



UNITED STATES OFFICE OF PERSONNEL MANAGEMENT
Washington, DC 20415

The Director

Tuesday, January 12, 2016

MEMORANDUM FOR: HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: BETH F. COBERT, ACTING DIRECTOR

Subject: Performance Management Guidance for End-of-Fiscal Year 2015 and Beginning-of-Fiscal Year 2016 Activities

As we enter Fiscal Year (FY) 2016, I would like to provide some helpful information on performance management, as many agencies are concluding performance appraisal periods and planning for the next performance cycle. Attached to this memorandum are guidance and reminders for agencies on performance management, including involving employees in crucial performance management activities.

Federal agencies are expected to prioritize effective performance management in support of the President's Management Agenda's People & Culture initiative, which emphasizes the establishment of a high-performance culture to enable agencies to achieve their missions and to successfully manage their personnel. While some non-Federal organizations have recently received attention for taking steps to eliminate the use of annual performance evaluations, the Federal Government remains committed to including such annual evaluations. Apart from the fact that they are required by law, we believe they play a role in helping to deliver good performance management and accountability to the public. Consequently, the Federal Government understands well-operated performance appraisal systems provide a solid foundation and framework to help achieve excellence in performance; however, the ultimate success of these systems depends on more than the routine and rote implementation of procedures a few times a year. Rather, agencies need to embrace a modern philosophy we are calling "Performance Management Plus" – where the "Plus" is employee engagement. In summary, to achieve a high-performance culture, we need to empower and encourage supervisors to engage their employees in all stages and aspects of the performance management process.

Research and data have proven that successful performance management requires continuous engagement between employees and supervisors throughout the performance appraisal period – meaningfully fulfilling the purpose of each procedural step. We know from countless studies and case histories that employees feel most empowered and enabled to succeed and grow when supervisors involve them in continuous dialogue on: position expectations; alignment of position responsibilities and agency mission; progress toward achieving expectations; and areas of strength or needs for improvement. Supervisors also provide support and reinforce commitment most effectively by providing the following to employees: "light-touch check-ins" (i.e., brief but regular and meaningful communications to discuss priorities and needs); valid, regular, and timely data to provide feedback on performance progress, including varied perspectives from

multiple stakeholders; and coaching and development to help employees succeed and flourish. In fact, the Government Accountability Office (GAO) recently identified the following six practices as key drivers to employee engagement: constructive performance conversations; career development and training opportunities; work-life balance; inclusive work environment; employee involvement; and communication from management.

The regulations upon which agencies design their own performance management systems and programs already provide for meaningful discussions through the following: planning work and setting expectations and goals; monitoring progress and performance continually; developing an employee's ability to perform; rating periodically to summarize performance; and rewarding performance. We have the right tools and structure to promote merit-based management and accountability to the American people. We also need to make sure we use those tools, in the way their use was intended, to improve organizational effectiveness in the accomplishment of agency goals.

For example, I am pleased to mention a recent interagency success to improve the overall performance of the Government and to help agencies manage the performance of their senior executives. Through a collaborative cross-agency effort, effective October 1, 2015, OPM implemented a revised Senior Executive Service (SES) Performance Appraisal System Certification Process. This revised process will significantly streamline and improve the review and OPM certification of Federal agencies' SES performance appraisal systems. We need to continue a Governmentwide effort to prioritize and enhance the implementation of our performance management programs to ensure we achieve our missions and best serve the public.

I encourage agencies to embrace the concept of Performance Management Plus and continue to improve the effectiveness of their performance management practices by enhancing employee engagement. If you have any questions regarding required performance management activities and/or the implementation of the attached guidance and reminders, please contact Steve Shih, Deputy Associate Director, SES and Performance Management, or his staff members at OPM Executive Resources and Performance Management, at (202) 606-2720, or performance-management@opm.gov.

Attachment: Performance Management Reminders and Guidance (See PDF below)