UNITED STATES OFFICE OF PERSONNEL MANAGEMENT

Working for America

Center for Talent Services

A Training Guide for Developing Performance Plans for Senior Leaders (DoD)

Prepared for use by the

Department of Defense –

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Introduction

Purpose and Objectives of this Guide

The purpose of this handbook is to provide Department of Defense (DoD) Senior Leaders, SES/SLT, with the tools and background information necessary to develop quality performance objectives. Due to the unique nature of these positions, a heavy emphasis is placed on the accountability and leadership functions required for high priority initiatives that impact large portions of the organization. This handbook presents a systematic approach to learning the core components of a good of Performance Management Plan, specifically developing quality Performance Standards.

The intended audience of this training is Senior Leaders and those who supervise Senior Leaders. For clarity, this handbook will refer to Senior Leaders whose performance is being evaluated as the "employee" and to those who evaluate the performance of Senior Leaders as the "Rating Official" or "supervisor."

Please note: This training is not intended to guide the Performance Management of General Schedule (GS) employees.

The Office of Personnel Management's Center for Talent Services (CTS) has been working in the Performance Management field with an expanding clientele in this arena. The information in this handbook is a compilation of policy and procedure requirements, as well as best practices and recommendations for Performance Management from both the public and private sectors. This document can be read from beginning to end, or used to refer to specific topics.

Please note, applicable policy, laws, and regulations (including the DoD 1400.25-M, Subchapter 920 Executive and Senior Professional Pay and Performance System), take precedence over all material presented in this training guide.

This handbook is in its first generation; it is expected that this resource will evolve as further research is conducted and better ways of doing business are identified. All Senior Leaders are encouraged to share this resource with other Senior Leaders and to send recommendations for ongoing enhancements to their CTS contact. If you have any questions or concerns with any of the information presented in this handbook, please do not hesitate to discuss these with your CTS contact.

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Section One:

The Performance Management Framework

Background and Context

Performance Management Process

Performance management is the systematic process of:
- planning work and setting expectations
- continually monitoring performance
- developing the capacity to perform
- periodically rating performance in a summary fashion
- rewarding good performance

Planning

In an effective organization, work is planned out in advance. Part of the planning process involves setting performance expectations and goals for groups and individuals to channel efforts toward achieving organizational objectives. Getting employees involved in the planning process will help them understand the goals of the organization, what work needs to be completed, why it needs to be done, and the quality of work expected.

The regulatory requirements for planning employees' performance include establishing the Elements and Standards of their Performance Plans. Performance Elements and Standards should be measurable, understandable, verifiable, equitable, and achievable. Through critical Elements, employees are held accountable as individuals for work assignments and areas of responsibility. Employee Performance Plans should be flexible so that they can be adjusted for changing program objectives and work requirements. When used effectively, these plans can be beneficial working documents that are discussed often, not merely paperwork that is filed in a drawer and seen only when ratings of record are required.

Monitoring

Organizations must continually monitor assignments and projects to ensure that the work requirements:
- are understood,
- are performed adequately, and
- include priorities that are properly established.

Consistently measuring performance and providing ongoing feedback are the focal points for effective performance monitoring. Ongoing monitoring provides the supervisor the opportunity to check how well employees are meeting predetermined Standards and to

make changes to unrealistic or problematic Standards. Feedback should center on employee and work group progress toward goal achievement. By monitoring continually, supervisors can identify unacceptable performance at any time during the appraisal period and provide assistance to address such performance rather than wait until the end of the period when summary rating levels are assigned.

Developing

To effectively meet performance demands, employees must be properly equipped to perform their current work requirements. As an extension of the monitoring function, employee developmental needs must be evaluated and addressed in a timely manner. Developing in this instance means increasing the capacity to perform through training, giving assignments that introduce new skills or higher levels of responsibility, improving work processes, or other methods.

Performance Management provides an opportunity for supervisors and employees to identify developmental needs. Performance deficiencies should be addressed as soon as they are identified. Development should not be limited to poor performance; progressive organizations find ways to assist good performers so that they become outstanding performers in their current roles.

Rating

Rating is a way for organizations to summarize employee performance and standardize performance comparisons for an employee over time or across a set of employees. This comparison helps organizations to identify their best performers. Within the context of formal Performance Appraisal requirements, rating means evaluating employee or group performance against the Elements and Standards in an employee's Performance Plan and assigning a summary rating of record.

