

Relating Organizational Assessment to Performance Management

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POC: Erin Moore
erin.moore@cpms.osd.mil
(703) 696-1720



Relationship of Organizational Goals/Targets to Individual Goals/Targets

Direction for Organizational Assessment

- Set the organization's goals/targets.

Performance Plans

- Each employee creates their individual performance plans.

Results of Organizational Assessment

- Assess the organizational results against the goals/targets previously set.

Performance Appraisals

- Each employee is assessed based on their performance against their performance plan's goals/targets.



Direction for Organizational Assessment

Why an Organizational Assessment?

The DoD Organizational Assessment (OA) is driven by both legislation and departmental priorities:

➤ Legislation:

- Section 4312 of Title 5, United States Code, and Office of Personnel Management (OPM) implementing instructions require that DoD base performance evaluations of Senior Executive Service (SES) members on both individual and organizational performance.
- The OPM further requires each Agency to describe, at the end of the performance rating period, how it assess organizational performance and how it communicated that performance to rating and reviewing officials and members of Performance Review Boards (PRB) to inform individual performance decisions.

➤ Departmental Priorities:

- Used to evaluate performance by aligning the organizations targets to DoD strategic planning documents, management initiatives identified by the Secretary of Defense, and performance standards set for DoD by the President and Congress.
- Further institutionalize the performance assessment process.
- Gain OPM continued certification as a pay for performance (PFP) organization.



History of the DoD Org. Assessment

2010 is the fifth year in which DoD has executed an agency-wide organizational assessment.

2006

The OA was developed by a group of OSD action officers.

2007

Select Components provided input to the OA via a COTS web-based survey tool. OA was a contributing factor in the certification of the DoD SES Pay for Performance (PFP) System by OPM.

2008

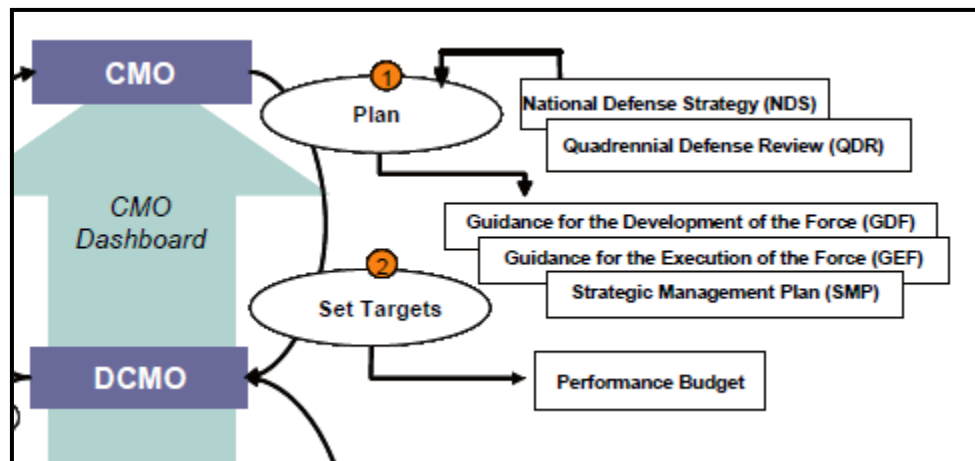
The OA was based on 28 Transformation Priorities (DepSecDef Memorandum dated October 2, 2007).

2009 and 2010

The OA is based on Summary Budget Justifications, and has been collapsed into 4 Strategic Goals.

Application of the DoD Performance Framework to the OA

The first two steps (shown below) of the DoD Performance Framework are where the major strategic plans leading to the Organizational Assessment are created:



Guidelines During Steps 1 and 2

1. Plan

- Limit the number of measures and focus on those that contribute ~80% of the expected result.
- Focus on outcomes, not just activities and numbers.
- Balance measures among different output perspectives: Stakeholders, Budget/Finance, Process, and People/Learning.

2. Set Targets

- Targets are established for both efficiency measures and effectiveness measures.
- These are tracked and assessed routinely throughout the year.

