

Longevity/Competency/Performance-based System [15]

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 is designed specifically for the law enforcement core workforce, exclusive of managers. DHS would establish a banding structure that provides for four non-supervisory levels of work—developmental, career enhancement, journey, and master/expert—for each category of law enforcement positions. In the lower levels, pay would primarily be adjusted based on longevity; all employees making acceptable progress in developing required competencies would receive the same annual pay adjustment. At the journey and master/expert level, pay adjustments would vary depending on the employee's performance, competencies, and contributions. At all levels, employees who do not meet established expectations (i.e., needs improvement) would receive no annual pay adjustment.

This option places considerable focus on competencies—i.e., the job-related skills, knowledge, and behaviors that are linked to high individual achievement and organizational success. A competency-based approach is viewed as fitting well with enforcement work. In many cases, results-based measures may not work well in the enforcement field, since such measures can be difficult to develop or can result in undesirable behavior. Employees will be evaluated on their acquisition of competencies, without regard to whether they are consistently used. This recognizes that, in the enforcement field, many skills that are critical to mission accomplishment are not necessarily used on a regular basis. In this system, an employee's ability to respond appropriately to rare situations is expressly recognized and valued. (Note: DHS expends considerable funds in training employees to have such skills, which is an indication of their value and supports compensating employees for such skills.) Since such abilities are often developed through on-the-job experience, this system indirectly rewards such experience.

This option also places considerable emphasis on evaluating individual performance based on how the employee contributes to various team activities. This approach recognizes the fact that much enforcement work relies on cooperative or collaborative relationships with other employees. For this purpose, a "team" is not limited to an organizational unit or a formal project team or task force, but includes various significant work relationships with other employees.

Key Features:

Coverage:

This option is designed to cover all DHS employees in law enforcement and related fields, including CBP officers, who are now covered by chapter 53 of title 5.

- DHS would establish career paths for specific categories of enforcement positions. Each career path would consist of four levels or bands: Developmental, Career Enhancement, Journey, and Master/Expert.
- DHS would establish pay ranges for each band of each career path. DHS could use the underlying GS ranges as reference points in establishing ranges, at least initially. DHS would include locality pay adjustments in setting local pay ranges. It could adjust the ranges based on labor market data, cost-of-living data, mission requirements, and other appropriate factors.
- There would be no overlap between the Developmental and Career Enhancement ranges or between the Career Enhancement and Journey ranges.
- Employees would advance to the Career Development Band and Journey Band after acquiring all

Longevity/Competency/Performance-based System [15]

required competencies. Advancement to the Master/Expert Band would be competitive.

- Structural pay range adjustments would not be automatically “passed through” to employees. DHS would determine the amount of any general increase given to employees. Employees with a below acceptable (Needs Improvement) rating would not be eligible for a general increase or any other pay adjustment.
- DHS would set the entry pay rate(s) for new hires within the Developmental Band. It would also set the pay rates that take effect after 1 year (for employees making acceptable progress in developing required competencies). (Enforcement employees would be hired under the Federal Career Intern Program, which provides for a 2-year excepted appointment.) After 2 years, those who have obtained the required (benchmark) competencies would be retained and promoted to the Career Enhancement Band.
- Employees in the Career Enhancement Band who are making acceptable progress in developing required competencies would receive an annual pay adjustment as established by DHS. They can be promoted to the Journey Band as soon as they have developed all the required (benchmark) competencies.
- Employees in the Journey and Master/Expert Bands would be covered by a performance appraisal system with three rating levels: Needs Improvement (i.e., below acceptable), Valued Contributor, and Exemplary Contributor. Employees rated as a Valued Contributor or an Exemplary Contributor would receive an annual pay adjustment, as determined by DHS or DHS components (under a delegation of authority). DHS may establish a framework within which components operate the Journey-Master/Expert pay progression system. For example, DHS may require a specific general increase or may require that all components provide a performance-based adjustment to Exemplary Contributors that is a minimum fixed percentage higher than the adjustment for a Valued Contributor.
- Individual performance appraisals for employees in the Journey and Master/Expert Bands would evaluate an individual’s contribution to mission accomplishment. The appraisal would incorporate individual competency assessments, individual achievements (results), contributions towards achievement of mission goals, contributions towards various “teams”, etc. Team-based evaluations would have a significant impact on the employee’s overall performance rating.
- Law enforcement officers meet with a human resource (HR) specialist / group for career counseling purposes at least once every year until they reach the journey level. The group could consist of HR staff and enforcement staff. The topics to be discussed could include résumé assistance, personality testing, making oneself more marketable, alternate LEO career paths and the minimum requirements to apply for those jobs, and movement within DHS. Strong emphasis should be made on obtaining a good career fit and on retaining new hires inside of DHS.
- The design of the system would not be subject to collective bargaining. System administration rules in DHS regulations would not be subject to collective bargaining.

