U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Senior Executive and Organizational Performance Management System

July 2008

HHS Senior Executive and Organizational Performance Management System
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Senior Executive and Organizational Performance Management System (PMS)

EXECUTIVE SUMMARY

Summary of Changes

- **Updated policy to include T-42 Senior-Level Scientists (executive equivalent) employees under the Senior Executive and Organizational Performance Management System for performance appraisal purposes only. Guidance on performance based pay adjustments and awards are addressed separately for senior T-42 executive equivalent employees in HHS policy document entitled "HHS Personnel Instruction 42-1, Appointment of 42 USC 209(f) Scientists."**
- **Changed the title of the policy to "Senior Executive and Organizational Performance Management System" to accommodate the inclusion of the T-42 Senior-Level Scientists.**
- **Added guidance on handling Non-Standard Situations in the Senior Executive performance appraisal process.**

Guiding Principles

The PMS is designed to produce accountability for results for every one of HHS's senior executives and is the foundation for cascading performance expectations through every level of the agency. The PMS:

- Streamlines, clarifies, and standardizes the SES performance management process;
- Aligns the performance evaluation process with Departmental priorities, with explicit links between the PMS and the HHS mission, strategic plan, and human capital plan;
- Incorporates organizational performance results into decisions about individual performance ratings and recognition;
- Makes meaningful distinctions in individual performance, based on objective, results-based metrics; and
- **Secretary's Council on Performance Evaluation (SCOPE)** provides oversight and accountability for the SES Performance Management System at the Departmental level. The SCOPE evaluates the performance of OPDIVs and STAFFDIVs through a formal organizational assessment and assures that individual appraisals overall are fair, credible, and broadly reflect organizational performance. The SCOPE is composed of the Deputy Secretary, Chief of Staff, Deputy Chief of Staff, Assistant Secretary for Administration and Management, Assistant Secretary for Resources and Technology, Assistant Secretary for Planning and Evaluation, and Secretary's Counselors.

Organizational Assessment

The PMS outlines a process for evaluating the performance of each HHS OPDIV and STAFFDIV in achieving the Department's priorities. The organizational assessment:

- Solicits a self-assessment of results achieved by each OPDIV and STAFFDIV;
- Incorporates independent input on organizational outcomes from senior-level staff in the Office of the Secretary;
- Includes review and oversight by the Secretary's Council on Performance Evaluation (SCOPE); and
- Results in a rating of Exceptional, Fully Successful, Minimally Satisfactory, or Unsatisfactory for each OPDIV and STAFFDIV.

Individual Performance (Planning, Monitoring, Appraising, and Recognition)

The PMS delineates the steps that must occur in determining an individual Senior Executive's performance rating and, when appropriate, recognition. The individual appraisal process:

- Describes and defines four differentiated performance levels (Exceptional, Fully Successful, Minimally Satisfactory, Unsatisfactory);
- Aligns individual performance plan critical elements with Departmental priorities, and holds executives accountable for the rigorous assessment of subordinate's performance.
- Includes a self-assessment, supervisor's initial summary rating, higher-level review, Performance Review Board review, SCOPE review, and final annual summary rating issued by the Secretary (or designee);
- Ensures that SES members' individual ratings and recognition are broadly consistent with the organizational assessment of their OPDIV or STAFFDIV;
- Requires that individuals be rated Exceptional on all critical performance elements to receive an overall rating of Exceptional
- Rewards Exceptional and Fully Successful performance with bonuses, pay increases, and/or awards; and
- Imposes consequences on less than Fully Successful performance through training, reassignment, or removal from the SES/T-42.

Implementation and Management of System

The ASAM Office of Human Resources is responsible for implementing the PMS, including communication, training, monitoring, and evaluation. Key timeframes* in the organizational and individual assessment processes are as follows:

Organizational Performance	
OPDIV organizational self-assessment due	Late Sep.
Independent OS assessment	Late Sep.–Early Oct.
SCOPE review & recommendations	Early Oct.
Final ratings determined by Secretary	Mid-Oct.
Communicate results to OPDIV	Mid-Oct.

Individual Performance	
Establish Plans for Next Rating Period	Mid – Late Oct.
Mid-year reviews	April
Individual Self-Assessments due	Early Oct.
Supervisors' initial summary ratings	Mid Oct.
Higher-level reviews	Mid/Late Oct.
OPDIV PRB reviews	Late Oct.
SCOPE review & recommendations	Mid/Late-Nov.
Final summary ratings determined by Secretary	Early Dec.
Communicate results to OPDIV	Early Dec.

*Actual dates will be communicated in annual close-out guidance issued by ASAM.

Summary of Changes

Section	Edit	Old pg.	New pg.	Date
Table of Contents	Updated	1	1	July 2008
Executive Summary	Updated	2	2	July 2008
Section-by-Section Summary	Updated	3	3	July 2008
1.2 Authority and Coverage (added inclusion throughout policy – pages noted)	Added coverage of Title 42 Senior-Level Scientists who are considered executive equivalents for performance appraisal purposes only.		4 and 5 (throughout document)	July 2008
3.5 Unsatisfactory Ratings	Added a new section (3.5) to address Using Appraisal Results for Title 42 Senior-Level Scientists		22	July 2008
ATTACHMENT E: Guidance for Non-Standard Situations	New/Added		36	July 2008
2.3 SCOPE Review	Updated Graphic on Members of the Secretary's Council on Performance Evaluation		9	Nov 2007
Attachment C: HHS End-of-Year Organizational Assessment Form	Updated for FY 2008		27 – 31	Nov 2007
1.3 Responsible Parties	Under "Secretary's Council on performance Evaluation (SCOPE)", last sentence: deleted reference to former Departmental Performance Recognition Panel	4	5	August 2007
1.4 SES and Organizational Performance System Overview	Under "d. Contain balanced measures…," added language to expand and clarify meanings of Employee Perspective and Customer Perspective. Under "e. Hold executives accountable for…," added language to expand and clarify requirement.	5	7	August 2007
	Under "Establishes assessment processes that:…," added "g. Ensures ratings are not given arbitrarily or on a rotational basis."	5	8	August 2007
2.2 Independent Departmental Organizational Assessment Input	3rd paragraph updated to reflect that Departmental input will be appended to organizational assessment form submitted by OPDIVs. Last sentence deleted (referencing reconsideration).	7	9	August 2007
2.4 Reconsideration Process and Final Determination	Heading: "Reconsideration Process and" deleted 1st paragraph: deleted	9	10	August 2007
3.1.1 Plan Establishment	Added section heading. Under "d. Explicit in holding SES members accountable…," added language to expand and clarify requirement	10	11	August 2007
3.1.2 Mandatory Critical Elements	Added new section heading. Establishes that plans will comprise three critical elements weighted evenly with strong emphasis on measurable, result-oriented indicators of success. Meets OPM's requirement that at least 60% of the SES performance plan focus on business results.		12	August 2007
3.2.1 Individual Critical Element Rating Criteria	Clarifies formula for deriving the initial summary rating in the individual appraisal process.	10	13	August 2007
3.3.2 Annual Review Self-Assessment	Clarifies that individual self-assessments are limited to four pages total.	14	16	August 2007
Attachment C: HHS End-of-Year Organizational Assessment Form	Streamlined.	26 – 48	27 – 31	August 2007
Attachment D: Organizational Assessment Ratings Summary Form	Updated to delete references to "Reconsideration"	50 – 52	32 – 34	August 2007

1. INTRODUCTION

1.1 PURPOSE

The U.S. Department of Health and Human Services (HHS) has developed the Senior Executive and Organizational Performance Management System to produce accountability for business results for every one of HHS's senior executives. True excellence is rewarded, mediocre performance carries real consequences, and poor performers are removed from the SES/T-42. Ultimately, the System places the greatest emphasis where it belongs: on achieving results that benefit the American people. Evidence of measurable, citizen-centered outcomes takes precedence over bureaucratic process and "time served."

The System fulfills several of the President's Management Agenda Standards for Success for the Strategic Management of Human Capital initiative. The Senior Executive Performance Management process is fully aligned with HHS's overall Strategic Plan, and is integrated with the HHS Strategic Human Capital Management Plan (SHCMP). In its details, the System implements performance and awards systems for all SES members that effectively link to agency mission, hold executives accountable for business results, differentiate between various levels of performance, and provide consequences based on performance.

The Senior Executive and Organizational Performance Management System is one component of HHS's overarching SHCMP. The System is designed to help HHS achieve the key SHCMP goal of implementing a performance management system that connects expectations to mission and links performance ratings with measurable outcomes. Combined with the "cascading" of SES/T-42 Senior-Level Scientists performance plans to all non-SES HHS employees, the system helps ensure that performance expectations throughout the entire agency are aligned with the HHS mission and oriented toward achieving results.

1.2 AUTHORITY AND COVERAGE

Authority: Title 5 United States Code, Section 4312, requires that each agency establish one or more performance appraisal systems that hold senior executives accountable for their individual and organizational performance in order to improve the overall performance of Government. It is HHS policy to provide SES members with a performance appraisal system that meets all requirements in law and regulation. This document constitutes HHS policies for planning, monitoring, appraising, and recognizing the performance of members of the SES. References for these policies include 5 U.S.C. 4311-4314 (SES Performance Appraisals); 5 U.S.C. 5382 (SES Pay); 5 C.F.R. Part 430, Subpart C and D (Managing SES Performance); 5 C.F.R. Part 359 (Removal from SES); 5 C.F.R. Part 451 (Awards); and 5 C.F.R. Part 534, Subpart D (Pay and Performance Awards under SES).