Top-Down Overview



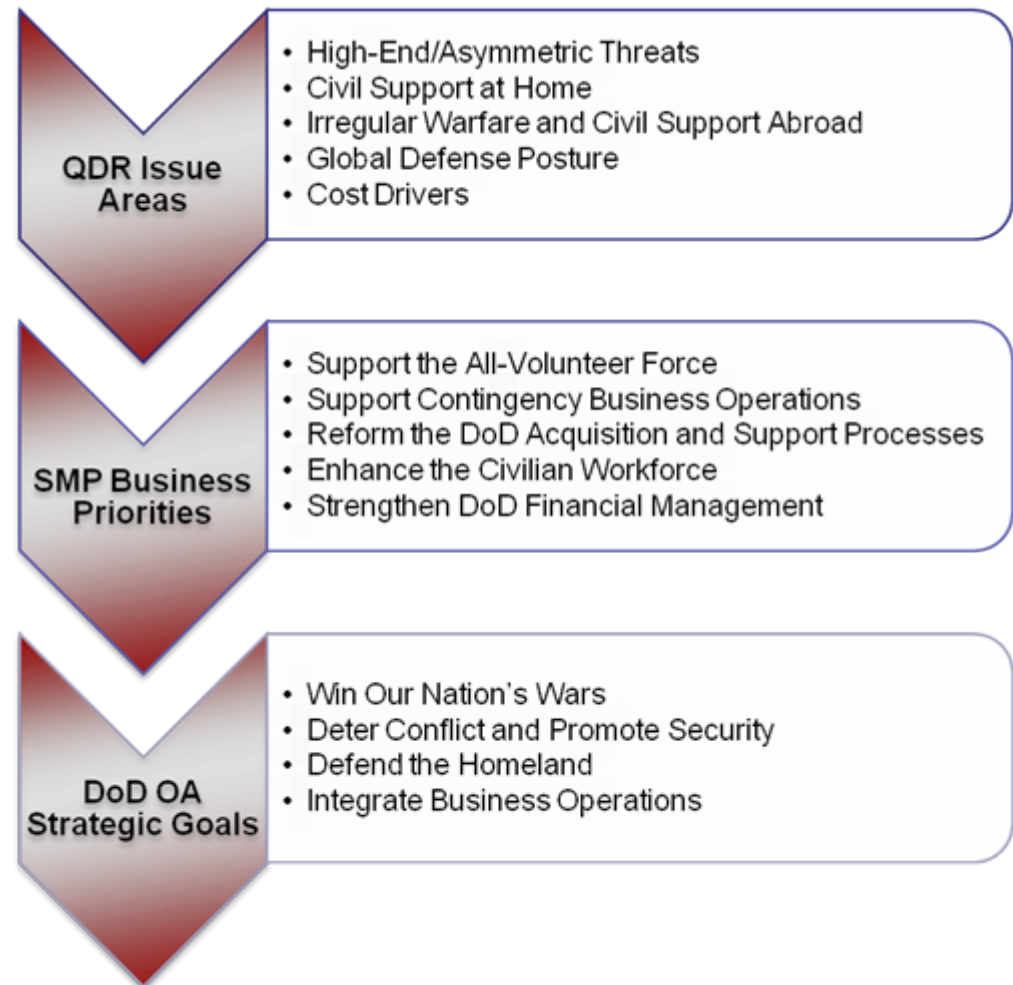
DoD OA FY10 Strategic Goals





FY10 QDR → DoD SMP → OA

- The Department's working strategic direction is represented by five issue areas being addressed by the Quadrennial Defense Review (QDR) analysis.
- The intention of the Strategic Management Plan (SMP) is to support the direction being taken with the QDR, so the goals and measures associated with each business priority are aligned, to the maximum extent possible, with these five issue areas.
- These priorities represent the enduring leading indicators of success for ensuring that business operations are synchronized across all DoD components.
- The QDR is employing the framework described in the 2008 National Defense Strategy to balance risk across four dimensions: Operational Risk, Future Challenges Risk, Force Management Risk, and Institutional Risk.





