

Broad Banded Performance Pay System (panel with controlled distribution) [5]

NOTE: The content of this document has not been reviewed by legal counsel, nor does it represent a consensus view of the Design Team or indicate any kind of preference among options presented to the Senior Review Committee.

Summary Description:

This option would link pay progression directly to an individual's performance appraisal. The cornerstone of the system is a performance contract between the supervisor and the employee which specifies expectations and is tailored to the responsibilities of the individual's position and the competencies that are reflected in that position. The performance appraisal would dictate the size of pay increases within a specific pay band. The pay bands would group job clusters/families which reflect similar pay patterns.

Though the option is primarily focused on increasing the role of employee performance in pay decisions, it also includes recommendations establishing a pay structure primarily based on the relative importance of occupations to the most crucial of DHS missions. This means that the pay structure (and adjustments to the structure) would be centered on those occupations most crucial to success in DHS' primary missions.

The option would also structure pay so that moving to a management job would not be the only way for a high performer to achieve the highest levels of pay in the system.

Key Features:

Coverage

This option is designed to cover all "white-collar" DHS employees who are now covered by chapter 53 of title 5, and, additionally, all "white-collar" TSA employees under the authority provided by law to the TSA Administrator. Moreover, it could be adapted to include "blue-collar" employees of DHS with the addition of appropriate clusters/bands

- Performance Contract between supervisor and employee to outline/discuss/document expectations of coming year – tie to organization mission/objectives. The individual performance agreement will vary according to the nature of the individual position. For some positions, the individual performance agreement will rely on competencies, while others will be more results oriented and still others may be skill based. Moreover, some may be more individual oriented while others may be more team driven. The performance contract and the ongoing monitoring and discussions of it throughout the year serve as the primary focal point for communication between management and the employee.
- Mission Oriented Pay structure to ensure occupations that are central to DHS missions are properly compensated.
 - DHS establishes pay rates for its broad banding structure on the basis of comparable external markets, program needs and internal equity
 - Pay rates of mission-critical jobs are set with the greatest care to ensure adequate attraction and retention of high-quality employees
- Automated system to capture/document expectations and accomplishments and any discussions of note
 - Continuous over course of rating year
 - Simple – user friendly
 - Tool to monitor activity of employee – accountability
 - Tool to monitor supervisory activity of supervisor – accountability
 - Can be used for automation of classification system also

[NOTE: Several automated systems already exist, like the automated system used by NASA as just one example, which serve to support the needs of the concepts outlined in this option.]

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- Performance Oversight Review Panel (ORP) to oversee performance management system and ensure fairness, maintain consistency of individual ratings and garner trust
 - Provides greater objectivity than if done by single individual/supervisor
 - Actual rating to be determined by weighing input from various sources such as supervisors, peers, subordinates, customers, etc. – 360 degree-like process (contingent upon automation of entire process). This will likely result in greater focus by the supervisor on the activities of his or her subordinates in conjunction with focusing on the needs and demands of his or her superiors.
 - More transparency than if just in the hands of one individual
 - Could be collaborative if union representation serves on the panel for bargaining unit employees
 - Should be outside individual agency – at department level – but, at very least, must be composed of senior management outside the chain-of-command of the employee
- Broad (60%) pay bands based on pay similarities of positions in current system which allow for easier movement between jobs within the bands – flexibility /reflect market conditions
- Rating/appraisals must be multi-tiered if tied to performance; four-tiered approach recommended as it captures desired level of performance distinctions
- Movement to pay levels within particular band will be based primarily on the performance appraisal but could include a combination of other variables such as experience and skills achieved as they relate to a particular position
- Job Evaluation (Classification)
 - Simple narrative descriptions of the nature of work and qualifications requirements of each band.
 - Work evaluation decisions made by management rather than HR organization. (Work evaluation with a relatively small number of broad grades makes classification much easier to apply.)

Sub-Option:

Pay Progression:

As an alternative to the pay progression scheme described here, basic pay adjustments and variable pay could be determined by several factors including individual performance, which would represent the most significant but not sole, basis of the pay decision. The additional factors would be determined by individual DHS components (bureaus, agencies, directorates, etc.) in any performance year based on their individual strategic plans and organizational cultures, missions, etc. Additional factors on which a component pay may choose to make pay decisions might include such considerations as:

- Present or future value of the individual's skills or entire occupation group (e.g., screeners and inspectors) to the accomplishment of the employing component's mission or strategic goals;
- Retention, i.e., the likelihood of an individual who possesses unique or rare skills leaving the organization, or to stem turnover in a mission-critical occupation;
- Length of experience in the career field; and
- Internal pay alignment

This sub-option would permit individual components to base pay on 100 per cent performance, or to choose to structure pay decisions on a combination of performance and special organizational needs. For example, a component could choose to adjust pay for a particular group at a higher rate than other groups within the same pay band(s). While this sub-option offers individual components greater pay-setting flexibility, because it is a less

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straightforward approach, pay decisions may be less transparent to affected employees, and combining performance with organizational concerns could entail additional administrative complexity.

To address retention specifically, and as an alternative to adjusting pay at a higher rate as described above, a component could decide to pay retention bonuses to an occupational group either organization-wide or within a particular geographic area, depending on the scope of the retention problem. This approach would cost less in the long term than base pay adjustments and would make a clearer statement to the affected employee population concerning the purpose for the additional pay.

Occupational Groupings within Pay Bands:

Based on business need, any organization within DHS may choose to create a zone within a pay band to limit potential pay growth for a particular occupational group.

Relation to Other Options:

- This option covers the pay, classification and performance management systems.
- It could work with any labor relations, discipline and appeal system.