- ***Coverage:*** These guidelines apply to all HHS SES members: career, limited term, limited emergency, non-career appointees, and Presidential appointees who (without a break in service) have elected to retain SES benefits. Only career SES members and Presidential appointees who (without a break in service) have elected to retain SES benefits are eligible for performance bonuses under this system. These guidelines also apply to Title 42 (T-42)

Senior-Level Scientists who are executive equivalents and directly or indirectly supervise SES subordinates or SES equivalent subordinates, as designated by the Operating Division (OPDIV) and Staff Division (STAFFDIV) Head. These guidelines apply to T-42 Senior-Level Scientists for performance appraisal purposes only. Guidance on performance based pay adjustments and bonuses are addressed separately for senior Title 42 executive equivalents in HHS policy document entitled "HHS Personnel Instruction 42-1, Appointment of 42 USC 209(f) Scientists."

- The Secretary or designee may make exceptions to permit other types employees to be covered under the system, as appropriate.

OPDIV and STAFFDIV Heads who are not SES members are not required by regulation to be covered by this performance system. The Secretary has determined that OPDIV and STAFFDIV Heads who are not SES members will establish performance plans in accordance with the Senior Executive and Organization Performance Management System for the purpose of guiding the cascading of performance requirements throughout their organizations. The Secretary and the Secretary's Council on Performance Evaluation will assess OPDIV and STAFFDIV Head performance using the same criteria as described in the Senior Executive and Organizational Performance Management System. However, an annual summary rating is not required.

Nothing in this Plan shall be construed in a manner that is inconsistent with the Inspector General Act of 1978, 5 U.S.C. App. (as amended). For the purpose of this document, the Office of Inspector General (OIG) shall be considered a STAFFDIV and the Inspector General shall be considered the STAFFDIV Head. The OIG will follow Departmental policy and guidance in determining ratings and recognition. However, to maintain statutory independence, the Inspector General oversees and administers the HHS Senior Executive and Organizational Performance Management system for the OIG, using its own Performance Review Board and approval process.

The Inspector General is not covered by the Senior Executive and Organizational Performance Management System. However, the Secretary and the Inspector General have agreed that the Inspector General will establish performance goals for the OIG in accordance with the Senior Executive and Organizational Performance Management System. OIG performance goals will guide the cascading of performance requirements to OIG's SES members.

1.3 RESPONSIBLE PARTIES

Secretary: Ensures oversight of the Senior Executive and Organizational Performance Management System. Serves as the final authority on annual summary ratings and recognition (this responsibility may be delegated). Sets overall priorities for the Department, which are the basis for the performance requirements that cascade from OPDIV and STAFFDIV Heads to all SES/T-42 Senior-Level Scientists and subordinate non-SES/non T-42 Senior-Level Scientists staff.

Deputy Secretary: As lead management official, provides oversight of the Senior Executive and Organizational Performance Management System. Responsible for the effective and

equitable operation of the System. Serves on the Secretary's Council on Performance Evaluation.

Secretary's Council on Performance Evaluation (SCOPE): Provides oversight and accountability for the Senior Executive and Organizational Performance Management System at the Departmental level. Evaluates the performance of OPDIVs and STAFFDIVs through a formal organizational assessment. Ensures that the aggregate results of the appraisal process throughout the Department are consistent with HHS Senior Executive and Organizational Performance Management System policies. For SES members, assures that the distribution of pay adjustments, performance bonuses, and levels of pay are based on the results of the appraisal process and accurately reflect organizational performance.

Assistant Secretary for Administration and Management: By delegation from the Secretary, exercises human resources authorities for all personnel administration, personnel management, and labor management relations activities. Serves as the Administrative Chair for the Secretary's Council on Performance Evaluation. Serves as the Chair for the Office of the Secretary's Performance Review Board (this responsibility may be delegated).

OPDIV and STAFFDIV Heads: Cascade mission-related performance requirements for SES/ T-42 Senior-Level Scientists, based on Departmental objectives. Select OPDIV Performance Review Board members. Recommend annual summary ratings and pay adjustments and performance awards for SES members to the SCOPE.

Performance Review Board (PRB): Reviews and evaluates the initial summary rating, the SES member's response, and the higher-level reviewing official's comments (if applicable) on the initial summary rating. Makes a written recommendation to the OPDIV and STAFFDIV Head for each SES member's annual summary rating and any performance recognition. Assures that pay adjustments, performance bonuses, and levels of pay based on the results of the appraisal process accurately reflect and recognize individual performance and contribution to the agency's performance.

Higher-Level Reviewer: At an SES/T-42 Senior-Level Scientist's request, reviews the initial summary rating assigned by the rating official and makes a written recommendation to the PRB.

Rating Official: Works cooperatively with subordinate SES/T-42 Senior-Level Scientists to develop individual performance plans. Establishes performance requirements based on Departmental objectives and informs the employee of the critical elements. Conducts progress reviews. Provides performance improvement assistance to subordinates. Appraises performance and prepares initial summary ratings, including appropriate narrative justification.

Senior Executive Service Member/T-42 Senior-Level Scientist: Develops performance plan in cooperation with Rating Official. Works to achieve established performance requirements. Participates in progress reviews. Keeps Rating Official informed of progress toward assigned performance requirements. Prepares self-assessment of performance.

Deputy Assistant Secretary for Human Resources: Develops policy and guidance on Senior Executive performance management, including performance plan development, appraisal procedures, and performance recognition. Provides support to the Human Resources Centers relative to the Senior Executive and Organizational Performance Management System. Records final individual performance rating and recognition decisions and forwards documents to the servicing personnel offices. Provides required performance rating and recognition documentation to the Office of Personnel Management. Manages the Senior Executive and Organizational Performance Management System certification process.

Human Resources Centers: Coordinate and/or support activities of the Performance Review Board. Ensure technical adequacy of performance appraisal and performance recognition documentation. Submit performance appraisal and recognition documentation to the Department's Office of Human Resources. Process, distribute, and maintain copies of all required records for annual summary ratings.

Inspector General: Oversees the Senior Executive and Organizational Performance Management System as it pertains to OIG executives and serves as the final authority for OIG SES ratings and recognition. Coordinates the OIG organizational assessment process and issues performance guidelines based on that assessment. Certifies that the results of the appraisal process make meaningful distinctions based on relative performance. Assures that pay adjustments, cash awards, and levels of pay based on the results of the appraisal process accurately reflect and recognize individual performance and contribution to the agency's performance.

1.4 SENIOR EXECUTIVE AND ORGANIZATIONAL PERFORMANCE MANAGEMENT SYSTEM OVERVIEW

The HHS Senior Executive and Organizational Performance Management System:

Requires individual performance plans that:

a. Are developed collaboratively between the rating official and the SES/T-42 Senior-Level Scientist;
b. Align performance requirements with Departmental objectives;
c. Include demonstrable, measurable, results-oriented performance requirements;
d. Contain balanced measures that include employee and customer perspectives and feedback, as follows:

    1. Employee Perspective: Employee perspective focuses on internal dynamics that establish the working environment and drive key organizational human capital programs, including employee development and retention. Meaningful dialogue must take place between the supervisor and employee regarding performance goals. This will improve the employee's understanding of the Department's goals and positively affect his or her engagement and overall performance.

2. Customer Perspective: Customer perspective considers the organization's performance through the eyes of its customers, so that the organization retains a careful focus on the customer needs and satisfaction. Senior executives must determine who their customers are and what these customers expect from them in the context of the Department's mission and goals.

e. Hold executives accountable for the rigorous appraisal of subordinate employee performance and make meaningful distinctions in performance ratings of subordinate employees. The executive ensures that performance plans for subordinate employees are aligned with the organization's and Department's goals and objectives and employees are appraised realistically against clear, measurable standards of performance; and
f. At a minimum, define each individual critical element at the Fully Successful level.

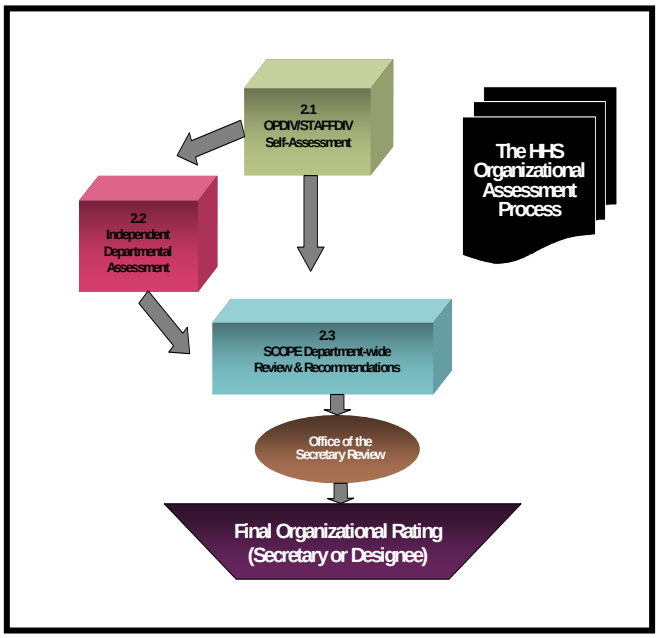
Establishes assessment processes that:

a. Focus on results-oriented measures;
b. Incorporate organizational performance results into decisions about individual performance ratings and recognition;
c. Use performance data to adjust pay, reward, reassign, develop and remove senior executives or make other performance decisions;
d. Make meaningful distinctions in individual performance by setting distinct, specific percentages for each rating level for pay adjustments;
e. Include strong oversight to ensure that results are fair and credible;
f. Require annual performance appraisals and progress reviews; and
g. Ensures ratings are not given arbitrarily or on a rotational basis.