Writing Performance Plans based on Organizational Goals/Targets



Performance Plan Guidelines

- All Performance Requirements should map to the DoD's organizational goals (or your Component or Agency's goals).
 - Approximately 1-4 measurable performance requirements for each performance element
 - Apply **SMART-Q** Framework

Example Performance Element Breakdown

Example:	
Performance Element	Performance Requirement
Mission Accomplishment 60%	Eliminate redundancies and cost in human resources management NLT June 30, 2010 by implementing a single DoD web-based resources data system on-time and within budget. Garner Component cooperation, support, and satisfaction with the implementation as evidenced by a score of 3 or higher on the Project Evaluation Survey (Goal 1.1).
Leadership/Supervision 25%	Demonstrate progress in helping build a diverse workforce NLT June 30, 2010 by developing and obtaining Department support for recommendations to improve the diversity and "jointness" of the SES and adopting metrics to gauge progress and target improvements. Results demonstrate effective and ethical leadership, effective interactions with customers, and respectful and conscientious actions (Goal 2).
Customer Care 15%	Ensure a free flow of information and communication with customers (up, down, across and within the organization) encouraging the open expression of ideas and seeks opinions, responding appropriately Seek input from audience; check understanding; present message in different ways to enhance understanding (Goal 2.3).

Detailed Performance Plan tips and guidelines can be found online:

<http://www.cpms.osd.mil/sespm/docs/FY2010E&Sperformanceplans.pdf>



Instructions and Performance Plan Tips

- Every Senior Executive and Senior Professional is **required to have a new performance plan in place beginning October 1, 2009**, or for at least 90 days prior to the end of the performance cycle on September 30, 2010.
 - The performance appraisal period shall be October 1 through September 30 each year.
 - In order to provide for meaningful evaluation of an executive's performance, the **minimum performance appraisal period will be 90 days**.
 - Within 30 days of appointment for executives assigned after the beginning of the performance appraisal period, a performance plan must be created.

- **Performance Plans must involve employee input and show clear linkage to agency/organization annual strategic plans.** They must also:
 - Describe the executive's work and the performance level required to achieve expectations.
 - Reflect result-oriented performance standards that are observable, measurable, and/or demonstrable.
 - Incorporate appropriate and balanced measures that provide for employee and/or customer/stakeholder feedback.
 - Include a quality measure and other measures such as quantity, timeliness, and cost effectiveness.
 - Include a requirement holding senior employees accountable for rigorous performance management and for aligning their subordinate employees' performance plans to organizational goals.
 - Be communicated to the executive on or before the beginning of the appraisal period, during the appraisal period, and following the final rating.



Performance Management Phases and Significant Actions

- Plan
 - Aligning plan to organization goals and negotiating performance expectations with supervisor.
 - Write the Performance Plan.
- Monitor
 - Engage in an on-going dialogue with supervisor regarding performance.
 - Seek out feedback from peers, supervisors, and subordinates.
 - Calibrate performance with the Performance Plan.
- Rate
 - Write a self-assessment of the results and outcomes achieved during the cycle.
 - Participate fully in performance meetings and be open to feedback.
- Reward
 - Understand how the performance payout was derived and ask questions, if necessary.



