

USCG Modified Performance System [22]

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 involves establishing a DHS standardized performance management system that would be deployed for all civilian employees across the Department. The model for this system would be the performance management system currently used by the U.S. Coast Guard for civilian employees. The system is called Excellence, Achievement and Recognition System (EARS).

- EARS is a competency based performance evaluation system with a maximum of 9 core competencies (depending on the employee's specific responsibilities) and additional opportunity for employee specific work plans and areas of concentration that could be more objective targets of performance.

Key Features:

Coverage:

This option is designed to cover all DHS employees who are now covered by chapter 43 of title 5. It could also cover all TSA employees under the authority provided by law to the TSA Administrator.

- Performance Plan and Evaluation process is used to document job expectations and assess performance. Ratings may impact a variety of personnel actions concerning promotions, rewards, pay and retention.
- Performance Plan and Evaluation process promotes two-way communication, links individual performance with organizational goals and is intended to hold supervisors accountable for effective human resources management.
- 3 rating levels
- 9 predetermined Core Competencies (CC's) with a requirement for a minimum of 4 core competencies for an individual employee. Some are mandatory, e.g., Supervisors core competencies for all supervisors and managers. The CC's are generic; however they can be tailored; have predetermined standards for the Meets rating; are all critical when used; and have one overall summary rating and a narrative summary as well. During the appraisal year there are four mandatory meetings between supervisors and employees; an initial start up phase/meeting; two interim reviews; and a final summary meeting. Employees are encouraged to provide to their supervisors a written summary of accomplishments throughout the appraisal year and for the final summary meeting.
- Supervisors and employees participate in identifying the CC's that apply to their jobs and develop any work plan objectives. Supervisors retain the authority to assign CC's that the employee may not totally agree with. The employee has the ability to provide written disagreement in every part of the evaluation process.
- Organizations would be encouraged to identify CC's that will be used for all positions in the same occupation to ensure consistency of CC's within a given work group or team.

Sub-Options:

- Summary rating could be eliminated.
- Summary rating could be pass/fail.
- Summary rating could have more than three levels of performance.
- Summary rating could have numeric scale to assist in rank order decision making.
- Core Competencies could have numeric scale to assist in rank order decision making.
- Core competencies could be afforded different weight.
- Each Department component could develop its own Core Competencies.
- Work plans could have generic criteria established to ensure standardization across DHS.
- Work plans could include specific objective goals and targets established for DHS mission areas.
- The numbers and periodicity of interim reviews is open to change.
- Employee input could be given a score that could be factored into the overall rating.
- Standards could be used that provide specific examples of performance at the "exceeds" level.
- Establish a "Performance Award Review Board" responsible for reviewing and granting all awards.
- Union representation on all boards impacting bargaining unit employees.
- A part of each supervisor's and manager's rating could be based on how well he or she applied the EARS system.
- Establish a joint employee/labor/management board responsible for program evaluation.

Relation to Other Options:

- This option covers the performance management system.
- It could work with any pay, classification, labor relations, discipline and appeal system that requires ratings of individual performance.

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

- As this appraisal system has been fully designed and is in use, this could be implemented quickly.
- Appraisal process could be less time-consuming and bureaucratic in some organizations/components
- The system could increase accountability for supervisors, and be more flexible and fair.
- Communication and feedback can be job specific, continuous, timely and documented.
- Because setting goals mutually between supervisors and employee is required, the system can provide clarity and direction, improve operations and encourage employee buy-in.
- Employee development could be included in the goal setting process and might emphasize the value of individual development.
- EARS can support a rewards and recognition program that is in relation to overall organizational strategic goals and objectives.

Possible Problems/Challenges

- Rolling out a system that would cover 150,000+ employees will be a significant workload and

USCG Modified Performance System [22]

management oversight task.

- Failure to mandate adherence to EARS requirements (e.g. Conducting progress reviews) would lessen supervisory accountability and system effectiveness.
- The ability of a higher level manager to overrule supervisory ratings might adversely affect some employees' confidence in the system.

Other Implications

- Conversion of different performance management systems with various rating levels will impact reductions in force (RIF), (and other) related length-of-service calculations.

Cost

Cost for developing the EARS system should be minimal as it is already in place and being used by Coast Guard civilian employees. There would only be one way of doing business and one training plan, so there could actually be some cost avoidance in the future with a single system. However, any new system deployed Department-wide would cost to implement. Costs might include some components may need to developing their own generic standards for their own occupation groups.

Evaluation in Terms of Guiding/Design Principles:

Mission Centered

- This option could allow for individual goal setting in a performance tool that allows for objective work plans to be developed that will apply to the DHS Strategic Goals and Objectives.
- Solid generic performance standards allow room to establish unique performance goals to meet mission needs.