2. ORGANIZATIONAL ASSESSMENT

The purpose of the organizational assessment is twofold:

a. Ensures accountability at the organizational level for the achievement of Departmental objectives; and
b. Provides a basis for ensuring that individual SES performance ratings reflect organizational performance. (A full description of the individual
c. SES performance assessment process is included in section 3.3.)



The organizational assessment process consists of four basic elements, described in the sections that follow:

2.1 OPDIV and STAFFDIV organizational self-assessment input

2.2 Independent Departmental organizational assessment input
2.3 SCOPE review
2.4 Final determination of overall organizational rating

Please see Attachment A (p. 27) for a general timeline of events in the organizational assessment process.

2.1 OPDIV AND STAFFDIV ORGANIZATIONAL SELF-ASSESSMENT INPUT

Each OPDIV and STAFFDIV Head, their equivalent, or their designee will submit a self-assessment of their organization's performance to the Deputy Assistant Secretary for Human Resources at the end of the annual performance period. The purpose of the organizational self-assessment is to describe business results achieved during the performance period. OPDIVs and STAFFDIVs will not assign organizational ratings (e.g., "Exceptional," "Fully Successful," etc.) to themselves. Performance on measures related to the President's Management Agenda initiatives, the Government Performance and Results Act, and the Performance and Accountability Report should be included in the self-assessment when relevant.

Attachment C (p. 29) provides a template that OPDIVs and STAFFDIVs will use to prepare their self-assessment submissions. In conducting the organizational self-assessment, OPDIVs and STAFFDIVs will insert information into the section of the form titled "End of Year Results." Organizational self-assessment submissions will include specific examples of business results that demonstrate how the organization performed on each critical element. OPDIVs and STAFFDIVs should pay particular attention to describing measurable achievements in program performance, including improvements in customer and employee satisfaction and demonstrated flexibility and adaptability in dealing with and responding productively to changing priorities, unanticipated resource shortages and externally driven deadlines.

The OPDIV or STAFFDIV organizational self-assessment will be one source of information used by the SCOPE in its deliberation process. The second key source of information for the SCOPE is the independent Departmental organizational assessment, described below.

2.2 INDEPENDENT DEPARTMENTAL ORGANIZATIONAL ASSESSMENT INPUT

In addition to the organizational self-assessment prepared by each OPDIV and STAFFDIV, an independent organizational assessment of each OPDIV and STAFFDIV will be conducted at the Departmental level. The purpose of the independent Departmental organizational assessment is to provide the SCOPE with a second source of information on which to base its ratings determinations. Like the OPDIV and STAFFDIV self-assessment, the independent Departmental organizational assessment will be results-based.

Participants in the independent Departmental organizational assessment will be senior-level staff within the Office of the Secretary with specific knowledge of the issues involved. The Assistant Secretaries for Administration and Management, Resources and Technology, and Planning and Evaluation will select the appropriate staff to conduct the assessment.

The Deputy Assistant Secretary for Human Resources will forward the annual assessment forms, containing OPDIV and STAFFDIV self-assessments, to the appropriate individuals or organizational units within the Department for their input. The independent Departmental organizational assessment input, focusing on specific business results achieved, will be appended to the OPDIV and STAFFDIV organizational assessment forms and forwarded to the SCOPE. OPDIVs and STAFFDIVs will not have an opportunity to review or appeal information provided in the independent Departmental organizational assessment.

2.3 SCOPE REVIEW

The SCOPE will assess and rate the performance of each OPDIV and STAFFDIV on an annual basis. Organizational assessments will evaluate specific results achieved. The Deputy Assistant Secretary for Human Resources will forward OPDIV and STAFFDIV assessment forms, including self-assessment information and Departmental input, to the SCOPE Administrative Chair (the Assistant Secretary for Administration and Management) and to all SCOPE members for review. Each member of the SCOPE will review the information submitted for each OPDIV and STAFFDIV, and the full SCOPE will convene to produce consensus recommended organizational assessment ratings for each OPDIV and STAFFDIV. When necessary to gain a fuller understanding of the issues involved, the SCOPE may also request input from other sources within the Department before recommending organizational assessment ratings.

Members of the Secretary's Council on Performance Evaluation

Deputy Secretary
Chief of Staff
Deputy Chief of Staff
Asst. Sec. for Administration and Management*
Asst. Sec. for Resources and Technology
Asst. Sec. for Planning and Evaluation
Secretary's Counselors

**Administrative Chair*

2.4 FINAL DETERMINATIONS

The SCOPE will rate each OPDIV and STAFFDIV overall. The overall organizational assessment rating will be based on a comprehensive assessment of the OPDIV or STAFFDIV's performance on the critical elements. In determining overall ratings, the SCOPE will ensure that organizational assessments reflect meaningful distinctions among higher- and lower-performing organizations. The SCOPE will rate each OPDIV and STAFFDIV overall as Exceptional, Fully Successful, Minimally Satisfactory, or Unsatisfactory for the performance period. The rating criteria are as follows:

> *Exceptional:* The organization exceeded performance expectations. Measurable improvements in program performance exceeded defined goals, as measured by appropriate assessment tools. Staff productivity and customer and employee satisfaction improved beyond expectations, and the organization demonstrated flexibility and adaptability in dealing with and responding productively to changing priorities, unanticipated resource shortages and externally driven deadlines. Executives consistently demonstrated the highest level of integrity and accountability in achieving Departmental objectives. Beneficial organizational change occurred as a result of exceptional

management practices, operating procedures or program implementation, and had impact beyond the immediate organization.

Fully Successful: The organization met performance expectations. All program objectives were met, as measured by appropriate assessment tools. Employee satisfaction indicates a positive organizational climate, customers are satisfied with program results, and operational challenges were successfully resolved without Departmental or outside intervention. SES members consistently demonstrated high levels of integrity and accountability in achieving Departmental objectives. The organization used available performance information to identify opportunities to improve business results and include employee and customer perspectives.

Minimally Satisfactory: The organization had difficulties in meeting expectations, as measured by appropriate assessment tools. Actions taken by the executive leadership were sometimes inappropriate or marginally effective and did not significantly contribute to positive results achieved. Improvement in the areas of program performance, employee productivity, morale, organizational effectiveness and/or customer satisfaction is needed.

Unsatisfactory: The organization failed to meet expectations, as measured by appropriate assessment tools. Repeated observations of organizational performance indicated negative consequences in key outcomes (e.g., quality, timeliness, business results, customer satisfaction, morale, etc.).

At the conclusion of its deliberations, the SCOPE will complete each OPDIV and STAFFDIV assessment form (Attachment C, p. 29) to include any justification and/or comments and the recommended overall organizational rating. The SCOPE Administrative Chair or designee will complete and sign the Organizational Assessment Ratings Summary Form (Attachment D, p. 33), noting the "SCOPE Panel Recommendation" for each OPDIV and STAFFDIV, and will forward both the summary form and the backup documentation to the Deputy Secretary (or designee) for communication of the results to OPDIV and STAFFDIV Heads. There is no further appeals process. The completed documentation will be returned to the Office of Human Resources for appropriate dissemination and storage.

3. INDIVIDUAL PERFORMANCE APPRAISALS

3.1 HHS SES/T-42 SENIOR-LEVEL SCIENTIST PERFORMANCE PLAN

3.1.1 Plan Establishment

In consultation with his/her supervisor, each SES/T-42 Senior-Level Scientist develops an annual performance plan that contains critical elements and performance requirements derived from the Department's strategic goals. The plan links measurable outcomes to the organization's goals and objectives and focuses primarily on achieving results: over 60% of the critical elements in the plan must set measurable targets for accomplishing specific business outcomes. All SES/T-

42 Senior-Level Scientists' individual performance plans must have the following characteristics:

a. Aligned to show clear links between organizational strategic goals and individual performance requirements;
b. Focused predominantly on business results, containing clear outcomes and specific, measurable indicators that will be used to assess performance;
c. Balanced to include both employee and customer perspectives (see section 1.4d.); and
d. Explicit in holding SES/T-42 Senior-Level Scientists accountable for rigorous, timely appraisal of their subordinates (see section 1.4e.). SES/T-42 Senior-Level Scientists must ensure that subordinate employees' performance is:
    1. Aligned with the organization's and Department's goals and objectives;
    2. Appraised realistically against clear, measurable standards of performance;
    3. Recognized with performance awards that are commensurate with the level of performance, responsibility, and progress made towards the goals and objectives of the Department or correction action taken to improve the employee's performance.