Results of Organizational Assessment

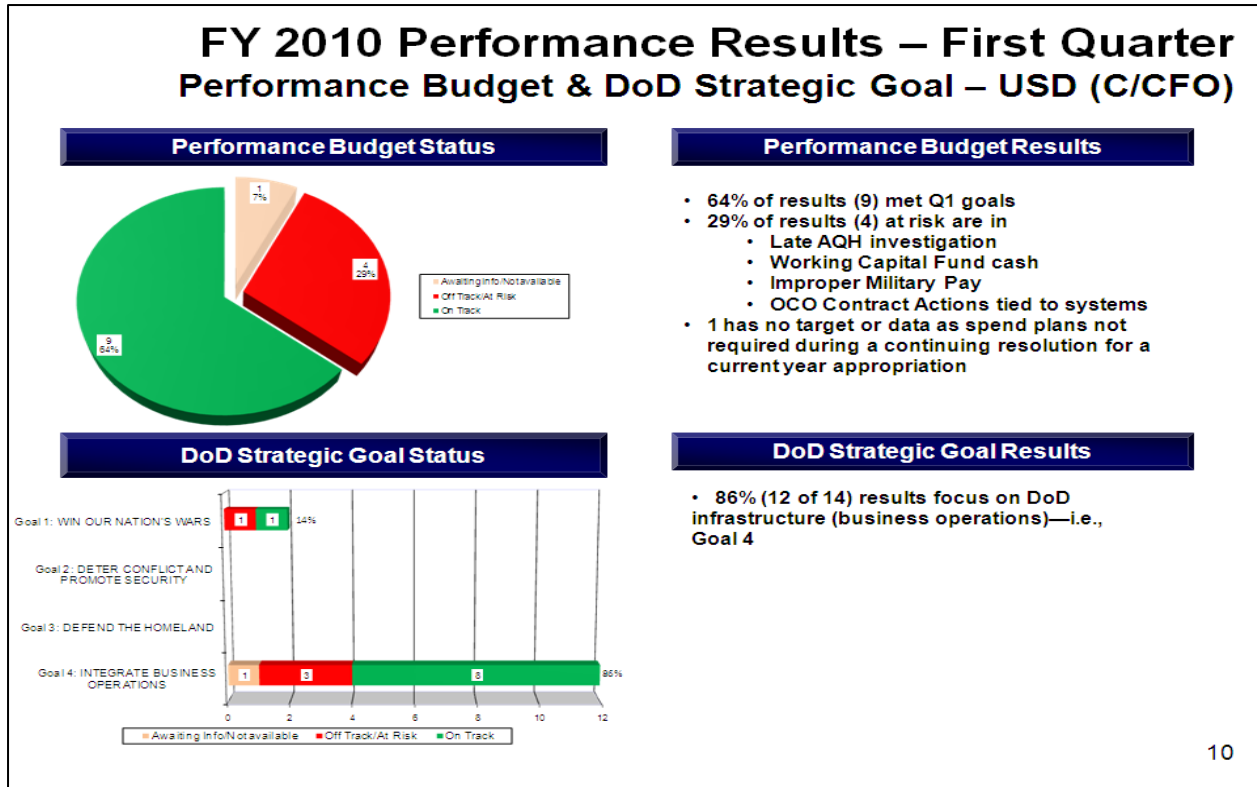


OA Scorecard

The below is an example of the FY10 scorecard that is used when evaluating the Department's progress toward achieving the goals it set forth in the Organizational Assessment.

Goal Number	HPPG	Performance Measure	FY09 Actual	FQ1 2010 Target	FQ1 2010 Actual	FY10 Target	Comments
1	*	Annual fill rate for Joint Contracting Command (JCC) supporting contingency operations	N/A	98%	99%	98%	
1	*	Percent assigned of required Contracting officer Representatives (CORs) supporting Afghan contingency operations	N/A	80%	80%	88%	Rate was 39% in August 2009. Progressing well towards the FY 2010 Target.
1	*	Percent assigned of required Contracting Officer Representatives (CORs) supporting Iraqi contingency operations	N/A	80%	93%	85%	
3		Cumulative percent of treaty-declared category 1 chemical weapons destroyed	65.5%	67.7%	69.5%	74.2%	Making better than satisfactory progress – 46% towards the goal after one quarter.
4	*	Percent of government-owned Family House inventory at foreign locations at good and fair (Q1-Q2) unit cost	2	<2	1	2	