Rewarding

Rewarding means recognizing employees, individually and as members of groups, for their performance and acknowledging their contributions to the agency's mission. Rewarding is a way to encourage and guide appropriate and effective work behaviors. Supervisors do not need to wait for their organization to solicit nominations for formal awards before recognizing good performance. Recognition should be an on-going part of the reward system and do not require a specific regulatory authority. More formal rewards can include cash, time-off, or performance bonuses.

Performance Management Objectives

Organizations should be concerned about managing employees' performance to ensure that employee performance is:
- Aligned with organizational goals and mission;
- Focused on the achievement of results.

In order to achieve these objectives, Performance Management Systems should facilitate timely communication about performance, foster continual improvements in productivity, and reward and acknowledge positive performance.

The Performance Management Cycle

The Performance Cycle contains four stages: planning, monitoring, rating, and rewarding. All stages of the Performance Cycle are centered on the practice of communication to improve performance, and ultimately, develop the employee.

The Performance Cycle is October 1 through September 30 of each year. Figure 1 displays the Performance Cycle and the approximate months in which each stage occurs. Performing planning for the next year often begins as early as August and usually completed by the end of October. Employees and supervisors are expected to monitor performance throughout the entire year. Rating occurs during October and November for the previous Performance Cycle. Rewards and pay decisions are typically administered in December and January.
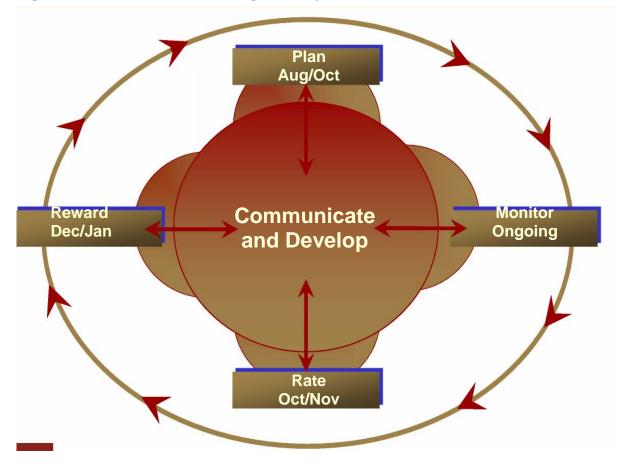
Figure 1. The Performance Management Cycle

Performance Management Cycle Guidelines:

- Employees must have an approved plan 30 days after cycle begins.
- Employees must be on an approved plan for 90 days prior to being rated.

Components of a Performance Plan

Employees must know what they need to do to perform their jobs successfully. Expectations for performance are established in employee Performance Plans. There are three components to a Performance Plan:

- Performance Elements
- Performance Requirements/Standards
- Performance Levels

Each component has specific requirements and criteria needed to develop a complete, effective Performance Plan. Developing Elements and Standards that are understandable, measurable, attainable, fair, and challenging is vital to the effectiveness of the Performance Appraisal process.

Performance Elements

Performance Elements are the important components of an employee's work that contribute to organizational goals and results. A *critical* Element is a duty or responsibility of such importance that unacceptable performance in that Element would result in a determination that the employee's overall performance is unacceptable. Unacceptable performance is defined in Section 4301(3) of title 5, United States Code, as failure on one or more critical Elements, which can result in the employee's reassignment, removal, or reduction in grade.

Consequently, Elements must describe work assignments and responsibilities that are within the employee's control. For most employees this means that critical Elements should not describe a group's performance. However, a supervisor or manager can and should be held accountable for seeing that results measured at the group or team level are achieved. Critical Elements assessing group performance may be appropriate to include in the Performance Plan of a supervisor, manager, or team leader who can reasonably be expected to command the production and resources necessary to achieve the results (i.e., be held individually accountable).

As shown in Figure 2, there are seven DoD Performance Elements; three are required for Performance Plans. All Performance Elements that end up in the approved plan must be considered critical. The remaining four Performance Elements may be used as stand alone Performance Elements or incorporated into one or all of the three mandatory Performance Elements. Plans may include additional Elements with the approval of the Authorizing Official.