Before an SES position may be created, the appointing authority must develop a proposed SES performance plan for the position that outlines goals, objectives, and measurable result targets. Written SES performance plans will normally be finalized within 30 days of the beginning of the appraisal period or within 30 days of an appointment, reassignment, transfer or other action that requires development of a new plan. Supervisors may modify SES performance plans whenever a change in assigned individual and/or organizational responsibilities and goals is so significant that the established performance objectives are no longer adequate. The supervisor must document modifications on the performance plan and communicate them to the SES member.

3.1.2 Mandatory Critical Elements

Each SES/T-42 Senior-Level Scientist's performance plan has three critical elements, which are weighted equally:

1. **EXECUTIVE LEADERSHIP RESULTS** – Lead in a proactive, customer-responsive manner consistent with HHS vision and values, and will take a leadership role in advocating for and advancing the priorities of the Secretary. These performance requirements reflect core competencies of the Department's executives and guide achievement of results in the Management and Program Results elements and the Department's Strategic Plan.

2. **MANAGEMENT RESULTS** – Accountable for achieving key management results that contribute to the success of the Department. Management achievements will demonstrate measurable business results that are directly aligned with and meet the requirements of the HHS Strategic Plan, Annual Plan, approved budget and/or OPDIV/STAFFDIV goals and objectives. In addition, accomplishments in this area contribute to the achievement of the President's Management Agenda Green Standards for Success/Proud-To-Be 5 goals, as negotiated and agreed to by HHS with OMB and OPM.

3. **PROGRAM RESULTS** – Accountable for achieving key program results that contribute to the success of the Department. Program achievements must demonstrate measurable business results on program goals that represent a significant budgetary investment and/or have been identified as a high priority.

Management and Programs Results focus specifically on the achievement of business results which equates to over 66% weight of the plans.

3.2 INDIVIDUAL APPRAISAL PERFORMANCE RATINGS

3.2.1 Individual Critical Element Rating Criteria

During the annual individual appraisal process (described in sections 3.3.1 to 3.3.9 below), a written summary rating of each SES/T-42 Senior-Level Scientist's performance is determined. The summary rating is based on a comparison of the SES/T-42 Senior-Level Scientist's actual performance with the critical elements contained in his/her individual performance plan.

OPDIVs and STAFFDIVs are instructed to ensure each critical element is rated against four levels for rating performance, as follows:

Exceptional: The SES/T-42 Senior-Level Scientist performed as a model of excellence. Indicators of performance at this level include measurable improvements in program performance that exceed defined goals, as described in the performance plan and as measured by appropriate assessment tools. The SES/T-42 Senior-Level Scientist exceeded expectations in increasing staff productivity, improving employee and customer satisfaction, and demonstrating flexibility and adaptability in dealing with and responding productively to changing priorities, unanticipated resource shortages and externally driven deadlines. Appraisals of subordinates exceeded Departmental norms for rigor, including exceptional timeliness, detailed linkages between performance requirements and organizational goals, and proactive and frequent use of training and development. The SES/T-42 Senior-Level Scientist consistently demonstrated the highest level of integrity and accountability in achieving HHS program and management goals, with contributions that had impact beyond his/her immediate purview. SES/T-42 Senior-Level Scientist exerted a major positive influence on management practices, operating procedures, or program implementation, which contributed substantially to organizational change, growth, and recognition. **At least 75% of the sub elements under each critical element are rated at Exceptional for critical element to be rated Exceptional. No elements are rated below Fully Successful. (For example, if Element 2. Management Results has 8 sub elements, at least 6 must to be rated Exceptional for the overall assessment of the element to be Exceptional).**

Fully Successful: All program objectives were met, as described in the annual performance plan and measured by appropriate assessment tools. Employee satisfaction indicates a positive organizational climate, customers are satisfied with program results, and the SES/T-42 Senior-Level Scientist successfully resolved operational challenges

without higher-level intervention. Appraisals of subordinates met Departmental norms for rigor, including timeliness, alignment between performance requirements and organizational goals, and the use of training and development. The SES/T-42 Senior-Level Scientist consistently demonstrated integrity and accountability in achieving HHS program and management goals, and took follow-up actions based on performance information available to him/her. Opportunities were seized to improve business results and include employee and customer perspectives. **At least 75% of the sub elements under each critical element are rated at Fully Successful for Critical element to be rated Fully Successful. No sub elements are rated below Minimally Successful.**

Minimally Satisfactory: The executive had difficulties in meeting expectations. Actions taken by the executive were sometimes inappropriate or marginally effective and did not significantly contribute to any positive results achieved. While working relationships may be generally sound, the executive's impact on program performance, employee productivity, morale, organizational effectiveness and customer satisfaction needs improvement, as described in the annual performance plan and as measured by appropriate assessment tools. Appraisals of subordinates were late, lacked rigor, failed to show linkages between performance requirements and organizational goals, and/or made little use of training and development. Immediate improvement is essential. **More than 25% of the sub elements are rated Minimally Successful and no sub elements are rated Unsatisfactory.**

Unsatisfactory: The SES/T-42 Senior-Level Scientist failed to meet expectations. Repeated observations of performance indicated negative consequences in key outcomes (e.g., quality, timeliness, business results, customer satisfaction, morale, etc.), as described in the annual performance plan and as measured by appropriate assessment tools. Performance is grounds for reassigning or removing the executive from the SES. Performance may be grounds for reassigning or removing a senior T-42. **Any sub element is rated Unsatisfactory.**

3.2.2 Summary Rating Criteria

Once ratings have been determined for each of the critical elements in the Performance Plan, an overall summary rating will be assigned for the SES/T-42 Senior-Level Scientist. To ensure that only those SES/T-42 Senior-Level Scientists whose performance exceeds normal expectations are rated at levels above Fully Successful, overall annual summary ratings must adhere to the following criteria:

Exceptional: All critical elements are rated Exceptional.

Fully Successful: All critical elements are rated at least Fully Successful, and criteria for Exceptional are not met.

Minimally Satisfactory: One or more critical elements is rated Minimally Satisfactory.

Unsatisfactory: One or more critical elements is rated Unsatisfactory.

Overall summary ratings must take into account the results of the organizational assessment of the OPDIV or STAFFDIV for which the SES member works (see section 2 for a description of the HHS organizational assessment process). Although there may be exceptions in individual cases, SES appraisals within each OPDIV or STAFFDIV must be broadly consistent with the formal organizational assessment of that OPDIV or STAFFDIV's performance. Although HHS officials may not prescribe a distribution of rating levels for employees, the Department may review standards and ratings for strictness of application to ensure that ratings and recognition are in compliance with Departmental policy. In addition, the Department may establish limits on and criteria for performance recognition, including the value of awards and amounts of pay increases. Performance ratings for T-42 Senior-Level Scientists are not reviewed by the Secretary's Council on Performance Evaluation (SCOPE) during the organizational assessment; however, due to the nature and level of their work, T-42 Senior-Level Scientist's performance ratings should be broadly consistent with the OPDIV or STAFFDIV organizational assessment rating.

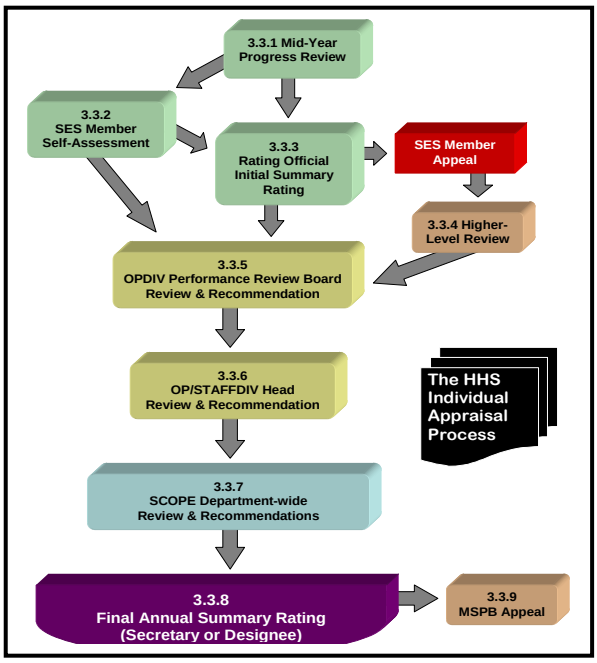
3.3 INDIVIDUAL APPRAISAL PROCESS

The SES/T-42 Senior-Level Scientist performance appraisal cycle begins on October 1st and concludes on September 30th of the following year. An individual performance period begins when the executive is given a written performance plan signed and dated by the supervisor, and must have a duration of at least 90 days. If, at the end of the regular appraisal period, a new SES/T-42 Senior-Level Scientist has not served for at least 90 days, the appraisal period must be extended until the SES Senior-Level Scientist has had an opportunity to serve under the plan for at least 90 days. After the completion of the extended appraisal period the supervisor will issue a performance rating. SES performance ratings must go through the PRB review and established approval processes (described in sections 3.3.1 to 3.3.9 below). T-42 Senior-Level Scientists are not required to be reviewed by the PRB; however, an OPDIV or STAFFDIV may decide to include SES/T-42 Senior-Level Scientists with SES for PRB purposes. An SES/T-42 Senior-Level Scientist's appraisal period may be terminated and his/her performance rated at any time after the 90-day minimum period, provided there is an adequate basis on which to appraise and rate his/her performance.