Implications: (This section contains "possible advantages/benefits" and "possible problems/challenges" and "other implications" suggested by design team members. The views expressed in these "implications" represent the opinions of one or more members of the design team and therefore reflect sometimes opposing points of view. These opinions do not reflect the collective judgment of the entire design team on any of the issues addressed, nor have they been reviewed by legal counsel.):

Possible Advantages/Benefits

- The openness and transparency of the system minimizes subjective determinations as they relate to performance appraisals
- The additional scrutiny of the appraisal process by the Oversight Review Panel will encourage supervisors to place greater importance on their appraisal responsibilities
- Final decisions being placed with the Oversight Review Panel regarding performance appraisals will eliminate additional appeal steps, which will serve to expedite the overall process
- Having a fully automated system will enable tracking at all levels and ensure with greater certainty the extent to which responsibilities are being met and mission goals are being achieved
- Linking pay to performance will provide the workforce with greater motivation to achieve desired goals of the organization
- Broader salary bands and resulting simplicity in the classification structure makes classification decisions simpler and more transparent.

Possible Problems/Challenges

- This system will require an extensive campaign to educate all DHS employees, extensive training for supervisors, and the establishment of Oversight Review Panels and a DHS Compensation Effectiveness Committee (see system element C.2).
- The system, especially with its reliance on 360-type input, will require additional time spent by supervisors and panel members on the performance appraisal process
- Some believe that not providing external appeal rights to an independent third party could reduce management accountability and may lessen acceptance of the system.
- Since bonuses for tier 3 employees are optional, those employees in tier 3 who do not receive bonuses may perceive the process as partial or unfair. This could also be the case with employees who receive

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a smaller increase than those employees whose increase is adjusted upward to compete with the outside market.

- Replacing multiple career ladder promotions worth approximately 20% each with a one-time, non-competitive promotion worth a minimum 10% may be viewed negatively by employees and result in lack of support.
- The 15% promotion benefit for movement into the management band (versus 10% promotion benefit for employees) may be perceived as unfair.
- Since the concept of linking pay to performance is somewhat new to the federal government, and since the success of such a concept relies on a credible performance management system, consideration should be given to piloting the system prior to actual implementation so that pay consequences may be tracked and evaluated appropriately.
- If this system is insufficiently funded, there is a risk that it could de-motivate employees.
- If this system results in employees receiving less compensation than they would have received under the General Schedule, it may lessen acceptance of the system.
- Some employees may doubt that individuals outside their immediate chain-of-command will have sufficient understanding of their individual responsibilities to make a decision on their pay/performance.
- Some believe that pay for performance could result in competition between employees and lessen incentive for teamwork and cooperation.
- Some believe that not allowing collective bargaining over system design would be contrary to the intent of the Homeland Security Act and lessen employee acceptance of the system. Since pay levels would be higher, more criminal investigators would likely hit the premium pay cap as 25% availability pay is added on top of the higher base rate. Raising the premium pay cap would require legislation and could create increased pay compression vis-à-vis Senior Executive Service and Executive Schedule officials.
- Unless the current labor relations system is modified, a DHS independent pay system, including the rates of pay, would be subject to collective bargaining.

Other Implications

- Unless the current labor relations system is modified, a DHS independent pay system, including the rates of pay, would be subject to collective bargaining.
- Pay for performance systems may not be appropriate for all occupational groups.
- In the event the General Schedule is eliminated governmentwide, the methodology for determining locality pay adjustments will have to be revised.
- Establishing a mission-based performance pay system apart from the General Schedule will require DHS to have the capacity to establish, review and adjust its compensation structure to ensure their continued effectiveness. To achieve this end we recommend the following:
 - Establish a Compensation Effectiveness Committee, which would convene periodically (e.g. every 3 or 4 years) to review salary structures in light of changing mission requirements, threat levels, and occupational changes.
 - Develop, through the Compensation Effectiveness Committee, proposed changes to the DHS compensation structure
 - Allow the Secretary and the Director of OPM to review the recommendations and make such changes as they deem warranted in order to ensure the compensation structure adequately supports DHS missions.
- The method by which locality pay is determined and administered will dictate the amount of money each locality will be allocated and the level of variation among localities relative to pay.

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Cost

- Funding for pay increases under this system would come from funds used for within grade increases, annual adjustments, quality step increases, and locality adjustments provided for in the current General Schedule system.
- Transition of employees to the system would require “buying out” employees for accrued time toward their next step increase, in order to promote employee acceptance of the new system.
- There will also be transition-related administrative costs associated with training, communication and conversion to an automated system

Cost Management

- The percentages indicated under Pay Progression Methodology are estimates based on the assumption that the number of ratings issued under tier four will approximate the number issued under tier two. It would be the responsibility of the Oversight Review Panel to set the final percentages based on the amount of money in the pay pool and the distribution of ratings (see Pay Progression Methodology). Regardless of the distribution, employees rated in tier four will receive a higher percentage than those rated in tier three, and those rated in tier two will receive a lower percentage than those rated in tier three. Tier three employees should ordinarily receive a percentage increase that approximates that which would have normally been granted under our present system.