Sub-Options:

- An additional set of bands could be developed for the role of supervisor/manager. A manager career ladder would begin where the component’s journey band ends. A new manager would be in a manager developmental band for the 1-year probationary period. Upon successful completion of the probationary period, the employee would be placed in the manager band. Advancement within the manager band would also be linked to benchmark competencies as well as performance standards.
- At the journey level, include a special “competency” identified as “significant on-the-job experience.” Provide a separate “experience payment” in addition to the employee’s regular salary (limited to a set percentage of salary).

Longevity/Competency/Performance-based System [15]

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

- A competency-based system may promote expanded training programs, which could lead to a more valuable workforce. Since such a system also connects an employee's pay to the level of skills that an employee brings or develops on the job, employees may be motivated to seek more training.
- The enforcement positions are traditionally difficult to effectively rate using results-based performance measures, but this system uses competencies that can capture the quality of the individual, instead of focusing on the results such as number of arrests, etc.
- Stringing several bands together with benchmarks for advancement into a career ladder progression attempts may make the system more increase acceptance for employees who like the familiarity of the current GS system.
- Well-developed competency-based systems can be transparent and predictable. Employees can have a better understanding of what is expected of them to progress in their chosen career path and employees may be able to better manage their own careers.
- Making pay more performance sensitive can allow more equitable treatment of employees based on their contributions. Exemplary employees can receive more generous pay adjustments and may be more likely to remain with the organization. By promoting a more performance-oriented culture, this option could motivate some employees to improve performance and could help improve organizational performance.
- Poor performers may be held more accountable through the loss of base pay adjustments.
- Assignment of duties can be more flexible because the team focus broadens the scope of work. Under the team concept, an individual's contribution will be independently evaluated. Overall team success does not necessarily assure individual success under this system. The primary objective of this system is to allow individuals to succeed independently without creating counter productive intra-office competition. All work will be captured in the performance evaluation, which is in line with overall mission objectives. Individual achievements are important, but cooperative case development, mutual support and team work are more central to the overall mission goals. As both individual and team accomplishments are nested under the heading of contribution to mission, the supervisor has the flexibility to assign an employee to a team for the entire rating year or longer and adjust the performance requirements accordingly. Individual assignments excluding team work are also a possibility.
- DHS would have flexibility in creating pay ranges and structural adjustments to the bands. This could allow DHS to use its limited budget resources more strategically based on evolving mission needs and requirements (e.g., in response to new types of terrorist threats). DHS would have the flexibility to attract and retain the types and quality of employees it needs to perform its mission.
- The Master/Expert Band would provide an alternative career path for highly skilled employees who are

Longevity/Competency/Performance-based System [15]

not suited for or not interested in a management positions.