Appraisals will not be prepared for executives within 120 days after the beginning of a new President's term of office.

The individual appraisal process for SES members includes the following elements, described in the sections below:

- 3.3.1 Progress reviews
- 3.3.2 Annual review self-assessment
- 3.3.3 Initial summary rating
- 3.3.4 Higher-level review



3.3.5 Performance Review Board review
3.3.6 OPDIV and STAFFDIV Head review
3.3.7 SCOPE review
3.3.8 Final annual summary rating
3.3.9 Merit Systems Protection Board appeals

Please see Attachment B (p. 28) for a general timeline of events in the individual appraisal process. T-42 Senior-Level Scientists are required to go through all elements of the performance appraisal process described above with the exception for the Performance Review Board and SCOPE review; however, due to the nature and level of their work, T-42 Senior-Level Scientist's performance ratings could be reviewed by a PRB and should be broadly consistent with the OPDIV or STAFFDIV organizational assessment rating.

3.3.1 Progress Reviews

Supervisors must hold a progress review for each SES/T-42 Senior-Level Scientist for whom they are responsible at least once during each appraisal period. At a minimum, SES/T-42 Senior-Level Scientist must be informed about how well they are performing against the critical elements contained in their individual performance plan. A progress review does not result in an initial summary rating (described in section 3.3.3 below). However, because progress reviews are intended to provide the SES/T-42 Senior-Level Scientist with interim feedback on their performance, supervisors may refer to the ratings scale described in section 3.2.2 to indicate subjective mid-year trends.

As a result of a progress review, the supervisor and the SES/T-42 Senior-Level Scientist should share a common understanding of current performance, expectations for the remainder of the performance period, and new actions (if any) that will be initiated. There is no prescribed format for progress reviews. However, supervisors must provide written documentation as an attachment to the executive performance plan if they judge that an SES/T-42 Senior-Level Scientists' performance on any critical element is less than Fully Successful. This documentation must include a written narrative that clearly states progress to date, deficiencies, and steps to be taken to achieve Fully Successful performance. The supervisor must provide advice and assistance on how to improve performance.

If either the supervisor or the SES/T-42 Senior-Level Scientist believes that modifications to previously established elements or performance requirements are warranted, such modifications must be discussed and recorded during the progress review process. The SES/T-42 Senior-Level Scientist and supervisor each sign a copy of any documentation that results from the progress review, including any narratives or modifications, acknowledging that the progress review was conducted.

3.3.2 Annual Review Self-Assessment

Each SES/T-42 Senior-Level Scientist will prepare a self-assessment, not to exceed four pages, describing his/her individual overall performance, including metrics, for the appraisal period. The narrative assessment must not exceed four pages and should be limited to listing measurable

performance results. The self-assessment occurs prior to the supervisor's assignment of an initial summary rating.

3.3.3 Initial Summary Rating

The SES/T-42 Senior-Level Scientist's immediate supervisor – referred to as the rating official – is responsible for determining an initial summary rating. The rating official will consider the SES/T-42 Senior-Level Scientist's self-assessment, as well as input from previous supervisors or others, where applicable. The rating official first arrives at a rating for each critical element in the Performance Plan, using the criteria in section 3.2.1 above. The rating for each critical element must be accompanied by written documentation. Then, the rating official assigns an initial summary rating for the SES/T-42 Senior-Level Scientist's performance, using the criteria outlined in section 3.2.2 above.

The rating official must ensure that the initial summary rating for the individual SES member takes into account the final organizational assessment rating (see section 2) of the OPDIV or STAFFDIV. Although there may be exceptions in individual cases, SES appraisals within each OPDIV or STAFFDIV must be broadly consistent with the OPDIV or STAFFDIV's organizational assessment. T-42 Senior-Level Scientists appraisals should be broadly consistent with the OPDIV or STAFFDIV's organizational assessment.

The rating official must share the initial summary rating with the SES/T-42 Senior-Level Scientist in writing, and must meet with the SES/T-42 Senior-Level Scientist to discuss the rating and, if applicable, any needed improvement assistance. At this time, the rating official must advise the SES/T-42 Senior-Level Scientist of his/her right to respond to the rating and request a higher-level review (see section 3.3.4). If the SES member does not request a higher level review, the rating official transmits the initial summary rating to the OPDIV or STAFFDIV Performance Review Board. A PRB review is not required for T-42 Senior-Level Scientists.

3.3.4 Higher-Level Review

If the SES/T-42 Senior-Level Scientist disagrees with the initial summary rating received, he/she may request a higher-level review. All requests for higher-level review will be in writing, and must occur within five working days of the issuance of the initial summary rating. The higher-level review will be conducted by the next higher-level official above the rating official. If the SES/T-42 Senior-Level Scientist reports directly to the Secretary or an OPDIV or STAFFDIV Head, the executive may not request a higher-level review, but may provide a written response to the rating to be considered by the PRB.

The purpose of the higher-level review for SES members is to provide another source of information to the PRB, in addition to the executive's self-assessment and the rating official's initial summary rating. The higher-level official may not change the rating official's initial summary rating, but may recommend a different rating to the PRB. In recommending a rating to the PRB, the higher-level reviewer will use the same standard rating scale and criteria used by the rating official (described in section 3.2 above). Copies of the higher-level reviewer's

findings and recommendations will be provided to the SES member, the rating official, and the PRB.

3.3.5 Performance Review Board Review

Each OPDIV will establish one or more PRBs to make recommendations on the performance of its SES members. Individual HHS STAFFDIVs will not establish separate PRBs, except for the Office of the Inspector General. The Office of the Secretary (OS) will establish a single PRB responsible for all STAFFDIVs (except OIG), with the Assistant Secretary for Administration and Management (or designee) as the OS PRB Chair. T-42 Senior-Level Scientists performance actions are not required to be reviewed by the PRB; however, an OPDIV or STAFFDIV may decide to include T-42 Senior-Level Scientist executive equivalent employees with SES for PRB review. OPDIVs generally have discretion to establish their own procedures for creating and operating PRBs, including determining the length of time a member may serve. However, all HHS PRBs must conform to the following broad requirements:

a. Each PRB will have three or more members who are appointed by the OPDIV Head.

b. PRB members must be appointed in such a manner as to assure consistency, stability, and objectivity in appraising performance. To achieve this objective, OPDIVs may include members from other OPDIVs, from both headquarters and the field, and from different functional disciplines.

c. PRB membership should be representative of the OPDIV's SES workforce and include minorities and women.

d. PRBs may include all types of Federal executives (e.g., non-career appointees, Commissioned Corps or military officers, as well as career appointees) from both within and outside the Department.

e. When appraising career appointees, or recommending performance awards for career appointees, more than one-half of the members of a PRB must be SES career appointees.

f. PRB appointments must be published in the *Federal Register* prior to the PRB acting on any appraisal. OPDIVs may appoint individuals to a standing PRB roster, publish their names in the *Federal Register*, and then compose specific PRBs from this roster.

The function of the PRB is to make a written recommendation to the OPDIV Head on each SES member's performance rating. The PRB will also make written recommendations on performance bonuses, pay adjustments, reassignments, and removals (see section 3.4 below). The rating official will submit the SES member's self-assessment, the initial summary rating, and (when applicable) the SES member's response and the higher-level reviewer's comments to the PRB. The PRB will review these documents, along with the final organizational assessment of the OPDIV (or, in the case of OS, of the appropriate STAFFDIV). The PRB must align SES ratings with OPDIV or STAFFDIV performance and ensure equity and consistency across the OPDIV or STAFFDIV.

Individual PRB members must absent themselves from discussions and action involving themselves, in order to avoid a conflict of interest. Members must be excluded from actions involving their own supervisors and may be excluded from those involving their subordinates. A majority of remaining Board members must be SES career appointees when acting on a career appointee's appraisal or performance bonus recommendation.

After its review, the PRB will make recommendations to the OPDIV or STAFFDIV Head on a proposed annual summary rating for each executive and any follow-up action that may be required, such as a bonus, further training, or reassignment (see section 3.4 for more detail on follow-up actions). In proposing an annual summary rating, PRBs will use the same rating scale and criteria used by the rating official to assign an initial summary rating (described in section 3.2 above).

3.3.6 OPDIV and STAFFDIV Head Review

After considering the PRB's recommendations, the OPDIV or STAFFDIV Head will recommend, in writing, an annual summary rating of the executive's performance and any proposed follow-up actions. In proposing the annual summary rating, the OPDIV or STAFFDIV Head will use the standard rating scale and criteria (see section 3.2) and will take into account the results of the organizational assessment. Proposed follow-up actions, such as bonuses, further training, or reassignment, will follow the guidelines in section 3.4 below. The OPDIV or STAFFDIV Head will submit the recommended annual summary rating and follow-up action, along with the results of the PRB review, to the Deputy Assistant Secretary for Human Resources for transmittal to the SCOPE.