Evaluation in Terms of Guiding/Design Principles:

Mission Centered

- Ties individual performance plans/expectations directly to mission objectives
- Broad bands in which job families are placed allow for greater flexibility in movement among and within specific occupations
- Must be well designed and managed fairly to prevent any disruption that could negatively affect morale, motivation or individual or organizational performance and to ensure that recognition of performance never undermines the teamwork and cooperation necessary to meet mission objectives

Performance Focused

- Linking pay directly to performance will foster high performance by ensuring that such performance is recognized, rewarded and reinforced
- Linking pay directly to performance provides an effective mechanism for making meaningful distinctions in performance and holding all employees accountable for their own performance and their contribution to achieving mission goals

Contemporary and Excellent

- Linking pay to performance provides a mechanism in which greater rewards can be given to superior workers providing greater motivation and increasing the likelihood of retention of these quality employees
- System is fully supported by automation, enhancing our ability to monitor and oversee both individual performance and performance of all segments within DHS, specifically as it relates to achieving mission goals
- Use of the oversight review panel allows for adjustments to be made to pay that reflect superior job skills
- System also provides the flexibility to tailor expectations per individual and position and , place greater emphasis on team success than individual success, as appropriate

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- Broad bands provide needed flexibility for interchanging positions found within any particular band

Generate Trust and Respect

- Establishment of the Oversight Review Panel will provide for greater consistency and transparency in the rating process and generate greater trust and respect in the overall performance management process
- Having ratings that result from input from various sources will also greatly contribute to greater trust in the overall process
- Agreement on the performance contract between the employee and the supervisor will engender trust by providing employee with the opportunity for input
- Trust and respect in the system will depend, to a great extent, on ensuring that supervisors have the training, resources and skills to properly administer the system.

Based on Merit System Principles and Fairness

- Establishment of an oversight review panel composed of senior managers outside the employee's immediate chain-of-command contributes to greater objectivity, transparency and fairness, and serves as a safeguard against unjust favoritism. HOWEVER, without appeals to an independent third party, the system could be subject to manipulation and unfair implementation and must guard against the potential for abuse and unfair treatment
- The Oversight Review Panel is intended to be an objective body that can be the final decision maker regarding performance appraisals without further appeals and therefore speed up the over-all process
- Variation of pay contingent on mission criticality of occupation could be construed by some as less than fair.

Transition & Implementation:

- Establishment of the Oversight Review Panels and utilization of an automated system are critical if pay is to be linked to performance appraisals
- Training on issuing appraisals under this new system for all managers/supervisors must take place prior to implementation
- Training of all employees must take place prior to implementation since all employees will not just be recipients of ratings, but will, in most cases, also have some input into ratings
- Prior to implementation a large scale campaign must be conducted for all employees to ensure a greater understanding of the merits of a pay for performance system
- There will be transition-related administrative costs associated with training and communication.

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**Detailed Description
By System Component and System Element**

B		Base Pay System
System elements:		Summary description:
1	Structure of pay ranges	<ul style="list-style-type: none"> • Broad band architecture consists of 5 occupational clusters (could be adjusted to any number as deemed appropriate; it must be noted, however, that increases in the number of clusters will affect the percentage differences between each cluster) • Each cluster has entry/developmental, journey, senior/expert, and manager bands • Each band has a 60% range, with a performance bar set at the 80th percentile (the senior/expert band has a 92% range for parity with the manager band maximum, permitting a dual-track approach) • Within a cluster, there is a 20% difference between adjacent bands • There is a 27% difference between adjacent clusters
2	Adjustment of pay ranges	<ul style="list-style-type: none"> • Pay band salary ranges increase each year in accordance with the size of the annual salary increase budget calculated for each locality pay area. The annual salary increase budget will be calculated by DHS and will be a function of the overall government-wide general pay increase percentage established by the President and Congress, an amount equivalent to average pay increases under the GS system for within-grade and quality step increases, and the relative differences in pay in locality pay areas. These increases will be structural increases only – individual pay adjustments will be made in accordance with the pay-for-performance system outlined below.
3	Pay progression methodology	<ul style="list-style-type: none"> • Upon initial conversion, employees will be placed in appropriate pay band clusters based on their current occupational series and pay levels (adjusted on a pro-rata basis for the next within-grade increase or career ladder promotion). • After conversion, employees will be placed in the appropriate occupational job family in which the individual’s position is designated, with each pay band reflecting specific roles and responsibilities within those job families. • Pay increases within the pay band system will be based primarily on the employee’s performance appraisal (with some adjustments made for experience, special skills, retention needs or market conditions - see sub-option). • Employees will be assessed once annually for pay increase determinations. • Employees rated at tier 4- “outstanding contributor”, tier 3 – “high contributor”, or tier 2- “contributor” will receive a specific percentage annual increase that varies by tier: <ul style="list-style-type: none"> • Tier 4 – approximately 150% of the salary increase budget percentage • Tier 3 – 100% of the salary increase budget percentage • Tier 2 – 50% of the salary increase budget percentage • Employees rated at tier 1-“non-contributor“ will receive no increase in salary <p>[Note: see sub-option for additional factors to be weighed, such as experience, that could affect the pay adjustment; also, see <u>Cost Control</u> under Implications]</p> <ul style="list-style-type: none"> • The ORP sets the tier 4 percentage as follows: <ul style="list-style-type: none"> ○ subtract from the total pool of money the amounts allocated to tiers 3 and 2, already set at 100% and 50%, respectively ○ divide the remaining pool by the number of employees in tier 4 ○ add that percentage of money for each employee to the 100% to establish the overall % increase for tier 4 employees