Possible Problems/Challenges

- If this system is insufficiently funded, there is a risk that it could demotivate employees.
- Making pay more performance sensitive may concern employees who value the stable, predictable nature of GS pay increases. The lack of guaranteed increases may lessen acceptance of the system.
- 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 not have confidence in current performance appraisal process, which could result in concerns about implementation of a pay for performance system.
- In order to implement this system effectively, a strong and well-managed performance management system is required. The performance management system could be implemented prior to implementation of the pay system, which might promote employee confidence and acceptance of the pay for performance system.
- Determining labor market rates to establish the pay structure and occupational groupings may be difficult, particularly for occupations that may have few matches in available salary survey data or where DHS dominates the market for a particular occupation.
- DHS could raise pay levels for certain groups of employees, which could give DHS a competitive advantage over other Federal agencies.
- If training and job assignments are not distributed in a fair and equitable manner, employees' opportunity to acquire or demonstrate skills needed for advancement could be limited.
- To the extent that pay levels could be higher, more criminal investigators might hit the premium pay cap as 25% availability pay is added on top of the higher base rate. Raising the premium pay cap, as proposed in a suboption, would require legislation and could create increased pay compression vis-à-vis Senior Executive Service and Executive Schedule officials.
- The *team contribution* aspect of an employees rating would need to be crafted so that it encouraged critical thinking skills and did not create an atmosphere of compliance. Dissonance *can* be an indication of a higher level of critical thinking skills.
- Lack of specificity regarding pay increases associated with the pay progression methodology identified under this option leads to greater uncertainty and loss of transparency, which may lessen employee acceptance of this system.
- Complexity of this system could be disruptive, and lessen a focus on mission.
- By moving to a banded pay structure, if no conversion adjustment is provided for loss of the value of the current system of career ladder promotions, this could lessen acceptance by employees currently in career ladder positions, since new employees could be hired at higher pay rates.
- Some believe that not providing external appeal rights to an independent third party could reduce management accountability and may lessen acceptance of the system.
- The system may tend to separate law enforcement officers from the rest of DHS in terms of pay and lessen the notion of "one" agency.

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.
- This option ties the developmental band to the trial period of employees hired under the Federal Career

Longevity/Competency/Performance-based System [15]

Intern Program. Provisions would need to be made for employees hired under other authorities, such as Secret Service employees hired under authority of Schedule B (5 CFR section 213.3205(d), which provides for a longer trial period.

- This system will require consistent funding and investment into the training budget.
- This system will require a commitment by DHS to assure managers, especially frontline managers, have the time, the training and the resources to assure this competency-based system is effective. Frontline managers should be limited to a specific number of subordinate employees for maximum effectiveness of the system. Transition into and maintenance of the system will require significant time, resources and sustained funding.
- This system will require an ongoing organizational commitment to maintain a list of skills/competencies that it values. A component agency would need to allow for timely additions or deletions from that list. In addition, considerable effort will be required to establish appropriate pay ranges based on national or local survey data, and to update the surveys and adjust the pay ranges annually.
- DHS would need to be able to provide explanations for the decisions it makes in pay ranges and employee adjustments—i.e., describe the factors upon which it based those adjustments.
- Significant training should be deployed in a variety of media to ensure both employees and managers fully understand the new system. Specific training must be provided to managers on how to utilize the system and how to communicate performance information to create an atmosphere that is most supportive of success for the new system.
- In order for this system to be credible to employees, and have a chance to succeed, the parties should be able to bargain collectively both over the design and the implementation, as is required in the Homeland Security Act. Lack of collective bargaining may be contrary to requirements or intent of Homeland Security Act, and may undermine employee acceptance of these changes.
- Problems with favoritism or discrimination may be exacerbated as managers' control over training and job assignments may allow or prevent an employee from acquiring and demonstrating skills and qualities needed for advancement.
- Competency-based systems require a strong career-development culture and adequate funding to be successful.
- All basic training would be provided by the component agencies so that an employee's progression through the developmental band would be homogenous across the country. However, advancement into the master expert band could be dependant on casework or other factors that might vary depending on location, city size, or criminal element in that area.
- This option would require supervisors to devote more time to performance management
- The system will require additional time spent by supervisors and panel members on the performance appraisal process
- This system would require an implementation period involving training for supervisors and employees.
- Requires extensive and rigorous monitoring of employee competencies

Cost

- 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.
- Long term costs depend on (1) how DHS establishes and adjusts pay ranges for enforcement jobs and (2) the amounts of pay adjustments and cost controls established by DHS. This system could be cost neutral compared to the GS system (i.e., use same amount of funds currently devoted to GS general

Longevity/Competency/Performance-based System [15]

increases, locality pay adjustments, within-grade increases, quality step increases, and promotions).