3.3.7 SCOPE Review

The SCOPE serves as the key oversight body in the SES and Organizational Performance Management System, with responsibility for ensuring that the System produces results that are credible, consistent, and equitable across HHS. The SCOPE's role in the organizational assessment process is described in section 2 of this document. In the individual SES appraisal process, the role of the SCOPE is to:

a. Ensure consistency in performance ratings, bonuses, and pay increases for SES members across the Department;

b. Make meaningful distinctions in performance ratings and recognition; and

c. Ensure that ratings and recognition have been recommended in accordance with the Department's SES Performance Management Plan and OPM's performance-based pay criteria.

Members of the SCOPE will review all summary ratings and follow-up actions recommended by the OPDIV and STAFFDIV Heads. Consistent with its oversight role in the process, the SCOPE will focus its review on a broad examination of the degree to which OPDIV and STAFFDIV

recommendations on SES members overall reflect final organizational assessment ratings. Where the general distribution of SES member ratings is inconsistent with the organizational assessment, the SCOPE may require that the OPDIV PRB reconsider its recommendations.

In all of its deliberations, the SCOPE will be guided by the same rating scale and criteria used by the PRBs and ratings officials (see section 3.2). Sources of information available to the SCOPE include the organizational assessment, SES member's self-assessment, rating official's initial summary rating, higher-level review (if applicable), PRB recommendations, and OPDIV and STAFFDIV Head recommendations.

Upon completing its review, the SCOPE Administrative Chairperson will submit final annual summary rating recommendations to the Deputy Assistant Secretary for Human Resources, for transmittal to the Secretary (or the Secretary's designee).

3.3.8 Annual Summary Rating

The Secretary (or designee) determines the final annual summary rating for each executive, and retains the authority to change the rating recommended by the SCOPE. The annual summary rating issued to the SES member by the Secretary is considered the official annual summary rating. OPDIVs and STAFFDIVs will communicate the results of their rating and recognition decisions to their SES members, and are encouraged to recognize their top performers publicly.

Reconsideration of Final Ratings Decisions: In unique and extenuating situations where an OPDIV Head determines that new information and/or data has emerged (that was not available at the time of the rating) that would warrant a change in the final rating for SES members, the OPDIV Head may request a reconsideration. The OPDIV Head must make an official written request to the Assistant Secretary for Administration and Management providing written justification thoroughly documenting the information and reason for the request. If reconsideration is granted, the request must go through a modified PRB process prior to final approval.

3.3.9 Merit Systems Protection Board Appeals

An SES member may not appeal the final annual summary rating or the lack (or amount) of a pay increase or performance recognition. As described in section 3.3.4, SES members have the right to respond in writing to the initial summary rating made by the rating official. This response is reviewed by a higher-level reviewer, and becomes a part of the appraisal materials that are reviewed by the PRB, the OPDIV or STAFFDIV Head, and the SCOPE. A career appointee may, however, file a complaint with the Office of the Special Counsel of the Merit Systems Protection Board on any aspect of the rating process that the individual believes involve a prohibited personnel practice or pursue EEO counseling for an alleged violation of the Civil Rights Act.

A T-42 Senior-Level Scientist may not appeal the final rating. The T-42 Senior-Level Scientist may pursue EEO complaint procedures, if he/she believes the rating is based on prohibited discrimination.

3.4 USING APPRAISAL RESULTS: SES APPOINTEES

An SES member's final annual summary rating serves as the basis for a number of possible follow-up actions, including performance bonuses, pay increases, awards, pay reductions, increased training, reassignment, or removal from the SES. The SES and Organizational Performance Management System assures a clear and direct linkage between performance and pay. SES member pay rates or pay adjustments, as well as the overall distribution of recognition awards across HHS, reflect meaningful distinctions among individual performance levels determined during the appraisal process. SES members who demonstrate the highest levels of individual performance – and make the greatest contributions to organizational performance – must receive the highest rates of basic pay or pay adjustments. SES members who demonstrate low levels of performance must experience consequences that can range from pay reductions to increased training to removal from the SES.

Decisions on appropriate follow-up actions are made simultaneously with the rating process described in section 3.3 above. Based on the ratings they assign, PRBs propose a follow-up action (e.g., pay increase, reassignment, etc.) for each SES member. These recommendations are reviewed by OPDIV and STAFFDIV Heads (who may make changes) and are submitted to the SCOPE with the performance rating recommendations. The SCOPE is responsible for reviewing all follow-up actions Department-wide, and for proposing such actions to the Secretary along with the recommended annual summary ratings. SCOPE recommendations will focus on ensuring equity and consistency across HHS. Final decisions on follow-up action are made by the Secretary (or designee) and are transmitted to OPDIV and STAFFDIV Heads for implementation.

3.4.1 Exceptional and Fully Successful Ratings

Executives whose annual summary rating is Exceptional or Fully Successful may be considered for performance bonuses and/or pay increases. (Note that only career SES members and Presidential appointees who, without a break in service, have elected to retain SES benefits are eligible for bonuses. SES members on a non-career, limited-term or limited emergency appointment are not eligible.) Individual appraisal results and the extent of the SES member's contributions in assisting the organization to meet HHS goals constitute the primary factors considered by PRBs and the SCOPE when proposing recognition for high performers. Performance bonuses and pay increases are calculated based on a percentage of base pay, and maximum percentages are set by the Secretary on an annual basis. PRBs have discretion to set individual bonus and/or pay increase levels that reflect meaningful distinctions among individual SES members' performance. Across HHS, however, all recognition decisions must adhere to the following requirements:

a. In percentage terms, no Fully Successful SES member may receive a higher performance bonus or pay increase than any Exceptional SES member.

b. All Exceptional SES members must be considered for performance bonuses and pay increases before any Fully Successful SES member is considered for a performance bonus or pay increase.

3.4.2 Minimally Satisfactory Ratings

Follow-up actions will also be considered – and in some cases required – for SES members whose annual summary rating is Minimally Satisfactory. Action may be taken during the appraisal period (e.g., after a progress review), at the end of the appraisal period, or both.

During the appraisal period, if the rating official determines that an SES member's performance on one or more critical elements is Minimally Satisfactory, that determination must be documented through a progress review. Written notification of the findings must be provided to the SES member and a performance improvement plan must be developed to assist the SES member in achieving Fully Successful performance. Assistance may include, but is not limited to, formal training, on-the-job training, counseling, and closer supervision. If one or more critical elements continue to be rated at the Minimally Satisfactory level at the end of the appraisal period, the determination must be documented and consideration must be given to a reassignment action.

If an SES member was found to be Fully Successful or Exceptional during a progress review, but is then rated Minimally Satisfactory on the annual summary rating, he or she must be provided assistance. The SES member and his/her supervisor must develop a performance improvement plan for the next appraisal period, designed to raise performance to Fully Successful. Documentation must include identification of the element(s) and performance requirement(s) involved and a narrative description of the performance deficiency in comparison to the requirement(s).

An SES member who receives less than a Fully Successful annual summary rating twice in any three-year period must be removed from the SES.

3.4.3 Unsatisfactory Ratings

If, at the end of an appraisal period, performance on one or more elements is determined to be Unsatisfactory, the determination must be documented in writing and the SES member must be reassigned or transferred within the SES or removed from the SES. An executive who receives two Unsatisfactory annual summary ratings in any five-year period must be removed from the SES.

3.5 USING APPRAISAL RESULTS: TITLE 42 SENIOR –LEVEL SCIENTISTS

3.5.1 Exceptional or Fully Successful Ratings

Pay Increases: Pay increases will be performance based in accordance with HHS policy document entitled "HHS Personnel Instruction 42-1, Appointment of 42 USC 209(f) Scientists" and any OPDIV implementation instructions and policies, or compensation/pay models. In

percentage terms, no Fully Successful T-42 Senior-Level Scientist may receive a higher pay increase than any Exceptional T-42 Senior-Level Scientist.

Performance Awards: Performance awards are an integral part of the performance appraisal process. As such they are tied to the rating of record, and submitted and considered for approval only at the conclusion of the rating period. Individual appraisal results and the extent of the T-42 Senior-Level Scientist's contributions in assisting the organization in meeting its goals constitute the primary factors for consideration. A T-42 Senior-Level Scientist rated Exceptional may be considered for performance awards within the guidelines established by each OPDIV.

T-42 Senior-Level Scientists rated Fully Successful may be considered for performance awards within guidelines established by each OPDIV. In percentage terms, no Fully Successful T-42 Senior-Level Scientist may receive a higher performance award than an Exceptional T-42 Senior-Level Scientist.

No performance award may be granted that would result in any T-42 Senior-Level Scientist receiving total compensation in excess of that permitted by HHS policy document entitled "HHS Personnel Instruction 42-1, Appointment of 42 USC 209(f) Scientists."

T-42 Senior-Level Scientists rated Minimally Satisfactory or Unsatisfactory are noted eligible for performance awards.

3.5.2 Less than Fully Successful Ratings

If at any time during the rating period, a T-42 Senior-Level Scientist's performance is determined to be less than Fully Successful, consult HHS policy document entitled "HHS Personnel Instruction 42-1, Appointment of 42 USC 209(f) Scientists" and any guidelines established by the OPDIV.