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		<p>[Note: The actual amount of the increase will be impacted by the number of employees in tier 4 as well as the amount of money distributed to the tier 3 and 2 employees. Provided the distribution of performance ratings results in the same percentage of tier 2 and tier 4 ratings, the payout will be 50%-100%-150% of budget increase percentage. In the event that tier 2 ratings outnumber tier 4 ratings, more than 150% may be granted to tier 4 employees. On the other hand, if tier 4 ratings exceed the number of tier 2 ratings, the tier 4 payout will be reduced from 150% but always remain above 100% of budget increase percentage.]</p> <ul style="list-style-type: none"> • In order to pass into the top 20% of each pay band, employees must be rated at the tier 4 level. Once in the top 20%, further base pay increases will be granted only with subsequent tier 4 performance ratings. Lower ratings will result in no pay adjustment – over time this may cause the employee to fall out of the top 20% area. Re-entry will require a tier 4 rating. • Performance bonuses and special act bonuses may be paid from a performance award pool established at 2% of aggregate salaries. There is a mandatory minimum performance bonus for tier 4 ratings established at 3% of the pay band midpoint. Performance bonuses are optional for tier 3 ratings, but if granted must be a minimum of 1.5% of the pay band midpoint. Performance bonuses are not awarded for tier 2 or tier 1 rating.
4	Pay administration rules	<p><i>New Hire.</i> Salary setting delegated to managers for assignment within the range documenting decision in regards to appropriate factors: education and experience of employee, salary levels of similar employees (internal equity considerations), current salary employee is making, salary level needed to recruit qualified candidates, requirements of the position to perform specialized duties not readily available in candidate pool, geographic considerations, other relevant concerns.</p> <p><i>Promotion.</i></p> <p>Entry to Journey – 10% promotion benefit (or minimum of journey band, whichever is higher) on successful completion of formal/informal training program and upon successful assessment of journey competencies</p> <p>Journey to Expert – upon vacancy in Expert level, Journey incumbent may apply for Expert position. Successful applicant will get a 10% promotion benefit (or minimum of the Expert band, whichever is higher). Candidates will be evaluated with respect to qualifications, experience, and quality of work.</p> <p>Journey/Expert to Management – 15% promotion benefit (or minimum of management band, whichever is higher). Applicants will be evaluated on the basis of management experience or potential, experience, and quality of work. First time managers will be subject to a two year probation period during which the manager may be placed back in the former band at a pay rate computed as if the employee had not taken the management position.</p> <p>[Note: The percentage increases listed above are flexible and can be fixed at any rate determined as appropriate.]</p> <p><i>Geographic Pay.</i> The salary increase budget is a function of the relative differences in pay among the various locality pay areas – there will be no separate adjustments for geographic pay.</p>

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		<p><i>Use of Past Rates.</i> Employees will be automatically converted to the appropriate pay band based on their current grade and pay, adjusted on a pro-rata basis for the next within-grade or career ladder promotion, at the time of conversion. Highest previous rate will be applied if held in government unless action is voluntary. Highest previous private sector rate is a consideration in new hire salary setting (market).</p> <p><i>Pay Reduction.</i> Pay is only reduced through voluntary down-grade or loss of contingent pay (e.g., competency/skill pay)</p> <p><i>Pay Retention.</i> To be granted to anyone upon conversion to the new system who exceeds the maximum on the new pay band. Such employees will receive ½ of the annual structural adjustment until their salaries can be accommodated within the appropriate band.</p>
5	Managerial compensation	<ul style="list-style-type: none"> • First-line managers will be placed in the respective cluster manager band. Second level and higher managers may be placed in the manager band in the next or higher cluster manager band (serving as a separate managerial track).
6	Appeals	<ul style="list-style-type: none"> • Oversight Review Panel composed of senior management from within DHS but external to the employee's chain-of-command (and, possibly, one union official for bargaining unit positions) makes the final decision on pay/performance appraisal • Downgrades, reduction in force, management directed changes subject to department/agency appeal process
7	Evaluation	<ul style="list-style-type: none"> • Outside contractor to conduct formal evaluation • Use of employee feedback surveys • Ongoing internal review of system and employee/supervisor usage

C Classification System/Work Evaluation System		
System elements:		Summary description:
1	Functions	<ul style="list-style-type: none"> • Placing individual positions into correct occupational pay range • Provide a basic occupational structure of DHS work for such purposes as: <ul style="list-style-type: none"> ○ establishing qualifications requirements ○ managing employee development ○ structuring reduction-in-force procedures
2	Categorization of type of work	<ul style="list-style-type: none"> • Occupational groupings developed based upon required competencies, commonality of work, similarity with same legal requirements, similarity of applicable benchmarking and ease in job recognition by employees. • Clusters have broad pay bands sufficient to cover the described range of duties in career progression levels (i.e., entry/developmental, journey, senior/expert, and managerial/supervisory). • Occupational groupings with multiple sub-professional and professional levels may be placed in separate clusters. • On a periodic basis, the DHS Compensation Effectiveness Committee will review the classification of the Department's most mission-critical occupations to ensure classification at the proper cluster level.

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3	Work valuation method	<ul style="list-style-type: none"> Narrative descriptions of bands. Having fewer, wider grades (bands) than in the General Schedule allows for greater classification accuracy with a simplified classification method like narrative description.
4	Qualifications	<ul style="list-style-type: none"> Minimum standards for employee entry into a band or cluster
5	Applying system	<ul style="list-style-type: none"> Managers, with HR available for advice and assistance, make the job evaluation determination for new positions.
6	Appeals	<ul style="list-style-type: none"> None
7	Evaluation	<ul style="list-style-type: none"> Outside contractor to conduct formal evaluation Use of employee feedback surveys Ongoing internal review of system and employee/supervisor usage