- Other start-up costs associated with moving employees into a new system are anticipated such as convening groups to identify competencies, and integrating an electronic system to capture all of this information.
- If sub options on raising the premium pay cap are adopted, there would be additional premium pay costs.

Evaluation in Terms of Guiding/Design Principles:

Mission Centered

- This plan hinges on an individual's work being in line with an organizational component's strategic plan. All work should relate to the mission of the organization. It focuses performance evaluations for enforcement officers on contributions to mission which involve both individual goals and team accomplishments.
- Increased complexity, and lack of predictability, of pay increases based on competencies may be disruptive to many employees, and distract them from focus on the mission

Performance Focused

- The pay system begins as experience-based but transitions into a hybrid that adopts larger rewards for higher-level performers who make greater contributions to mission accomplishment.

Contemporary and Excellent

- The option adopts many progressive features that are based on the positive features from other systems.

Generate Trust and Respect

- A workforce that is competency-based is respected within its organization and among other law enforcement agencies.
- Success of system will depend largely on the strength and credibility of the performance management system which identifies employee competencies, including providing training so that supervisors have the resources and skills to properly administer the system.

Based on Merit System Principles and Fairness

- All employees will have an equal opportunity to obtain competencies that will impact their pay.

Transition & Implementation:

- Must assure that no employees experience a pay decrease as a result of implementation. Current employees would be grandfathered into the system at current salaries. If an employee does not meet the required competency benchmarks for his/her band level at the time of conversion, he/she would be given a grace period to obtain the competencies that are lacking.
- This competency-based system will require development of procedures and practices that will cover the various directorates, bureaus, agencies and occupations. All three systems should be well tested and validated, especially the classification and performance management systems, before compensation or award decisions are made. Trust must be developed before compensation decisions are made. This can be accomplished only by demonstrating that using the system will result in fair, consistent, objective

Longevity/Competency/Performance-based System [15]

and predictable results from a given employee perspective.

- Each component or organization will need to identify what benchmarks it values and ensure that employees in all geographic locations can obtain those skills.
- A method will be required to review and certify the competencies a newly hired employee brings to the job prior to setting the employee's pay.
- Developing occupational families in which competencies can be grouped.
- Develop policies for each component agency in which modifications to these competencies can be completed. The policies should include the flexibility to react quickly and make additions to the list of competencies mid-cycle.
- Develop or purchase market-based surveys, including costs for each competency.
- Develop "competency-based" training for supervisors and employees. All employees must understand the basis from which their pay has been determined.

Transition Sub-Option:

- The system would be subject to collective bargaining prior to implementation for bargaining unit employees.

Longevity/Competency/Performance-based System [15]