Figure 2. Critical Elements for SES and SP

Performance Element	Mandatory for…	Mandatory Weight
Leadership/Supervision	SES and SP (if applicable)	
Contribution to Mission Accomplishment	SES, SP	at least 60%
Customer Care	SES, SP	
Communications		
Cooperation/Teamwork		
Resource Management		
Technical Competence/Problem Solving	SP	

All Performance Elements must have an associated weight. The sum of the weights for all Performance Elements used must equal 100%. As shown above in Figure 2, the *Contribution to Mission Accomplishment* Performance Element must comprise at least 60% of the plan.

Performance Standards

Performance Elements are defined by Performance Requirements, also known as Performance Standards. Performance Standards are expressions of the performance thresholds, requirements, or expectations that employees must meet to be appraised at particular levels of performance. Standards must describe an outcome of sufficient depth and complexity to reflect the high-level work of Senior Leaders. Typically, there are one to four Standards for each Performance Element.

Mandatory Standards for Supervisors

For those Senior Leaders that supervise others, there are two mandatory Performance Requirements in the Leadership/Supervision Performance Element:

1. Senior Executive achieves results in promoting equal employment opportunity, affirmative action, and diversity.

2. Evaluating performance of subordinate employees and helping them develop plans that:
   - Align with organizational goals.
   - Are rigorously and realistically appraised against clear and measurable Performance Standards.
   - Consider employee and customer views in achieving organizational results.

Performance Levels

There are five levels of performance used to assess achievement of each individual Element. From highest to lowest, those levels are:

- **Exceptional Results:** Performance far exceeds expectations.
- **Exceeds Expected Results:** Performance that surpasses what is expected.
- **Achieved Expectations:** Performance that fully meets the attainment of requirements.
- **Minimally Satisfactory:** Performance that partially meets or demonstrates progress toward attainment of requirements.
- **Unsatisfactory:** Performance that fails to meet the requirements.

Each critical Element must have a Fully Successful or equivalent Standard established. In other words, each Element must have a Standard that is written to describe the expectations of performance at the Fully Successful level. While it is not required, it is recommended that Standards also be written at the levels below and above Fully Successful, to ensure that the scope of work is defined.

Writing a Performance Plan

Effectively written Performance Plans are:
- Tied to a timeline.
- Clear, specific, and understandable.
- Reasonable and attainable.
- Measurable, observable, or verifiable.
- Emphasize appropriate aspects of the work.
- Focus on results.

> **Example of a well written performance objective:** Lead the execution of at least one new Water Resources R&D activity to result in a cost savings of at least 10% and environmentally sensitive solutions, as outlined in ECP (Process Obj 2, Strat 2.2)

SMART-Q Framework

The SMART-Q framework was designed to aid in writing Standards that clearly describe performance that is measurable or verifiable and focused on tangible outputs, outcomes and milestones. SMART-Q components can be useful to check the quality of the Performance Standards. Performance Standards should be:
- **S**pecific
- **M**easurable
- **A**ligned
- **R**ealistic
- **T**imeframe – bound
- **Q**uality

Specific

Standards should include a clear, concise statement of what is being measured. A specific Standard is one that includes an *observable* outcome or achievement. Specific Standards should address:
- What the employee is responsible for accomplishing.
- What the employee/organization will achieve.
- The expected result and outcome.
- How this will drive organizational success.

Measurable

The result or outcome should be observable or verifiable. A method or procedure should exist that can assess and record the result of the requirement. Measurable Standards should address:

- How we know the employee achieved the result at the "Achieved Expectations" level.
- Outcomes/results to evoke a meaningful distinction in performance.

Measures allow for meaningful distinctions in performance. If a Standard can be met with a checkmark (yes or no), it may be an indication that the Performance Standard will not make a meaningful distinction in performance. Other indicators, such as a quality measure, can be used to help make meaningful distinctions in performance.

> **Example:** A Performance Requirement that states: "Write a DoD Instruction by January 2008" uses time as the measure. However, meeting or "beating" the clock may be insufficient to determine a level 3, 4 or 5 rating on the Performance Element.

Aligned

A clear, direct connection should exist between requirements and the DoD Organizational Priorities, Component Strategic Plans, and/or other organizational strategic goals. Standards should:

- To Support the DoD Organizational or Component goals.
- Address the impact to the organization if this requirement is not met.
- Identify the specific goal/priority the Performance Requirement aligns with.

Realistic

The outcome specified in the Standard must be achievable with the resources and personnel available; the result should be within the employee's control and responsibility. Standards should address:

- Whether additional resources need to be procured to meet this requirement.
- Whether this is a realistic goal given the organization's mission.
- Whether the achievement of this goal is under the employee's control.