P Performance Management System		
System elements:		Summary description:
1	Purpose	<ul style="list-style-type: none"> Performance Management System (PMS) is intended to ensure a clearer link to the DHS mission, core values, and strategic goals and objectives. PMS is the primary tool for performance planning, coaching, feedback, appraisal, recognition, reward, pay and promotion. It is intended to capture information which will be used to enhance communication between the employee and the supervisor to maximize each individual's potential and contributions to DHS, recognize and reward top performers, and identify poor performers. PMS allows for employees to track their own performance. PMS enables the tracking of supervisory activity as it relates to performance management Establishment of a performance Oversight Review Panel (ORP) will ensure greater uniformity, consistency and transparency of the appraisal process
2	Measures	<ul style="list-style-type: none"> Effectiveness of both employee performance and the attaining of mission objectives Extent to which consistency of ratings distribution is achieved
3	Appraisal	<ul style="list-style-type: none"> The performance management system begins with a formal performance contract between the supervisor and the employee which spells out in detail expectations for the upcoming year. Performance expectations for all employees are aligned with the Department's and component agency's mission and objectives. Work priorities are adjusted to better meet organizational goals. Performance is assessed either against specific results achieved or a set of competencies designed to enable achievement of results - the nature of the individual position/occupation will determine which is appropriate. Team objectives, if appropriate for a particular occupation, are to be captured here. The use of competencies bases the assessment of performance on set standards. Organization-wide and team performance information is tracked on a continuous basis using an <u>automated performance management system</u>. Employees and their supervisors conduct mid-year and end-of-year feedback sessions on employees' performance in meeting their expectations.

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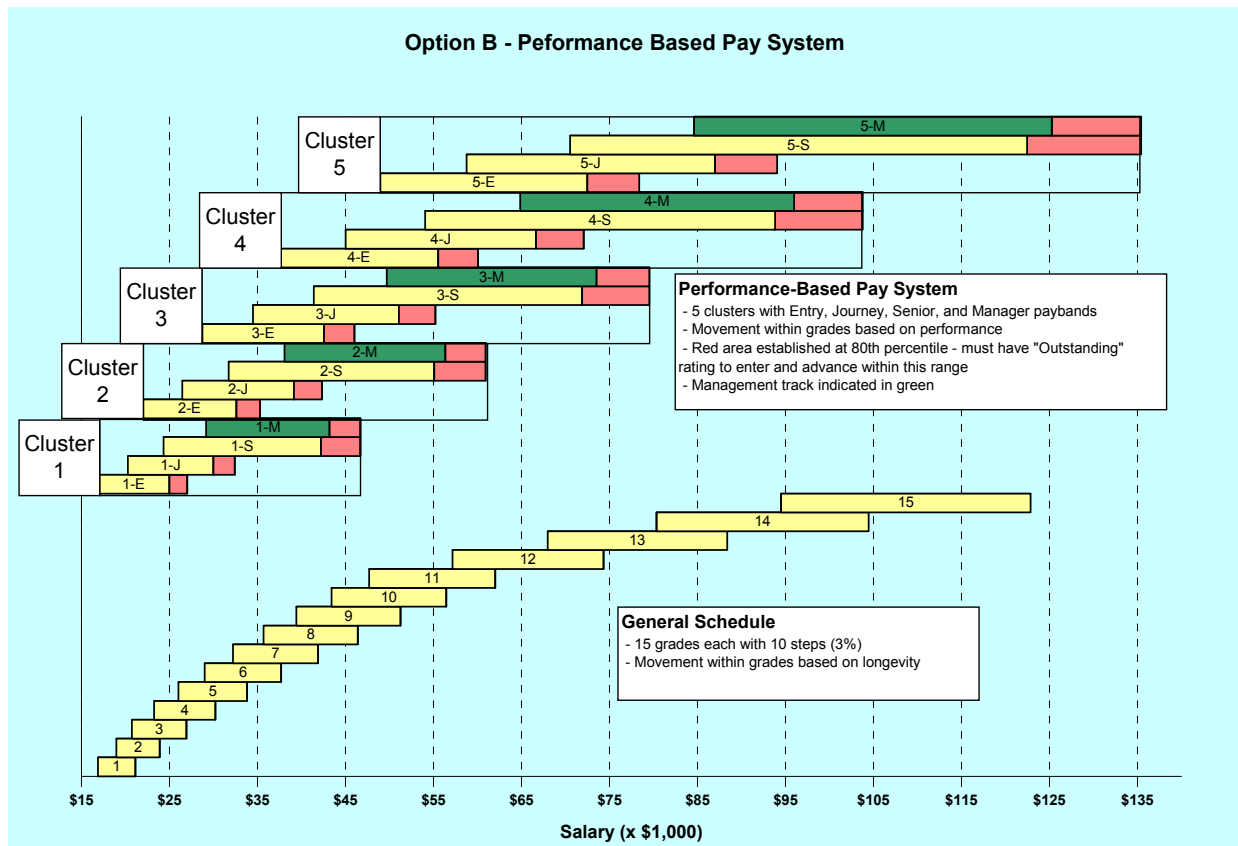
P		Performance Management System
System elements:		Summary description:
		<ul style="list-style-type: none"> • Employee ratings are determined using input from various sources – including peers, subordinates, superiors, and customers. (This concept will only be practical if supported by an automated performance management system.) • The supervisory rating will account for at least two-thirds of the employee’s rating • The other one-third of the rating will be based on a streamlined 360 degree-like process that includes an employee self-assessment and input from subordinates (if any), peers, other managers, and customers (if any). • The automated system will tally a score based on the supervisory rating and the 360-like process which will automatically assign the employee’s rating • Senior management from within DHS but external to the employee’s chain-of-command (and, possibly, one union official for bargaining unit employees) will comprise a pool of panel members to serve on performance Oversight Review Panel(s) (ORP). • The ORP is mandated to ensure consistency and transparency of all employee ratings by overseeing rating distribution, questioning anomalies and ensuring tie-in to mission objectives • Although ORP is mandated to specifically review and approve all tier 4 and tier 1 ratings, the ORP is also responsible for hearing disputes from employees regarding any rating and making final determination • Employees are provided the opportunity for pre-decisional input into their rating • Oversight panel makes final determination on rating and pay implications • Employee and any other individual who contributed to rating may address panel, but panel decisions are final. • Core training curriculum is directly linked to individual developmental goals and competencies.
4	Communication vehicles	<ul style="list-style-type: none"> • Performance appraisal serves as the focal point for formal communication between the employee and the supervisor regarding the employee’s performance • Communication from managers to employees via the work plan at the commencement of the rating year is paramount to arriving at a clear understanding of expectations • Continuous updating by both the employee and the supervisor through the automated performance management system identifies areas for discussion during the course of the entire rating year.
5	Appeals	<ul style="list-style-type: none"> • Oversight Review Panel (ORP) composed of senior management from within DHS not within the chain-of-command of the employee (and, possibly, one union official for bargaining unit employees) makes the final decision on pay as determined by performance rating • The combination of an objective Oversight Review Panel and the opportunity for pre-decisional input by employees obviates the need for further appeals on the performance rating or the pay implications of the rating
6	Evaluation	<ul style="list-style-type: none"> • Outside contractor to conduct formal evaluation • DHS-wide feedback surveys of all participants (including managers) can be used to validate the measure of effectiveness of the process