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

B Base Pay System	
System elements:	Summary description:
<p>1 Structure of pay ranges</p>	<ul style="list-style-type: none"> DHS will establish a career path for each category of enforcement positions. Each enforcement employee career path consists of 4 pay bands: Developmental, Career Enhancement, Journey (normal full performance level), and Master/Expert. Each band has a separate range of pay. The pay ranges between the Developmental Band and the Career Enhancement Band and between the Career Enhancement Band and the Journey Band will not overlap in order to emphasize distinct stages in the employee's career. <p align="center">Enforcement Employee Career Path</p> <pre> graph TD A[Developmental] --> B[Career Enhancement] B --> C[Journey Grade] C --> D[Master/ Expert] </pre> <ul style="list-style-type: none"> Different sets of ranges would apply to each category of jobs. DHS would determine the ranges based on labor market data, cost-of-living data, mission requirements, or other relevant factors. DHS may use the underlying GS rate ranges (including law enforcement office special rates at grades GS-3 through GS-10) as reference points in establishing ranges, at least initially. For example, a developmental band could equate to GS-5 through GS-7. Employees would be hired into the Developmental Band under the Federal Career Intern Program, which provides a 2-year excepted service appointment (i.e., 2-year probationary period). As most officer positions involve extensive basic training and on-the-job training, no new hire could advance out of this band before the completion of that 2-year period. After 2 years, if the employee has acquired all required core competencies, the employee would be retained and promoted noncompetitively to the Career Enhancement Band. There is no set time limit for promotion into the Journey Band. It depends on how long it takes the employees to develop all the required competencies. Promotion to the Journey Band is noncompetitive. Promotion to the Master/Expert Band is competitive.
<p>2 Adjustment of pay ranges</p>	<ul style="list-style-type: none"> DHS would determine how to adjust the pay ranges (i.e., structural adjustments). DHS could use the same adjustments made under the General Schedule (general increases and locality adjustments) or it could modify those adjustments. DHS could consider labor market data, cost-of-living data, and/or other relevant factors. Individual pay adjustments are not tied to the structural adjustment. These adjustments will be made in accordance with the pay-for-performance system outlined below in section 3.

Longevity/Competency/Performance-based System [15]

3	Pay progression methodology	<ul style="list-style-type: none"> • <u>Developmental Band</u>: At the 1 year mark, employees in the Developmental Band who are making acceptable progress in obtaining required competencies (as provided in the employee's individual performance plan) would receive a pay adjustment as determined by DHS. The completion of basic training will be part of the assessment. Employees whose acquisition of competencies is below acceptable would not receive a pay adjustment. • <u>Career Enhancement Band</u>: Employees in the Career Enhancement Band will receive annual adjustments to base pay as long as they are performing at an acceptable level in acquiring required competencies. DHS will set the amount of the adjustments, which would include any general increase. This band is not limited by any time constraints. These employees will work under the same performance plan as employees in the Journey Band. The performance plan includes both competencies and contribution to mission and includes both individual and team based elements. It is anticipated that employees would obtain and demonstrate these benchmarks at different paces unlike the current GS grade/step system. • <u>Journey Band</u>: Employees move through this band at a quicker or slower rate depending on their overall performance rating. Higher ratings bring higher additions to base pay. In addition to any general increase, these employees would receive performance-based pay adjustments as follows: <ul style="list-style-type: none"> ○ Employees' performance would be rated at one of 3 levels: Needs Improvement (i.e., below acceptable), Valued Contributor, and Exemplary Contributor. (See Table P, section 3, for information about how these ratings are made.) ○ An employee with a Needs Improvement rating would receive no pay adjustment (i.e., no general increase and no performance pay adjustment). ○ An employee with a Valued Contributor rating would receive any general increase plus a prescribed performance-based adjustment. ○ An employee with an Exemplary Contributor rating would receive any general increase plus a prescribed performance-based adjustment. It is expected that this adjustment would be a fixed percentage above the Valued Contributor pay adjustment. For example, the Exemplary Contributor adjustment might be 200% (2 times) the Valued Contributor adjustment. ○ DHS would establish a framework within which components could operate the Journey Band pay progression plan. For example, DHS could require as part of the framework that— <ul style="list-style-type: none"> – All employees with a positive rating receive a general increase set by DHS; – All components provide a performance-based adjustment to Exemplary Contributors that is fixed percentage of the adjustment for a Valued Contributor, or that is within a range of percentages established by DHS (e.g., minimum of 150% and a maximum of 300%); – All components use a pay pool or salary increase budget that is a fixed percentage of total basic payroll for Journey Band employees, as specified by DHS. <p><u>Master/Expert Band</u>: Same pay progression plan as for the Journey Band.</p>
4	Pay administration rules	<p><i>New Hire.</i> All new hires start in the Developmental Band. DHS (or DHS components under a delegation of authority) may set the starting salary within that band. DHS may prescribe fixed entry rates, with possible exceptions (E.g. 10-15% above developmental band) for employees with competencies obtained through previous experience in a related federal enforcement job.</p>