Time-Bound

Timeframe needed to complete the requirement should be within the period of performance. Standards should:
- Include realistic timeline for all variables identified.
- Have time built in to resolve potential obstacles.
- Specify when the outcomes will be achieved.
- Represent an appropriate timeframe, breaking a project into milestones if necessary.

Quality

Standards that address Quality express how well the requirement will be completed. Standards should:
- Include how the appraiser will distinguish between quality levels of performance.
- Identify any governing bodies that can evaluate the quality of the employee's work.
- Identify any functional experts that can attest to the quality of the employee's results.

Sample Standards that Meet Some SMART-Q Components

- Improve the delivery of HR policy advice and guidance to customers worldwide, including in deployed locations, by developing a variety of useful resources that are robust and easily accessible by Q2 as measured by supervisor, stakeholder, and customer feedback. (Strategic Goal 4.2) **SMART-Q:** *Aligned, Realistic, Time-Bound, Quality*

- Ensure consistent and accurate legal opinions are provided within 30 days of the request, as needed by the client, or obtain appropriate extensions. (GC Strategic Goal 3.1, 3.2) **SMART-Q:** *Measurable, Aligned, Realistic, Time-Bound*

- Achieve FY09 close-out goal of greater than 97% obligation rate for all accounts and greater than 75% expenditure rate for all accounts. (Strategic goal 3.2) **SMART-Q:** *Specific, Measurable, Aligned, Realistic, Time-Bound*

- Develop, design and lead the execution of one new research and development initiative that results in cost-effective and environmentally friendly solution to support initiatives. (ECP Process Objective 2). **SMART-Q:** *Measurable, Aligned, Quality*

- Within established deadlines, appropriately formulate, review, direct, and coordinate significant litigation matters. Work should be forward looking, reflecting thorough analysis and sound reasoning, in accordance with organization guidelines. (JAGC Strategic Goal 1, Objective 3, 4, 5) **SMART-Q:** *Aligned, Realistic, Time-Bound, Quality*

- Develop by summer 2010, at least one subject-independent, "universal" bio-mathematical model (i.e., a model that is portable from individual to individual) to predict physiologic variables in soldier performance. (MRMC Strategic Goal #1) **SMART-Q:** *Specific, Measurable, Aligned, Realistic, Time-Bound*

Performance Plan Requirements

Performance Standards must meet six criteria to comply with Office of Personnel Management (OPM) and DoD specifications. As part of OPM's certification of agencies' Performance Management Systems (see Appendix C), audited Performance Plans must meet specific requirements, including:
- Accountability
- Alignment
- Balanced measures
- Consultation
- Diversity
- Measurable Results

Accountability

For employees that supervise others, the Performance Plan must address accountability for subordinate Performance Management. This requirement should be included in the Leadership/Supervision Performance Element and include Standards on:
- Ensuring that subordinate Performance Plans are aligned to organizational goals.
- Appraising subordinates against clear, measurable standards of performance.

Alignment

Performance Plans must link to organizational goals (e.g., Strategic Plans or other organizational planning or budget documents). Performance Plans must be derived from and linked to documents such as:
- Presidential Orders and Initiatives
- Mission Statements
- Strategic Plans

- Organizational Goals
- Budgetary Priorities

Each Standard must cite the actual document and/or specific goal (e.g., Goal 1.1 of CPP Strategic Plan) that it aligns with. The referenced plan must be available, upon request, to submit to DoD as part of the evidence required for OPM certification.

Balanced Measures

Performance Plans must include measures or indicators of the collection and use of employee and customer/stakeholder feedback. Standards must include specifications on the solicitation and use of feedback to achieve a performance result. Balanced Measures can be incorporated into any of the Performance Elements.

Including Balanced Measures into Senior Leader Performance Plan ensures that the agency receives valuable, balanced information regarding its performance. Robert S. Kaplan and David P. Norton have developed a set of measures that they refer to as "a balanced scorecard." These measures give top managers a fast but comprehensive view of the organization's performance and include both process and results measures. Reliance on one instrument can be insufficient. Similarly, the complexity of managing an organization requires that managers be able to view performance in several areas simultaneously.