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Cluster and Payband Structure – Rates

Cluster	Entry/Dev			Journey			Senior/Expert			Managerial		
	Min	80%-ile	Max	Min	80%-ile	Max	Min	80%-ile	Max	Min	80%-ile	Max
1	\$16,888	\$24,997	\$27,024	\$20,265	\$29,996	\$32,429	\$24,318	\$42,221	\$46,697	\$29,182	\$43,194	\$46,697
2	\$22,038	\$32,620	\$35,265	\$26,445	\$39,144	\$42,318	\$31,734	\$55,097	\$60,938	\$38,081	\$56,367	\$60,938
3	\$28,758	\$42,567	\$46,020	\$34,510	\$51,081	\$55,224	\$41,412	\$71,900	\$79,522	\$49,694	\$73,556	\$79,522
4	\$37,528	\$55,549	\$60,054	\$45,034	\$66,659	\$72,065	\$54,041	\$93,827	\$103,773	\$64,849	\$95,988	\$103,773
5	\$48,973	\$72,489	\$78,368	\$58,768	\$86,987	\$94,042	\$70,521	\$122,440	\$135,420	\$84,626	\$125,261	\$135,420

Cluster and Payband Structure – Graphic



Follow the link below for a graphic showing the application of the band structure for the top 30 (by population) occupations in DHS:

[option b sep 8.xls](#)

DHS Records Submitted to CPDF 3/03
 Top 30 Positions by Total Employment
 By Supervisory Status and Adj Basic Pay Level

Pay for Performance (Spreadsheet) [2a]

Note: The content of this document has not been reviewed by legal counsel, nor does it represent a consensus view of the Design Team or indicate any kind of preference among options presented to the Senior Review Cor

Following chart shows application of Option B, Pay for Performance, on selected DHS occupations.

Clusters are depicted as bars, graphed according to the "Adjusted Basic Pay (\$1000)" scale at the left of the chart.

Cluster 1 is red, 2 is orange, 3 is yellow, 4 is green, and cluster 5 is blue. From left to right in each cluster are the Manager, Entry, Journey, and Senior paybands.

Occupations assigned to each cluster are shown at the bottom of this chart.

Charts following show the detail by occupation.

Note that employment data include locality pay estimated at 11% - therefore the clusters reflect pay levels adjusted for 11% locality pay.

ADJUSTED BASIC PAY (\$1000)	Cluster 1			Cluster 2			Cluster 3			Cluster 4			Cluster 5		
	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All
15-19	0	253	253	0	2	2	0	0	0	0	0	0	0	0	0
20-24	0	3,502	3,502	0	61	61	0	120	120	0	0	0	0	0	0
25-29	3	49,718	49,721	5	1,227	1,232	0	2,107	2,107	0	9	9	0	8	8
30-34	15	5,105	5,120	11	1,724	1,735	0	3,024	3,024	0	180	180	0	84	84
35-39	176	2,957	3,133	28	2,494	2,522	0	2,984	2,984	0	327	327	1	138	139
40-44	3,428	378	3,806	73	2,087	2,160	3	1,286	1,289	6	325	331	1	154	155
45-49	390	75	465	341	685	1,026	53	7,276	7,329	14	404	418	2	398	400
50-54	137	14	151	129	122	251	47	3,309	3,356	29	366	395	5	383	388
55-59	40	3	43	57	14	71	579	2,008	2,587	38	730	768	20	579	599
60-64	4	1	5	11	6	17	823	889	1,712	61	410	471	24	517	541
65-69	3	0	3	66	3	69	953	89	1,042	48	237	285	19	783	802
70-74	1	0	1	23	1	24	530	45	575	74	182	256	33	671	704
75-79	0	0	0	5	4	9	343	21	364	72	127	199	65	1,128	1,193
80-84	0	0	0	0	0	0	151	47	198	74	87	161	51	616	667
85-89	0	0	0	0	0	0	132	29	161	56	56	112	149	726	875
90-94	0	0	0	0	0	0	50	16	66	42	18	60	102	399	501
95-99	0	0	0	0	0	0	28	5	33	18	13	31	103	232	335
100-104	0	0	0	0	0	0	29	6	35	13	21	34	109	201	310
105-109	0	0	0	0	0	0	12	1	13	11	20	31	55	69	124
110-114	0	0	0	0	0	0	7	0	7	11	1	12	97	81	178
115-119	0	0	0	0	0	0	4	0	4	4	0	4	47	14	61
120-124	0	0	0	0	0	0	0	0	0	8	0	8	82	34	116
125-129	0	0	0	0	0	0	0	0	0	4	1	5	27	10	37
130+	0	0	0	0	0	0	5	0	5	2	0	2	47	6	53
UNSPEC	2	17	19	5	13	18	12	18	30	6	0	6	3	26	29
All	4,685	62,023	66,222	754	8,443	9,197	3,761	23,280	27,041	591	3,514	4,105	1,042	7,257	8,299
	001) 0019 SAFETY TECH 009) 0303 MISC CK & ASST			008) 1802 COMP INSP & SUP 015) 0610 NURSE			003) 1896 BRDR PTRL AGT 004) 1890 CSTMS INSP			012) 0083 POLICE 017) 1889 IMPORT SPEC			010) 0343 MGT & PGM ANLSYS 014) 2210 INFO TECH MGT		