4. IMPLEMENTATION

4.1 TRAINING AND COMMUNICATION

Training in developing performance plans, conducting progress reviews, and using appraisals as a key factor in making other management decisions will be provided to SES/T-42 Senior-Level Scientist covered under the Senior Executive and Organizational Performance Management System and to senior staff who manage the SES/T-42 Senior-Level Scientists. Training will be designed to ensure that the performance management process operates effectively. The Office of Human Resources will coordinate training activities based on Department-wide needs. Individual OPDIVs and STAFFDIVs may develop and conduct training to supplement that which is provided at the Department level.

4.2 RECORDKEEPING AND RECORD USES

As part of monitoring performance, supervisors may make notes on significant instances of performance so that they will not be forgotten. Such notes will not be required by or under the control of the Department or any of its components, and are not subject to the Privacy Act or accessible under the Freedom of Information Act, as long as they remain solely for the personal use of the supervisor, are not provided to any other person, are not used for any other purposes, and are retained or discarded at the supervisor's sole discretion. If the supervisor bases a performance appraisal in part or in full on specific information from such notes, however, that information will be recorded on or attached to the official appraisal form. Information on or attached to the form will be subject to the Privacy Act.

The retention, maintenance, accessibility, and disposal of performance records as well as supervisors' copies will be in accordance with Office of Personnel Management regulations. Performance records must be retained for five years and transferred with the SES/T-42 Senior-Level Scientist's Official Personnel Folder when the SES/T-42 Senior-Level Scientist transfers to a new organization in HHS or to another agency. When an SES/T-42 Senior-Level Scientist leaves HHS, all appropriate performance-related documents five years old or less, including the current SES/T-42 Senior-Level Scientist performance plan and an interim rating, shall be forwarded in the Employee Performance File along with the Official Personnel File to the new agency.

When an employee in the SES accepts a Presidential appointment, the employee's performance file shall be retained as long as the employee remains employed under that Presidential appointment. If the individual does not return to the SES when the appointment ends, the employee's Employee Performance File shall be destroyed in accordance with HHS procedures. Where any performance-related document is needed in connection with ongoing, quasi-judicial, or judicial proceeding, it may be retained for as long as necessary beyond the established retention schedule.

4.3 MONITORING AND EVALUATING THE SYSTEM

The Office of Human Resources has responsibility for the ongoing review of the operation of the SES and Organizational Performance Management System throughout the Department and for implementing program improvements. Details on the monitoring and evaluation of the System will be contained in the HHS Human Capital Accountability Plan.

5. DEFINITIONS

Appointing authority: The Department or OPDIV/STAFFDIV Head, or other official with authority to make appointments in the Senior Executive Service.

Appraisal period: The established period of time for which an SES/T-42 Senior-Level Scientist's performance will be appraised and rated. The appraisal period begins each October 1st and ends the following September 30th.

Balanced measures: An approach to performance measurement that balances organization results with the perspectives of distinct groups, including customers and employees.

Critical element: A key component of an SES/T-42 Senior-Level Scientist's work that contributes to organizational goals and business results. A critical element is of sufficient importance that performance below Fully Successful requires remedial action and may be the basis for a reduction in pay, reassignment, or removal from the SES/T-42. All critical elements in the performance plan are defined at the fully successful level.

Higher-Level Reviewing Official: The next higher-level official above the rating official in the organization.

Minimum Appraisal Period: The minimum amount of time a senior executive must have served in a position under an established performance plan in order for an appraisal to be completed. HHS has established a minimum appraisal period of 90 days.

Organizational Assessment: An annual review and assessment of OPDIV and STAFFDIV performance against established performance requirements, designed to evaluate success in achieving Departmental strategic goals and objectives.

***Performance Appraisal*:** The review and evaluation of an SES/T-42 Senior-Level Scientist's performance against established critical elements and performance requirements.

Performance Management System: The framework of policies and practices established for planning, monitoring, developing, evaluating, and rewarding both individual and organizational performance and for using resulting performance information in making personnel decisions.

Performance Plan: The written summary of work the SES/T-42 Senior-Level Scientist is expected to accomplish during the appraisal period and the requirements against which performance will be evaluated, including metrics. The plan includes executive leadership responsibilities and specific and measurable expectations that link to goals established in strategic planning initiatives. In addition, the plan must include specific measurable targets linked to agency goals and objectives.

Performance Requirement: A statement of the performance expected to meet the Fully Successful level for a critical element. A performance requirement may include, but is not limited to, factors such as quality, quantity, timeliness, specific metrics, and manner of performance.

Performance Review Board (PRB): An OPDIV board that makes recommendations to the appointing authority on SES performance ratings and recognition.

Progress Review: A mid-year review of the SES/T-42 Senior-Level Scientist's progress in meeting performance requirements. At a minimum, one progress review is required each year and must be documented on the performance plan. Communication about program objectives and an executive's progress toward achieving performance goals in the attainment of those objectives should be an ongoing process between supervisors and subordinate executives.

Rating Official: An SES/T-42 Senior-Level Scientist's immediate supervisor, responsible for informing the executive of the critical elements of his/her position, establishing performance requirements, appraising performance, and determining the initial summary rating.

Ratings:

Initial Summary Rating: The overall rating the rating official derives from appraising the SES/T-42 Senior-Level Scientist's performance during the appraisal period.

Annual Summary Rating: The overall rating level that the Secretary or designee assigns at the end of the appraisal period. This is the official rating.

Critical Element Rating: Ratings assigned to each individual critical element.

Secretary's Council on Performance Evaluation (SCOPE): The Department-wide entity responsible for providing oversight to ensure that the Senior Executive and Organizational Performance Management System produces results that are credible, equitable, and consistent across HHS. The SCOPE includes the Deputy Secretary, Chief of Staff, Deputy Chief of Staff, Assistant Secretary for Administration and Management, Assistant Secretary for Research and Technology, Assistant Secretary for Planning and Evaluation, and Secretary's Counselors. The Assistant Secretary for Administration and Management serves as the administrative chair of the SCOPE, responsible for recordkeeping and reporting functions.

Self-Assessment: A brief written summary that the SES/T-42 Senior-Level Scientist prepares describing his/her accomplishments during the appraisal year. The summary is based on a comparison of actual performance with the critical elements and performance requirements, including metrics, in his/her performance plan.

ATTACHMENT A: ORGANIZATIONAL ASSESSMENT TIMELINE

Note: this timeline contains approximate timeframes for key milestones in the organizational assessment process. Specific deadline dates will be determined on an annual basis, and will be disseminated by the Office for Human Resources as soon as they are established.

OPDIVs and STAFFDIVs submit organizational self-assessment to OHR	Late Sept.
Independent Departmental organizational assessment occurs	Late Sept.–Early Oct.
SCOPE meets to consider organizational assessments	Early Oct.
Final ratings determined by the Secretary	Mid-Oct.
Communicate SCOPE results to OPDIV	Mid-Oct.

ATTACHMENT B: INDIVIDUAL APPRAISAL TIMELINE

Note: this timeline contains approximate timeframes for key milestones in the individual appraisal process. Specific deadline dates will be determined on an annual basis, and will be disseminated by the Office for Human Resources as soon as they are established.

Preparing New Performance Plans (Upcoming Performance Cycle)

SES/T-42 Senior-Level Scientist Performance Plans drafted	Early Sept.
OPDIV and STAFFDIV Heads share plans with subordinates and establish framework to cascade performance goals throughout OPDIV	Mid to Late Sept.
All SES/T-42 Senior-Level Scientist Performance Plans established	Late Oct.

Appraising Individual Performance (Current Performance Cycle)

Mid-year progress reviews completed and documented	April 30
Individual Self-Assessments due to immediate supervisor	Early Oct.
Managers meet with subordinate SES/T-42 Senior-Level Scientist to determine initial summary ratings	Mid Oct.
All higher-level reviews requested are completed	Mid to Late Oct.
OPDIV Performance Review Boards meet	Late Oct.
OPDIV Heads review/transmit recommended annual summary ratings	Early Nov.
Departmental SCOPE meets	Mid-Nov.
Secretary or designee finalizes annual summary ratings/recognition	Early Dec.
OHR notifies OPDIVs and STAFFDIVs and HRCs of final decisions	Early Dec.
HRCs begin processing SES pay and bonus actions	Early Dec.