Longevity/Competency/Performance-based System [15]

		<p><i>Federal Transfer / improved DHS Career Track:</i> Federal Employees that transfer into a DHS component may utilize “limited time saved pay” which allows an employee to maintain pay for up to 3 years at which time the employee should be close to their original pay.</p> <p><i>Promotion.</i> Upon promotion to a higher band within the career path, an employee would receive the higher of (1) the rate that is 10% higher than the employee’s current rate or (2) the minimum rate of the new band.</p> <p><i>Sub-option:</i> Do not provide a promotion increase for movement into the Master/Expert band except as necessary to bring the employee to the minimum of the band. The access to the higher range would be considered to be a sufficient benefit.</p> <p><i>Geographic Movement/Pay.</i> Locality pay adjustments will accommodate for any differences in pay between locations. Pay may be adjusted upward or downward upon geographic movement.</p> <p><i>Pay Reduction.</i> No provision for within-band reductions. However, pay could be reduced upon demotion to a lower band.</p> <p><i>Pay Retention.</i> DHS will establish pay retention rules for certain types of involuntary pay reductions. Saved pay will be implemented until pay bands eventually rise to that level.</p> <p><i>Conversion to New System.</i> Employees on board at the time the new system is established who have accrued service toward a within-grade increase would receive the prorated value of the within-grade increase as a base pay adjustment at the time of conversion, as long as their performance is at an acceptable level of competence. Also DHS may provide one-time adjustments for employees in entry or developmental GS grades at conversion or within 1 year of conversion.</p>
5	Managerial compensation	<ul style="list-style-type: none"> • Not applicable, unless a sub-option is adopted.
6	Appeals	<ul style="list-style-type: none"> • Employees could appeal internally (1) an involuntary reduction in band level and (2) the denial of pay adjustments based on a “needs improvement” rating. • Employees may not appeal the amount of a performance-based pay increase (i.e., the rating that drove the increase) or any other pay decision (but actions affecting base pay would be subject to the administrative grievance procedure). <p>Sub Options</p> <ul style="list-style-type: none"> • All negative pay decisions (loss of pay or pay potential) subject to external appeal or appeal through a negotiated grievance procedure. • All pay decisions as appropriate subject to external appeal or appeal through a negotiated grievance procedure.
7	Evaluation	<ul style="list-style-type: none"> • Collect data on salary costs, average salaries, distribution of pay increases, etc. • Use employee surveys to collect information on employee views on fairness of the base pay system.
8	Other compensation	<ul style="list-style-type: none"> • Differentials could be paid to address cost of living issues impacting recruitment/retention of employees.

Longevity/Competency/Performance-based System [15]

		<ul style="list-style-type: none"> • Individual achievement awards would be available based on meritorious acts or in cases where special recognition is warranted. • Team awards are to be considered based on team results and contribution to overall DHS mission. • Since the premium pay caps under 5 U.S.C. 5547 still apply (tied to higher of GS-15, step 10, or Executive Schedule Level V) and since this option provides DHS with flexibility to set higher pay levels than the GS, more employees would hit the premium pay cap. In effect, capped employees become salaried employees with no entitlement to additional premium pay. For example, more high-level criminal investigators receiving availability pay could hit the biweekly premium pay cap. <i>Sub-option:</i> Allow DHS to establish a special base pay supplement (e.g., up to 5%) for criminal investigators receiving availability pay that is capped. The supplement could vary by band level or by the degree to which availability pay is not payable. [Legislation may be necessary.]
--	--	--

