mission requirements.

Additional Information

Agency Chief Human Capital Officers and/or Human Resources Directors should contact Laura Lynch, Deputy Associate Director for Senior Executive Services and Performance Management, in OPM's Employee Services, at (202) 606-8046 or performance-management@opm.gov, for any questions regarding this guidance. Employees should contact their agency human resources offices for assistance.

cc: Chief Human Capital Officers (CHCOs), Deputy CHCOs, Human Resources Directors, Council of the Inspectors General on Integrity and Efficiency, Inspectors General, and Small Agency Council