ATTACHMENT C: ORGANIZATIONAL ASSESSMENT FORM

HHS END-OF-YEAR ORGANIZATIONAL ASSESSMENT
FY _____

OPDIV or STAFFDIV Head: _____

OPDIV or STAFFDIV: _____

Prior Year Organizational Assessment Rating: _____

Overall FY__ SCOPE Rating:

- ☐ Exceptional
- ☐ Fully Successful
- ☐ Marginally Successful
- ☐ Unsatisfactory

EXECUTIVE LEADERSHIP

Organizations demonstrate leadership in a proactive, customer-responsive manner consistent with the HHS vision and values, and take a leadership role in advocating for and advancing the priorities of the Secretary. Department-wide objectives include: (1) Leading Change; (2) Leading People; (3) Results Driven; (4) Business Acumen; and (5) Building Coalitions/Communications. **Organizational self-assessment narrative for Executive Leadership must not exceed space on page 1 of this form.**

OPDIV or STAFFDIV Input

MANAGEMENT RESULTS

Describe organizational performance that reflects SES members and subordinate staff are accountable for achieving key management results that contribute to the success of the Department. Management achievements should demonstrate measurable business results that are directly aligned with, and meet the requirements of the HHS Strategic Plan; Annual Plan; approved budget; and/or the OPDIV/STAFFDIV goals and objectives. In addition, accomplishments in this area contribute to the achievement of the President's Management Agenda Green Standards for Success/Proud-To-Be 5 goals, as negotiated by HHS with OMB and OPM. **Organizational self-assessment narrative for Management Results must not exceed two pages total.**

1. Support HHS' Achievements in the President's Management Agenda (PMA)

OPDIV or STAFFDIV Input

2. HHS-wide Human Resources (HR)

OPDIV or STAFFDIV Input

3. HHS-wide Acquisition

OPDIV or STAFFDIV Input

4. HHS-wide EEO/Diversity Management

OPDIV or STAFFDIV Input

5. HHS-wide Information Systems and Technology

OPDIV or STAFFDIV Input

6. HHS-wide Budget/Finance

OPDIV or STAFFDIV Input

7. Public Affairs

OPDIV or STAFFDIV Input

8. Congressional Affairs

OPDIV or STAFFDIV Input

9. Additional Management Performance Requirements (as appropriate)

OPDIV or STAFFDIV Input

PROGRAM RESULTS

Organizations are accountable for achieving key program results that contribute to the success of the Department. Narrative self-assessment should describe specific measurable business results on program goals that represent a significant budgetary investment and/or have been identified as a high priority by the Secretary, and align with the HHS Strategic Plan. Describe program and organizational successes in terms of measurable results achieved. Also describe organizational challenges and flashpoints. **Organizational self-assessment narrative for Program Results must not exceed three pages total.**

OPDIV or STAFFDIV Input

ATTACHMENT D: ORGANIZATIONAL ASSESSMENT RATINGS SUMMARY FORM

ORGANIZATIONAL ASSESSMENT RATINGS SUMMARY FORM
OPERATING DIVISIONS

Administration for Children and Families

SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

Agency for Healthcare Research and Quality

SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

Administration on Aging

SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

Centers for Disease Control and Prevention

SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

Centers for Medicare and Medicaid Services

SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

Food and Drug Administration

SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

Health Resources and Services Administration

SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

Indian Health Service

SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

National Institutes of Health

SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

Substance Abuse and Mental Health Services Administration

SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

SCOPE Administrative Chair (or designee): _____ **Date:** _____
Signature

ORGANIZATIONAL ASSESSMENT RATINGS SUMMARY FORM
STAFF DIVISIONS

Assistant Secretary for Administration and Management
SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

Assistant Secretary for Resources and Technology
SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

Assistant Secretary for Legislation
SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

Assistant Secretary for Preparedness and Response
SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

Assistant Secretary for Public Affairs
SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

Assistant Secretary for Planning and Evaluation
SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

Center for Faith-Based and Community Initiatives
SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

Departmental Appeals Board
SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

Intergovernmental Affairs
SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

Office for Civil Rights
SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

Office of Disability
SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

Office of Global Health Affairs
SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

Office of the General Counsel
SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

Office of Medicare Hearings and Appeals
SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

Office of the National Coordinator for Health Information Technology
SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

Office of Public Health and Science
SCOPE Panel Recommendation ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory
Final Rating Assigned ☐ Exceptional ☐ Fully Successful ☐ Minimally Satisfactory ☐ Unsatisfactory

SCOPE Administrative Chair (or designee): _____ **Date:** _____
Signature

ATTACHMENT E
GUIDANCE FOR NON-STANARD SITUTIONS

SITUATION	ACTION
1. For whatever reason, a current executive did not have a plan at any time during the entire appraisal period, or did not perform against a plan for at least 90 days.	**A plan must be established immediately.** ➢ Executive's appraisal period must be extended for the amount of time necessary to meet the minimum appraisal period (90 days).
2. The executive is reassigned from one SES/ T-42 position to another within HHS more than 90 days before the end of the appraisal period.	**Establish a plan for the new position.** ➢ Obtain a rating (summary of accomplishments) at time of position change from previous supervisor (if executive had an SES plan for at least 90 days in former position) and use as added input for the initial summary rating for the appraisal. ➢ If the executive cannot be rated in former position because s/he was not under a plan for at least 90 days, rate at end of appraisal period based on new plan.
3. The executive is reassigned from one SES/ T-42 position to another within HHS less than 90 days before the end of the appraisal period.	**Establish a plan for the new position.** ➢ Extend rating period until the minimum appraisal period is met (90 days). ➢ Obtain a summary rating from previous rating official if executive served in previous position for at least 90 days. ➢ Initial summary rating for the appraisal period must consider all ratings made during that period.
4. An executive is newly appointed after July 3, (and on or before September 30), they will not meet the minimum appraisal period of 90 days by the end of the rating cycle - September 30.	**Rating will be deferred until the minimum appraisal period (90 days) has been met.** ➢ Newly appointed executives **are not** eligible for a bonus. ➢ Pay adjustments may be recommended to maintain the position in the rate range under 5 CFR § 534.404(b)(4). The 12-month rule under 5 CFR § 534 is waived, in order to align an executive's subsequent performance-based pay adjustment to the performance cycle.
5. If an executive is detailed to another position for more than 120 days during the rating period, an appraisal must be prepared.	**A plan must be established for the detail position.** ➢ The supervisor during the detail must provide a written summary of the executive's performance during the detail. This must be provided to the supervisor of record (rating official) on or before September 30. The supervisor of record must consider the previous supervisors summary and assign an annual rating.
6. Executive is appointed to the SES/T-42 on or after October 1.	**No rating for rating period ending September 30.** ➢ Establish a new Performance Plan. Executive will receive a rating at the end of the new performance cycle.

GUIDANCE FOR NON-STANARD SITUTIONS

SITUATION	ACTION
7. Executive transfers from a SES position in another agency to an SES position in HHS.	**Establish plan to cover remainder of appraisal period.** ➢ Obtain initial summary rating transferred from former agency (if possible). ➢ If more than 90 days from the end of the appraisal period, the transfer rating must be considered along with the rating based on the plan for the new position in preparing the initial summary rating. ➢ If transfer occurred within last 90 days and no rating transferred, extend appraisal period until the minimum appraisal period is met (90 days) and prepare the initial summary rating. ➢ Transferred executives **<u>may be</u>** eligible for a bonus if accomplishments support/warrant a bonus. ➢ Pay adjustments may be recommended to maintain the position in the rate range under 5 CFR § 534.404(b)(4). The 12-month rule under 5 CFR § 534 is waived, in order to align an executive's subsequent performance-based pay adjustment to the performance cycle.
8. Before the end of the appraisal period, the executive's supervisor (rating official) resigns, transfers, or leaves position.	**Obtain an initial rating (summary of accomplishments) from previous supervisor (prior to supervisor leaving, if possible) and use as added input for the initial summary rating.** Current supervisor (rating official) can use to derive the annual summary rating. ➢ If summary/initial rating cannot be obtained from previous supervisor, extend the appraisal period until the minimum rating period (90 days) has been met.

ATTACHMENT F: OPM GUIDANCE

UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
WASHINGTON, DC 20415-1000

OFFICE OF THE DIRECTOR

January 30, 2006

MEMORANDUM FOR CHIEF HUMAN CAPITAL OFFICERS

FROM: LINDA M. SPRINGER
Director

SUBJECT: Building a Results-Oriented Performance Culture

This is to follow up on our ongoing discussions regarding establishing results-oriented performance cultures in agencies. I want to be clear that agency SES appraisal systems will not be certified for calendar year 2006 if the performance plans do not hold executives accountable for achieving measurable business outcomes.

By aligning employee performance plans with organizational goals and holding employees accountable, agencies are well on the way to establishing a results-oriented performance culture. We must now place an even greater emphasis on achieving results.

While Senior Executive Service (SES) appraisal and certification regulations require executives to be appraised based on their performance, we have found some plans in some agencies that are weak in measuring results or setting targets. These agencies have been told they must improve those performance plans. This emphasis applies to non-SES appraisal programs as well. Your agencies are currently completing the Office of Personnel Management's (OPM) Performance Appraisal Assessment Tool (PAAT) for your non-SES appraisal programs, including the beta sites you identified last quarter. The PAAT provides a process for assessing how well programs meet the criteria identified to support a strong performance culture, including an assessment of employee performance plans and their focus on measurable outcomes. Your programs will not score well if your performance plans do not include this focus, nor will your beta sites meet the green standard for performance culture. OPM is scoring the PAATs as they are submitted and will be working with the agencies to improve any weaknesses in their appraisal programs.

As I indicated at our January 12, 2006, discussion, all assessments of appraisal programs for both SES and non-SES employees, whether through certification or the PAAT, will review how well the agency has incorporated a results-focus into its appraisal process. For programs being certified for 2007, OPM expects to see well over 50 percent of an executive's or employee's performance plan focuses on achieving results. OPM has tools and training that can help you develop or strengthen your performance appraisal programs. My staff has been providing technical guidance and assistance to you in the past and will continue to do so. Please contact your Human Capital Officer, as needed.

You should also contact Ms. Maloney if you have questions regarding your certification status or requirements at 202-606-1017 or by e-mail at maryann.maloney@opm.gov.

Sincerely,

Linda M. Springer
Director