OPM regulations require agencies to evaluate Senior Executive performance using Balanced Measures, which should take into account the following factors:

- The customer perspective, which considers the organization's performance through the eyes of its customers, i.e., American citizens, so that the organization retains a careful focus on customer needs and satisfaction. To meet this requirement, agencies must incorporate customer needs and wants and must respond to them as part of their performance planning. Federal managers are accountable for the answer to the question: Are we listening to our customers and satisfying their needs?

- The employee perspective, which focuses attention on the performance of the key internal processes that drive the organization, including employee development and retention. Adequate investment in the organization infrastructure and employees is critical to long-term success. Federal managers are accountable for the answer to the question: Do employees view the organization as a good place to work and develop their skills?

Consultation Criteria

Both the employee and their Rating Official must be involved in developing Performance Standards. Consultation is demonstrated by the signatures of the employee and the Rating Official in Part B-1 of the Executive Performance Appraisal Form. The Consultation Criteria ensures there is an established collective framework for performance and mission accomplishment.

Diversity Criteria

Plans must have a Performance Standard that holds executives accountable for achieving results in promoting diversity and furthering equal employment opportunity in the workplace. Diversity Standards, as with all Performance Standards, should be linked to organizational goals and priorities. Also, as with all criteria, diversity objectives must be formally established to be obtained.

Diversity Standards can be difficult to actually write as a specific, measurable accomplishment. Examples of ways to meet diversity requirements include:
- Increasing recruitment efforts targeting various minority groups.
- Participating on a committee that supports diversity.
- Speaking at an engagement for a diverse audience.
- Developing a Diversity Committee internal to DoD.
- Coaching or mentoring a high performing diverse employee into the Senior Leader pipeline.
- Developing a coaching or mentoring program for the organization.
- Speaking to the organization about the importance of diversity.

Measurable Results Criteria

As discussed earlier in this guide, the output or outcome should include observable and/or verifiable results in terms of quality, quantity, timeliness, and/or cost effectiveness. OPM requirements specify that all Performance Standards under the Element "Contribution to Mission Accomplishment" must be driven by measurable results. Examples of Measurable Results include:
- Efficiency or accuracy rates
- Improvement from survey results
- Acceptance of articles by peer-reviewed journals
- Presidential Agenda metrics or other program metrics
- Attributes of quality, value, thoroughness, excellence of an effort, or result

Section One Summary

Section One outlined the requirements and criteria that indicate an effective Performance Plan that is compliant with DoD and OPM policy and regulation. These requirements and criteria are in place to ensure a fair, consistent, and accurate Performance Management System. If employees and supervisors follow these guidelines, not only will a compliant plan be developed, but the plan will be a more effective performance evaluation tool.

Section Once Knowledge Check:

1. **Which is not a component of a Performance Plan?**
   a. **Performance Elements**
   b. **Performance Language**
   c. **Performance Requirements/Standards**
   d. **Performance Levels**

2. **T or F - The Contribution to Mission Accomplishment Performance Element must equal at least 70% of your plan.**

3. **T or F - There are 7 Performance Elements and 3 are required to be in the Performance Plan.**

Answers on page 42

EXERCISE ONE: Evaluating and Critiquing Performance Standards

Instructions: The following items are examples of actual DoD Performance Standards. Critique each item for how well it follows the information developing quality Standards presented in Section 1. Determine how well each item meets Performance Plan Requirements and SMART-Q Criteria.

Critical Thinking

1. Build a Language Readiness Index prototype that is integrated into the Defense Readiness Reporting System and has the capability to highlight gaps between DOD language mission requirements among the Mil Deps and COCOMs and reported Active Duty military capability for risk management by August 2010.

Supervision and Leadership

2. Exercise supervisory responsibilities according to the letter and the spirit of NSPS to include ensuring that Performance Plans for employees are aligned with organizational goals and employees are appraised realistically against clear, measurable standards of performance, within prescribed deadlines and resources.

Critical Thinking

3. By September 2010, draft a plan to standardize the Department's process for requesting, reporting and validating foreign language requirements. Collaborate with Military Departments, Joint Staff, Combatant Commands, and Defense Agency to reduce reporting duplication of requirements. Develop a Web-based application tool to replace the MS Excel Spreadsheet submissions of language requirements and establish a central data repository of DoD language and regional proficiency requirements, as prescribed in the Roadmap and CJCSI 3126.01.