Performance Focused

- This option allows for performance goals to provide clarity and direction, improve operations and encourage employee buy-in. The EARS uses Core Competencies to help link individual performance with organizational goals.

Contemporary and Excellent

- This option might address any concerns and dissatisfaction with current appraisal systems since there would be an emphasis on enhancing 2-way communication; establishing accountability and joint ownership of performance goals and outcomes; providing meaningful recognition and rewards; and fostering a learning environment that develops and motivates employees

Generate Trust and Respect

- The system is in place now for the USCG and was designed with a customer focus and is already trusted and respected by civilian employees and managers. The system was developed using a collaborative process by a diverse design team. The team designed and ran 7 focus groups with over 300 participants throughout the country. The focus group input provided came from a diverse group, including military and civilian supervisors and civilian employees who represented a variety of occupations.

Based on Merit System Principles and Fairness

- Conforms with merit principles
- Requires establishment of written, objective performance standards which must be communicated

USCG Modified Performance System [22]

to employees in advance

- Simplification, fairness and accountability for supervisors' responsibilities enforced through regular feedback sessions.
- Specific, continuous, timely, and documented communication and feedback from supervisor to employee.
- A specific process is included for determining employee development requirements and concerns.
- Areas of employee recognition can be defined.

Transition & Implementation:

There is a significant level of effort to implement and transition 150,000+ employees to a single standardized performance evaluation system. Use of automated CBT (computer based training) tools should be used wherever possible to ensure standardization across the Department.

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

P		Performance Management System
System elements:		Summary description:
1	Purpose	<ul style="list-style-type: none"> • The purpose of the Excellence, Achievement and Recognition System (EARS) is to provide a tool for establishing individual performance goals tied to core competencies that help link employees' performance to organizational goals, to foster communication and feedback, and to tie employee development and rewards and recognition to performance. EARS is also used in making decisions regarding rewards, pay, retention, reduction in grade, reduction in force (RIF) and merit promotion.
2	Measures	<ul style="list-style-type: none"> • 3 rating levels, 9 core competencies (some mandatory, some optional with a minimum requirement of 4) – Predetermined – Optional work plan area for individual goals and objectives to be set by the employee and supervisor – not weighted, all are considered critical to the overall successful performance of the employee. • The 9 core competencies are: <ul style="list-style-type: none"> • Applied Job Knowledge and Skills • Supervisory Leadership • Customer Service • Communication • Teamwork • Quality of Work • Funds Management • Safety • Timeliness and Quantity of Work • First CC, Applied Job Knowledge and Skills, is mandatory for all employees, and the second CC, Supervisory Leadership, is mandatory for supervisors. At least 4 CC's are required including any that are mandatory. More than 4 CC's can be selected; however all CC's must come from these nine areas. There is an area in the evaluation form for defining a work plan that can be specific to goals and objectives of the organization and relate to an employee's specific work accomplishments. • Each CC has generic standards on the appraisal form that provide specific examples of the performance at the "meets" level. Employee performance is measured against these generic standards. Specific standards can be further defined in the work plan that relate directly to objective measures of effectiveness the employee is being rated against. • All CC's are critical and equally weighted, meaning that failure to meet any one will result in an overall rating of "Fails to Meet". Work plans are not critical and not equally weighted but can have a large bearing on an employee's ability to achieve a higher level evaluation. Work Plans can be considered as "stretch goals". • Prior to determining a final rating of record, supervisors are required to consider any and all interim ratings, as well as employee feedback and information (where applicable).
3	Appraisal	<ul style="list-style-type: none"> • Yearly with one overall narrative summary. • 3 rating levels – Exceeds, Meets, Does not Meet.
4	Communication vehicles	<ul style="list-style-type: none"> • Initial goal setting and discussion on expectations with supervisor and employee are required. Two mandatory feedback sessions with requirements for a written supervisory narrative and voluntary employee written input.

USCG Modified Performance System [22]

P		Performance Management System
System elements:		Summary description:
		<ul style="list-style-type: none"> Any new performance plans established during the rating cycle are subject to review and discussion with affected employees. <p>Sub Options</p> <ul style="list-style-type: none"> Additional feedback sessions and documented improvement/assistance efforts required prior to lowering employee ratings in CC's from one appraisal period to the next. Employees will be provided with written rationale for any changes to performance ratings by the approving official. This will include the initial supervisor's rating and the performance based reasons for the change.
5	Appeals	<ul style="list-style-type: none"> Appeals could continue as is within each component or be DHS standardized. <p>Sub Option</p> <ul style="list-style-type: none"> All ratings and decisions related to performance awards and QSI's subject to external appeal.
6	Evaluation	<ul style="list-style-type: none"> Continuous employee and management feedback as well as yearly survey instruments.