OA Performance Results

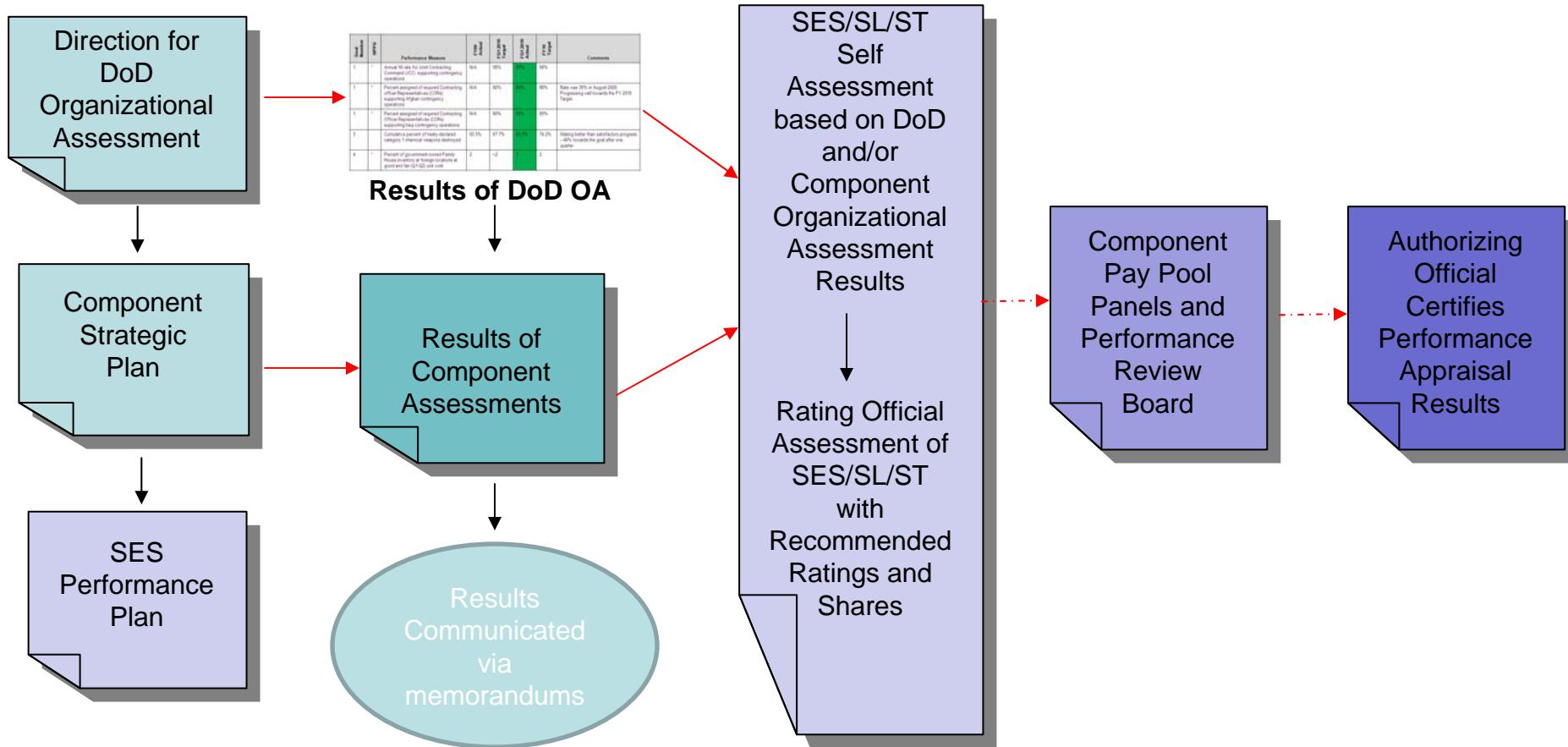


The slide to the left shows the report used to summarize the performance results data contained in the OA scorecard (from previous slide.)

The Results of the Organizational Assessment are communicated to the Rating Officials and SES/SL/ST via a memorandum by the DepSecDef at the end of the Fiscal Year



Assessing Performance Using Organizational Results



- SES/SL/ST write closeout assessments based on the results of DoD and/or Component-specific Organizational Assessments
- Rating Officials base rating and share recommendations on SES/SL/ST performance appraisal results and their impact on the results of DoD and/or Component-specific Assessments
- Pay Pool Panels and Performance Review Boards convene to recommend results to Authorizing Official
- Authorizing Official certifies final results of the performance assessment cycle are based on organizational assessment and performance