Technical Proficiency - Mission

4. Ensure that NSEP continues to lead the nation in developing a broad and sustained capacity in languages and cultures critical to U.S. national security and economic competitiveness. Oversee the National Flagship effort to address its 2010 goal of expansion to achieve 2000 enrollments in advance language programs.

Communication

5. Develop Communication Strategy that addresses the Public, the Congress, and the Media by 7/1/10. Provide a minimum of two briefings developed and provided to Congress, Media, and/or private organizations to present a positive image of Department of Defense.

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Section Two:

Tips and Strategies for Writing Performance Standards

Purpose and Uses

Section Two focuses on developing Performance Plans that are accurate and measurable. Specifically, Section Two includes:
- Collaboration during the Planning Phase
- Activities vs. Accomplishments
- Identifying Measures
- Writing Standards using SMART-Q Framework

Collaboration during the Planning Phase

Supervisors and employees should collaborate during the planning phase of Performance development. The purpose of this partnership is to ensure that employees understand the SES and SL/ST Performance Management System and that the resulting Performance Plan appropriately represents the expected work outcomes of the employee.

Employees should meet with their supervisors/Rating Officials prior to writing Performance Plans, to accomplish the following outcomes:
- Discuss and select from the seven Performance Elements.
- Discuss Performance Standards and outcomes.
  - ➢ Identify major work that needs to be accomplished during the next Performance Cycle.
  - ➢ Identify DoD and Component Organizational Priorities.
  - ➢ Discuss expectations of performance outcomes.
  - ➢ Discuss linkage of work outcomes to organizational goals and identify documents employees will need to prepare their Performance Plans.

Planning Meeting Tips:
- Have the meeting in person, if at all possible.
- Set aside sufficient time for discussion.
- Limit distractions.
- Recognize it is an interactive process – more than likely expectations will be reframed and parts of the plan refocused.
- Revise and discuss the plan as many times as necessary to facilitate a shared understanding of expectations and performance.
- Remember, this is an on-going process!

After the initial meeting between the employee and supervisor, the employee should be able to write the Standards that will be used to evaluate their performance on each Performance Element.

Activities vs. Accomplishments

The first step in writing Performance Standards is to determine what you will write about and how you will write it. Sometimes, Performance Standards are written to describe activities, such as duties or tasks from a position description, rather than describing accomplishments, such as how the work is to be done or the outcomes expected.

- Activities are the *actions* taken to produce results. They are generally described using verbs. For example:
  - ➢ Writing an article
  - ➢ Developing a training program

- Accomplishments (or outputs) are the *products or services* (the results) of employee and work unit activities and are generally described using nouns. They are the *results* of the activities used to measure success. For example:
  - ➢ An article accepted for publication or presentation
  - ➢ A training program that yields more knowledgeable and skilled workers.

- Outcomes are the final results of an agency's products and services (and other outside factors that may affect performance). For example:
  - ➢ Reduced number of transportation-related deaths
  - ➢ Clean air

The appraisal process is about distinguishing among employees' performance of activities. If activities are used in Performance Plans, they can typically be evaluated with a checkmark (i.e., yes, that employee completed that activity, or no, they did not complete the activity). Writing Standards in terms of accomplishments helps Rating Officials and Pay Panels determine *how well* an employee performed the duties or tasks.

Remember: Just because an employee completes all the tasks assigned, does not mean we know anything about how *well* that person is performing the job.

Practice Distinguishing Activities from Accomplishments:

Check your understanding of the differences among activities, accomplishments, and categories. Please check the column that best describes each item.

	ACCOMPLISHMENT	ACTIVITY	COMPETENCY
Trains employees			
Supervision			
A completed case			
Public relations			
Recommendations			
Customer service			
HR policy interpretations			
Writes agency policy			
Solutions to problems			
Develops software programs			
Writes memos			
Computer systems that work			
Teamwork			
A completed project			
Satisfied customers			

Selecting General Measures

When determining what to write in a Performance Standard, first select the general measures that should be used to measure the performance of an Element. For each Element in a Performance Plan, determine which of the following measures are appropriate:

- Quantity
- Quality
- Timeliness
- Cost-Effectiveness

Quantity

Quantity addresses *how much* work the employee or work unit produced. Quantity measures are expressed as a number of products produced or services provided, or as a general result to achieve.

> To determine if quantity is an appropriate expression of the work, ask yourself: Does the stakeholder/customer care how many are produced?