C Classification System		
System elements:		Summary description:
1	Functions	<ul style="list-style-type: none"> • Same purposes as General Schedule—setting pay ranges for jobs, workforce planning, etc.
2	Categorization of type of work	<ul style="list-style-type: none"> • DHS would use existing OPM occupational series to identify type of position, but could add new series with OPM's concurrence. • DHS would identify categories of enforcement jobs with the same career path (i.e., same banding structure). The categories may include more than 1 occupational series.
3	Work valuation method	<ul style="list-style-type: none"> • There will be four levels of work or bands for each job category career path: Developmental, Career Enhancement, Journey, and Master/Expert. • For each band, DHS would develop a written description of the level of work covered by that band. • The Master/Expert Band would be limited to employees with exceptional skills and abilities who have demonstrated high levels of achievement. These employees are the “role models” or go-to individuals that are consistently used in crisis situations. These employees may serve as special advisors, project leaders, or fill other similar roles. Promotion to the Master/Expert Band is competitive. DHS may establish controls or percentage limits on the number of employees that may be placed in the Master/Expert Band. It is expected that the vast majority of employees would be in the Journey Band. • DHS would assign pay ranges to each band as described in Table B, section 1.

Longevity/Competency/Performance-based System [15]

4	Qualifications	<ul style="list-style-type: none"> • DHS would establish qualification standards for levels of work. It would not be bound by OPM qualification standards for comparable jobs. • DHS would establish its own rules on qualifying for promotion (e.g., any time-in-band or experience requirements). • There is no set time limit for promotion into the Journey Band. It depends on how long it takes the employees to develop all the required competencies.
5	Applying system	<ul style="list-style-type: none"> • DHS would determine the extent to which any classification-related authority may be delegated to components. DHS may exercise appropriate oversight—in particular, oversight regarding placement of employees in the Master/Expert Band. • Managers would generally be responsible for making classification decisions. HR staff would serve as consultants. Significant issues regarding proper use of classification authority could be submitted to a departmental or component Compensation Committee.
6	Appeals	<ul style="list-style-type: none"> • Allow employees to appeal any kind of involuntary reduction in band internally. • Employees may not appeal other classification decisions (but could file an administrative grievance for any covered actions). <p>Sub Options:</p> <ul style="list-style-type: none"> • Provide for an external appeal or appeal through a negotiated grievance procedure of the final decision. • Provide for a panel of “work evaluation” experts to review the final decision.
7	Evaluation	<ul style="list-style-type: none"> • DHS would monitor distribution of employees by occupation and work level. • DHS would collect information from employee surveys on perceived fairness of the classification system.

P		Performance Management System
System elements:		Summary description:
1	Purpose	<ul style="list-style-type: none"> • To adopt a system that more accurately captures the work an enforcement officer completes on a day-to-day basis. It builds the team concept into its performance appraisal system and rewards individuals who are able to balance personal and team achievements. (Note: For this purpose, a “team” is not limited to an organizational unit or a formal project team or task force, but includes various significant work relationships with other employees.) • The system places considerable emphasis on competencies. Employees in the Developmental and Career Enhancement Band will be assessed primarily based on development of required competencies for purposes of pay adjustments and promotion. The performance of employees in the Journey and Master/Expert Bands will also be assessed based on competencies along with certain results-based assessments and the ratings will be used in connection with pay adjustments and promotions. • The competency-based system will focus on the organization’s core knowledge, skills and abilities needed to complete mission-related tasks and goals. It can be a tool to promote training employees in multiple disciplines to enhance their value to the organization. It also will support a flexible system that helps facilitate the development of new competencies within the enforcement workforce to respond to evolving dangers and threats.