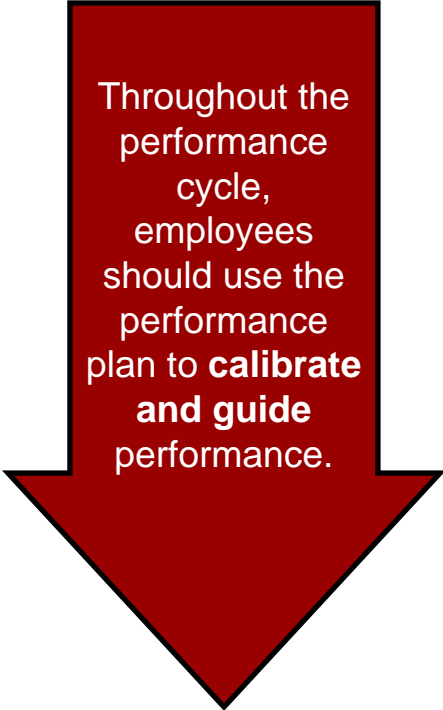
Back Up Slides



FY10 Performance Cycle Important Dates

- **Oct 1, 2009**
 - FY10 Performance Year Begins
- **Oct/Nov 2009**
 - Write self-assessment for previous cycle based on direction from FY09 OA.
 - Meet with supervisor for Initial Summary Rating of previous cycle.
 - Acknowledge receipt of finalized plan within 30 days of start of FY10 cycle.
- **Dec 2009/Jan 2010**
 - Rating officials use DoD OA and results from other applicable strategic plans to assess employees' performance.
 - Receive final rating, and employees, if applicable, are rewarded based on performance during previous cycle.
- **April 2010**
 - Meet with Supervisor for Mid-Year Progress Review.
- **June 30, 2010**
 - 90 Day Deadline for Performance to be assessed in FY10.
- **Aug/Sept 2010**
 - Take Performance Management training refresher.
 - Begin discussions with supervisor on next year's plan.
 - Write Performance Plan for next cycle.
- **Sept 30, 2010**
 - FY10 Performance Year Ends.