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013) 0640 HEALTH AID & TECH 022) 0326 OFC AUTO & CK 030) 0421 PLANT PROT TECH	018) 0318 SECRETARY 021) 1897 CUSTOMS AID 023) 0986 LEGAL ASSTNCE	007) 1816 IMMIGRATION INSP 011) 0436 PLANT PRT & QUAR	020) 0080 SECURITY ADM 026) 0341 ADM OFCR	016) 0905 GENERAL ATTY 019) 0201 HR MGT 024) 0602 MEDICAL OFCR 025) 0132 INTELLIGENCE 027) 0511 AUDITING 028) 1102 CONTRACTING 029) 2181 AIRCRAFT OPS
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ADJUSTED BASIC PAY (\$1000)	001) 0019 SAFETY TECH			002) 1801 GEN INSP, INV, COMP			003) 1896 BRDR PTRL AGT			004) 1890 CSTMS INSP			005) 0301 MSC ADM PGM			
	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All	
15-19															15	15
20-24		2,426	2,426		2	2					33	33			104	104
25-29	1	47,906	47,907		197	197					938	938			516	516
30-34	2	3,406	3,408		511	511		817	817		1,080	1080	1		624	625
35-39	165	2,360	2,525		374	374		1,978	1978		469	469	4		959	963
40-44	3,415	49	3,464	10	1,735	1,745		165	165	2	430	432	5		778	783
45-49	363	6	369	369	1,749	2,118	22	3,556	3,578	2	1,911	1913	41		801	842
50-54	128	1	129	447	1,198	1,645	6	1,216	1,222	9	1,320	1329	28		340	368
55-59	35		35	149	1,018	1,167	290	535	825	172	1,042	1214	19	1,425	1,444	
60-64	3		3	113	1,132	1,245	366	168	534	242	548	790	25		654	679
65-69				185	961	1,146	398	21	419	307	57	364	27		562	589
70-74				271	579	850	212	7	219	189	35	224	27		497	524
75-79				294	384	678	145	5	150	120	14	134	76		258	334
80-84				212	248	460	48	9	57	54	27	81	74		177	251
85-89				216	214	430	59	5	64	47	13	60	60		169	229
90-94				178	93	271	30	4	34	12	6	18	89		119	208
95-99				148	45	193	21	1	22	1	1	2	65		55	120
100-104				140	59	199	16		16	2	3	5	55		71	126
105-109				67	19	86	5		5	4		4	50		25	75
110-114				78	9	87	5		5				47		25	72
115-119				45	3	48	2		2				16		11	27
120-124				28	15	43			0				38		37	75
125-129				9	3	12			0				23		6	29
130+				55	5	60	5		5				60		7	67
UNSPEC	2	10	12	2	12	14	2	4	6	5	1	6	1			1
All	4,114	56,164	60,278	3,016	10,565	13,581	1,632	8,491	10,123	1,168	7,928	9,096	831	8,235	9,066	

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ADJUSTED BASIC PAY (\$1000)	006) 1811 CRIMINAL INV			007) 1816 IMMIGRATION INSP			008) 1802 COMP INSP & SUP			009) 0303 MISC CK & ASST			010) 0343 MGT & PGM ANLSYS		
	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All
15-19											201	201			
20-24					80	80		19	19		579	579			
25-29		6	6		1073	1073		660	660	1	681	682		1	1
30-34		148	148		887	887	2	933	935	12	746	758		20	20
35-39		728	728		336	336	10	1,265	1275	11	490	501		50	50
40-44		519	519		426	427	48	1296	1344	13	281	294	1	67	68
45-49		742	742	14	1,580	1,594	165	486	651	27	69	96	1	127	128
50-54		212	212	17	679	696	119	61	180	9	12	21	4	109	113
55-59	1	681	682	85	353	438	54	7	61	5	3	8	10	116	126
60-64		469	469	142	117	259	9	2	11	1	1	2	8	104	112
65-69	23	846	869	194	8	202	7			3		3	6	136	142
70-74	56	1157	1213	104	3	107	4			1		1	6	144	150
75-79	134	1125	1259	58	2	60							6	190	196
80-84	221	420	641	37	9	46							11	145	156
85-89	329	257	586	21	11	32							19	126	145
90-94	236	137	373	8	6	14							25	94	119
95-99	172	37	209	6	2	8							18	64	82
100-104	124	51	175	9	3	12							31	68	99
105-109	54	13	67	3	1	4							7	14	21
110-114	27	7	34	2		2							22	19	41
115-119	13	1	14	2		2							13	2	15
120-124	10	4	14										23	8	31
125-129	4	2	6										6		6
130+	52	9	61										5		5
UNSPEC		31	31	5	11	16	4	7	11		3	3		1	1
All	1,456	7,602	9,058	708	5,587	6,295	422	4,736	5,158	83	3,066	3,149	222	1,605	1,827