Longevity/Competency/Performance-based System [15]

P		Performance Management System
System elements:		Summary description:
2	Measures	<ul style="list-style-type: none"> • Employees in the Developmental and Career Enhancement Band will be assessed primarily based on development of required (core) competencies. • The performance of employees in the Journey and Master/Expert Bands will also be assessed based on competencies along with certain results-based assessments. (See section 3 below.) • Each DHS component will determine the mix of measures that are appropriate for a given group of employees. <p>(Note: Under this system, the term “competencies” encompasses knowledge, skills, abilities, and behaviors that are connected to successful performance. Competencies can be assessed through testing or observation of on-the-job behaviors.)</p>
3	Appraisal	<ul style="list-style-type: none"> • Subject to any DHS headquarters requirements, DHS components will develop the specific set of core required competencies that will be used to evaluate employees in the Developmental and Career Enhancement Band. Employees will be evaluated at one of two levels: Needs Improvement (i.e., not showing sufficient progress in developing competencies) and Acceptable. • DHS will provide a general framework for evaluating employees in the Journey and Master/Expert Bands. This framework will include the following elements: <ul style="list-style-type: none"> ○ Employees will be individually rated by their line supervisor at one of three levels: Needs Improvement (i.e., below acceptable), Valued Contributor, and Exemplary Contributor. ○ In applying performance standards that are qualitative (nonquantitative), the supervisor may appropriately consider the relative performance levels of other employees against the given standard (in the current appraisal period or during past appraisal periods) in reaching a judgment as to a given employee’s level of performance. ○ The Phrase “Contribution to Mission” will be used to describe the overall performance assessment. The performance elements will be tied to mission goals as much as possible. The assessment will have two parts: (1) Individual Contributions and (2) Team Contributions. ○ <i>Individual Contributions.</i> Individual contributions could include the following elements: <ul style="list-style-type: none"> – Scope/significance of individual assignments (e.g., nationwide projects, high-profile projects, details to headquarters, teaching assignments [e.g., at FLETC], etc.); – Results in completing individual assignments; – Possession of core competencies related to personal skills, behaviors, etc.; – Possession of additional or specialized personal competencies (e.g., development of innovative solutions to problems). ○ <i>Team Contributions.</i> Team contributions could include the following elements (including team-related competencies): <ul style="list-style-type: none"> – Team leadership; – Critical Thinking skills;

Longevity/Competency/Performance-based System [15]

P Performance Management System		
System elements:		Summary description:
		<ul style="list-style-type: none"> – Professional behavior; – Contribution of skills brought (highly sought employee); – Team achievements and employee’s contributions toward those achievements; – Information sharing; – Assistance to other teams; – Assistance to fellow team members; – Ability to balance individual and team tasks (time/priority management); – Willingness and accessibility (availability to the team). <ul style="list-style-type: none"> ○ The line supervisor may seek input from multiple sources (e.g., other supervisors who have worked with employee or “customer” organizations), but may not seek input from nonsupervisory employees in the same organizational unit. (Such input could undermine team unity and carries an increased risk of bias.)
4	Communication vehicles	<ul style="list-style-type: none"> • Employees will be covered by an Individual Performance Plan, which will describe performance expectations, competency standards, mission goals, organizational values, etc. • Formal performance discussion required at least annually, developmental discussion can be simultaneous or separate. • Informal performance feedback requirements to be established by organization/occupation according to culture. • As a supplement to the performance program, enforcement officers would meet with a human resource (HR) specialist / group for career counseling purposes at least once every year until they reach the journey level. The group could consist of HR staff and enforcement staff. The topics to be discussed could include resume assistance, personality testing, making oneself more marketable, alternate LEO career paths and the minimum requirements to apply for those jobs, and movement within DHS. Strong emphasis should be made on obtaining a good career fit and on retaining new hires inside of DHS.
5	Appeals	<ul style="list-style-type: none"> • Employees could appeal internally a Needs Improvement performance rating. • Employees may not appeal a Valued Contributor rating (however, employees who believe they should have received an Exemplary Contributor rating would be allowed to use the internal administrative grievance procedure to question their rating). <p>Sub Option External appeal of “Needs Improvement” performance ratings or appeal through a negotiated grievance procedure.</p>
6	Evaluation	<ul style="list-style-type: none"> • An outside contractor conducts a survey of employees to determine impact on performance.