Oct 2009

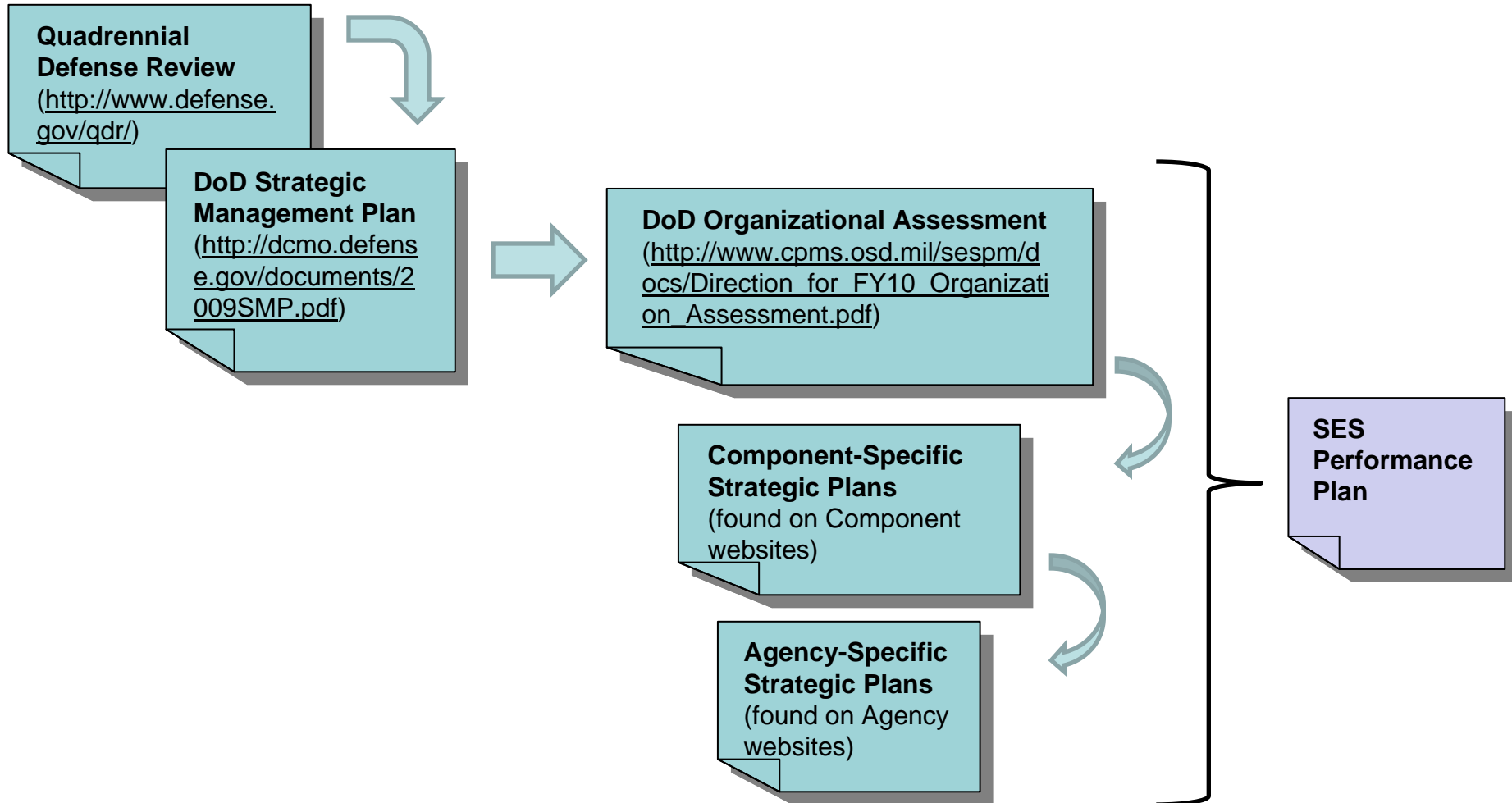


Throughout the performance cycle, employees should use the performance plan to **calibrate and guide** performance.

Sept 2010



Top-Down Overview





Outline of FY10 DoD OA

➤ **The Department's FY10 Strategic Goals:**

1. Win Our Nation's Wars
2. Deter Conflict and Promote Security
3. Defend the Homeland
4. Integrate Business Operations

➤ Each **Strategic Goal** is broken into between 1 and 10 additional **Strategic Objectives**

➤ Each **Strategic Objective** is further broken into related **measurable performance goals**, each of which contains:

- Performance Measure
- Long-term Goals/Targets
- FY10 Goals/Targets



Example DoD OA Goal Description

Strategic Goal [STRATEGIC GOAL 4: INTEGRATE BUSINESS OPERATIONS

Strategic Objective 1

Strategic Objective 4-1: Maintain capable, efficient, and cost-effective installations to support the DoD workforce		
Performance Measures ¹	Long-term Goals/Targets ¹	FY10 Goals/Targets ¹
*Cumulative average percent reduction in building energy consumption	By FY 2015, DoD will reduce average building-energy consumption by 30% from the FY 2003 baseline of 116,134 BTUs per gross square foot.	15%
Average facilities sustainment rate	By FY2012, the DoD will fund facilities sustainment at a minimum rate of 90% of the modeled requirement for each component.	92%
*Percent of renewable energy produced or procured based on DoD's annual electric energy usage	By FY 2025, the DoD will produce or procure renewable energy equal to 25% of its annual electric energy usage.	13.4%

Measurable Goals

Asterisk (*) Reflects High Priority Performance Goal

Strategic Objective 2

Strategic Objective 4-2: Enable an operational advantage for the DoD, non-DoD partners, and national leadership through the effective and efficient management of an assured DoD Information Enterprise		
Performance Measures ¹	Long-term Goals/Targets ¹	FY10 Goals/Targets ¹
Percent of applicable IT and National Security Systems (NSS) that are Certification and Accreditation (C&A)-compliant	By FY 2013, 95% of applicable IT and NSS that are C&A-compliant.	≥ 90%

Measurable Goals

Component-Specific Guidance

- Component heads should ensure that their respective strategic plans:
 1. Align to the performance targets listed in the DoD FY10 OA.
 2. Establish measurable targets that can be used to monitor progress throughout the year.
 3. Conform to the Department-wide priorities when developing Component/Agency Assessments and align executive performance requirements within performance plans

- The DoD Organizational Assessment and the Component-specific Assessment may be used individually or collectively to inform SES rating decisions.

- Component strategic plans define supporting execution priorities that form the basis of individual performance plans for members of the Senior Executive Service (SES) and for Senior Leader/Senior Technical (SL/ST) professionals.

- SES and SL/ST appraisals should reflect contributions and results achieved toward measurable targets.
 - This will ensure the talents of our people target priorities and outcomes that are shared across the Department.

- The highest ratings are to be reserved for the most outstanding performers, who demonstrate the highest level of performance, make the greatest contributions to DoD-wide or organizational performance, or exemplify superior results.