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ADJUSTED BASIC PAY (\$1000)	011) 0436 PLANT PRT & QUAR			012) 0083 POLICE			013) 0640 HEALTH AID & TECH			014) 2210 INFO TECH MGT			015) 0610 NURSE		
	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All
15-19															
20-24		7	7					2	2					1	1
25-29		96	96			3		591	591					58	58
30-34		240	240			17		747	747			7		88	88
35-39		201	201			295		63	63		10	10		502	502
40-44		265	265			252		33	33		9	9		312	315
45-49	15	229	244			220					43	43	167	77	244
50-54	15	94	109			84					88	88	2	4	6
55-59	32	78	110			174				1	137	138		4	4
60-64	73	56	129			129				3	145	148		3	4
65-69	54	3	57			85				2	194	196	59	3	62
70-74	25		25			44				9	121	130	19	1	20
75-79	20		20			24				24	191	215	5	4	9
80-84	12	2	14			24				13	91	104			
85-89	5		5			1				26	111	137			
90-94						2				18	41	59			
95-99		1	1			3				13	26	39			
100-104	2		2			3				23	25	48			
105-109						2				4	6	10			
110-114						1				14	10	24			
115-119						1				2	2	4			
120-124										10	4	14			
125-129						1				1	2	3			
130+						1				5	2	7			
UNSPEC		2	2					3	3	1	2	3	1	5	6
All	253	1274	1527	157	1355	1512		1439	1439	169	1267	1436	257	1062	1319

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ADJUSTED BASIC PAY (\$1000)	016) 0905 GENERAL ATTY			017) 1889 IMPORT SPEC			018) 0318 SECRETARY			019) 0201 HR MGT			020) 0080 SECURITY ADM			
	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All	
15-19																
20-24								9	9							
25-29						1	1					2	2		1	
30-34						10	10					10	10		5	
35-39						6	6	1				28	29		21	
40-44			1	1		14	14					25	25	1	45	
45-49			18	18		77	77					84	84		84	
50-54			8	8		175	175				1	64	65		79	
55-59			48	48		216	216				7	86	93	4	212	
60-64			12	12		149	149				8	82	90	2	114	
65-69			42	42	2	75	77				6	87	93	15	70	
70-74			49	49	13	72	85				8	70	78	18	58	
75-79			32	32	15	53	68				15	78	93	23	45	
80-84			109	109	20	40	60				5	44	49	25	18	
85-89	1		153	154	16	47	63				16	46	62	16	5	
90-94	6		173	179	7	13	20				16	31	47	12	12	
95-99	13		110	123	1	7	8				10	8	18	5	2	
100-104	16		85	101	3	17	20				10	11	21	6	6	
105-109	19		40	59	2	19	21				9	5	14	3	3	
110-114	25		44	69	1		1				10	5	15	4	4	
115-119	16		10	26							4		4			
120-124	35		20	55	4		4				4	1	5	2	2	
125-129	13		8	21							2		2			
130+	27		4	31							4		4		1	
UNSPEC	1			1	5		5							1	1	
All	172		966	1138	89	991	1080	2	1074	1076	136	767	903	138	759	897

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ADJUSTED BASIC PAY (\$1000)	021) 1897 CUSTOMS AID			022) 0326 OFC AUTO & CK			023) 0986 LEGAL ASSTNCE			024) 0602 MEDICAL OFCR			025) 0132 INTELLIGENCE		
	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All
15-19		2	2		50	50									
20-24		22	22		367	367		10	10						
25-29		86	86	1	299	300	5	320	325					3	3
30-34		204	204	1	108	109	9	215	224					9	9
35-39	1	299	299		30	30	17	110	127					20	20
40-44	1	232	233		12	12	21	33	54					16	16
45-49	2	8	10				7	10	17					50	50
50-54	3	15	18		1	1	4	3	7		48	48		30	30
55-59	1		1				2		2					62	62
60-64	1	1	2										1	49	50
65-69											45	45	1	81	82
70-74											1	1	1	90	91
75-79											353	353	5	76	81
80-84													4	59	63
85-89										25	145	170	13	39	52
90-94													7	12	19
95-99										23	5	28	2	6	8
100-104										3		3	4	2	6
105-109													3	1	4
110-114											1	1	4		4
115-119										1		1	3		3
120-124													1		1
125-129													1		1
130+										1		1	2		2
UNSPEC		1	1		1	1				1	22	23			
All	8	870	878	2	868	870	65	701	766	54	621	675	52	605	657

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ADJUSTED BASIC PAY (\$1000)	026) 0341 ADM OFCR			027) 0511 AUDITING			028) 1102 CONTRACTING			029) 2181 AIRCRAFT OPS			030) 0421 PLANT PROT TECH			
	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All	MGR	EMPLOYEE	All	
15-19															2	2
20-24															128	128
25-29			4	4					2	2					241	241
30-34			148	148					8	8					98	98
35-39			5	5					18	18					14	14
40-44	3		14	17					16	16			1	1	3	3
45-49	7		23	30			1		43	44			25	25		
50-54	20		28	48					23	23			6	6		
55-59	15		128	143			2		42	44			62	62		
60-64	26		18	44			4		49	53			32	32		
65-69	13		7	20			2		49	51	2		87	89		
70-74	24		8	32			6		63	69	3		49	52		
75-79	28		5	33			7		45	52	8		82	90		
80-84	14		5	19	5		9		24	33	4		91	95		
85-89	20		3	23	8		18		20	38	23		46	69		
90-94	12		3	15	13		10		22	32	7		3	10		
95-99	9		4	13	15		5		12	17	4			4		
100-104	1		4	5	10		10		8	18	2			2		
105-109	4		1	5	8		4		1	5	1			1		
110-114	5		1	6	7		10		2	12	5			5		
115-119	3			3	3		5			5						
120-124	2			2	6		3		1	4						
125-129	1			1	3		1			1						
130+					2		1			1						
UNSPEC													1	1		
All	207		409	616	80		98		448	546	59		485	544	486	486

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Pre-Decisional Working Document

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Committee.