- Components and 4th Estate communicate and distribute the memorandum to their agencies to ensure all rating officials and executives appropriately align their performance plans to the Department's strategic goals
 - In some instances, the Components and 4th Estate develop and issue their own memorandum providing their Component-specific Assessment to offer tailored direction for their executives
 - Once executive performance plans are aligned to the Department's strategic goals, it is imperative to demonstrate that performance measures are backed by accurate and reliable data and reporting methodologies



Component-Specific OA Reporting and Results Communication

➤ Reporting:

- The progress on the Department's Organizational Assessment Scorecard and priority assessments are tracked by the Office of the Deputy Chief Management Office (ODCMO) on a quarterly basis.
- The ODCMO requires Principal Staff Assistants (PSAs), who are officials reporting directly to the Secretary or Deputy Secretary of Defense within the Office of the Secretary of Defense, to submit performance reports to the ODCMO within 30 calendar days after the quarter expired.
- In order to provide the quarterly updates on the progress of performance outcomes to the ODCMO, the PSAs request and receive input from the Components.
- This process ensures continual communication throughout the year on the status of performance outcomes.

➤ Results Communication:

- At the end of the FY, the Deputy Secretary issues a memorandum announcing the results of DoD's Organizational Assessment to the Components and 4th Estate.
- In addition to being posted on the DoD SES website, the Components and 4th Estate communicate and distribute the memorandum to their agencies to ensure all Rating Officials and executives have the status of the Department's strategic goals for their annual appraisal process.
- Some Components issued their own Component-specific Assessments and those were distributed to executives and Rating Officials through a memorandum.
- Components and 4th Estate provided an overview of the Organizational Assessment and its impact on performance management through town hall meetings and in performance management training sessions.



Title 5, Code of Federal Regulations (CFR)

§ 430.304 SES performance management systems.

- (a) To encourage excellence in senior executive performance, each agency must develop and administer one or more performance management systems for its senior executives.
- (b) Performance management systems must provide for:
 - (1) Planning and communicating performance elements and requirements that are linked with strategic planning initiatives;
 - (2) Consulting with senior executives on the development of performance elements and requirements;
 - (3) Monitoring progress in accomplishing elements and requirements;
 - (4) At least annually, appraising each senior executive's performance against requirements using measures that balance organizational results with customer and employee perspectives

§ 430.305 Planning and communicating performance.

- (a) Each senior executive must have a performance plan that describes the individual and organizational expectations for the appraisal period and sets the requirements against which performance will be evaluated. Supervisors must develop performance plans in consultation with senior executives and communicate the plans to them on or before the beginning of the appraisal period.
- (b) Senior executive performance plan requirements:
 - (1) Critical elements. At a minimum, plans must describe the critical elements of the senior executive's work and any other relevant performance elements. Elements must reflect individual and organizational performance.
 - (2) Performance requirements. At a minimum, plans must describe the level of performance expected for fully successful performance of the executive's work. These are the standards against which the senior executive's performance will be appraised.
 - (3) Link with strategic planning initiatives. Critical elements and performance requirements for each senior executive must be consistent with the goals and performance expectations in the agency's strategic planning initiatives.

§ 430.307 Appraising performance.

- (a) Annual appraisals. Agencies must appraise each senior executive's performance in writing and assign an annual summary rating at the end of the appraisal period.
 - (1) At a minimum, a senior executive must be appraised on the performance of the critical elements in the performance plan.
 - (2) Appraisals of senior executive performance must be based on both individual and organizational performance.....



Important Links

- **Quadrennial Defense Review:** <http://www.defense.gov/qdr/>
- **2009 DoD Strategic Management Plan:**
<http://dcmo.defense.gov/documents/2009SMP.pdf>
- **National Defense Strategy:**
<http://www.defense.gov/pubs/2008NationalDefenseStrategy.pdf>
- **FY10 DoD Organizational Assessment:**
http://www.cpms.osd.mil/sespm/docs/Direction_for_FY10_Organization_Assessment.pdf
- **Component-Specific Strategic Plans:** found on Component websites
- **Agency-Specific Strategic Plans:** found on Agency websites

- **SES Performance Management Toolkit:** <http://www.cpms.osd.mil/sespm/toolkit.aspx>
- **Performance Plan tips and guidelines:**
<http://www.cpms.osd.mil/sespm/docs/FY2010E&Sperformanceplans.pdf>
- **Subchapter 920:** <http://www.cpms.osd.mil/sespm/docs/SC920.pdf>
- **DD 2899 SES Appraisal Form:**
<http://www.dtic.mil/whs/directives/infomgt/forms/eforms/dd2899.pdf>
- **DD 2898 Senior Professional Appraisal Form:**
<http://www.dtic.mil/whs/directives/infomgt/forms/eforms/dd2898.pdf>