Quality

Quality addresses *how well* the employee or work unit performed the work and/or the accuracy or effectiveness of the final product. Quality can be expressed as accuracy, appearance, usefulness, or effectiveness. Common quality measures include error rates (such as the number or percentage of errors allowable per unit of work) and customer satisfaction rates (determined through a customer survey).

> To determine if quality is an appropriate measurement of the work, ask yourself: Does the stakeholder/customer care how well the work is done?

Timeliness

Timeliness addresses *how quickly, when, or by what date* the employee or work unit produced the work. If multiple years would be spanned to accomplish a goal, the Standard should use interim milestones or outcomes to address the timeframe. Examples of timeliness measures include:

- Develop guidelines by FY10
- Adjudicate grievance decisions within 10 days

> To determine if timeliness is an appropriate expression of the work, ask yourself: Is it important to accomplish the element by a certain time or date?

Cost-Effectiveness

Cost-effectiveness addresses dollar savings or cost control for the Government. This measure is important for accountability in Federal agencies. Measures can address cost-effectiveness on specific resource levels (money, personnel, or time) that you can document and measure in agency annual fiscal year budgets. Cost-effectiveness measures may include such aspects of performance as maintaining or reducing unit costs, reducing the time it takes to produce or provide a product or service, or reducing waste.

> To determine if cost-effectiveness is an appropriate measure of the work, ask yourself: Is it important to accomplish the element within certain cost constraints?

Selecting General Measures

For each Element, it is important to select general measures that are critical to understanding the work and that are also feasible for evaluation. Measures that are already available or are inherent in the work will be easier to measure. Identify as many general measures for each Element as possible; as you work through the process of writing the Standards, the focus will likely be narrowed.

<div align="center">Summary of Selecting General Measures</div>

> **STEP ONE:** For each Element, decide which general measures apply:
> - Is quality important? Does the stakeholder or customer care how well the work is done?
> - Is quantity important? Does the stakeholder or customer care how many are produced?
> - Is it important to accomplish the Element by a certain time or date?
> - Is it important to accomplish the Element within certain cost limits?
> - What measures are already available?

Developing Specific Measures

After selecting the general measure(s) that are important for each Element, determine how to measure the quantity, quality, timeliness, and/or cost-effectiveness for the Element. If you can measure an accomplishment with numbers, record the form of measurement. If you can only describe performance (i.e., observe and verify), clarify who will appraise the performance and the factors they will appraise.

For each general measure, ask:
- How could this [quality, quantity, timeliness, and/or cost-effectiveness] be measured?
- Is there some number or percent that could be tracked?

If the Element does not lend itself to being measured with numbers and can only be described, ask:
- Who could judge that the Element was done well?
- What factors would they look for?

Write down or otherwise record the specific measures. If the measure is numeric, list the units that you will track. If the measure is descriptive, identify the judge and list the factors that the judge will look for to observe and verify performance.

Summary of Developing Specific Measures

STEP TWO: Determine how to measure the quantity, quality, timeliness, or cost-effectiveness for each Element. For example, if performance can be measured using quantity, determine how the quantity would be measured (units produced, number of people trained, number of speaking engagements).

For each general measure identified, ask:
- How can (quantity, quality, timeliness, or cost-effectiveness) be measured?
- Is there a number or percent that could be tracked?
- Who can judge that the Element was done well? What are the factors that person would look for?

Writing Standards

The next step is to write Performance Standards or requirements for each Element that express the specific measures chosen. Each Element in the Performance Plan must have an "Achieved Expectations" or equivalent Standard established. It is recommended to define the levels below and above "Achieved Expectations" as well, so that employees have a clearer understanding of the range of acceptable performance. There will be a Standard written for each specific measure identified in Step 2.

If a specific measure is numeric, the Standard should include:
- What should be tracked
- The exact number or range of numbers that would meet "Achieved Expectations" level (as well as the level below and above).

If the specific measure is more descriptive, the Standard should include:
- The person or group of people that could judge performance.
- The factors the judge would look for in performance of the Element.
- What the judge could observe and report on to verify the employee has reached the "Achieved Expectations" level (as well as defining the level below and above).

Retention Standards

As mentioned previously in this section, it is very important to determine the Standards, not only at the "Achieved Expectations" level, but also at the "Minimally Satisfactory" level. This level is what is called the Retention Standard. Performance below this level is unacceptable, so work must be "Minimally Satisfactory" to retain the position.

The Merit Systems Protection Board (MSPB) and the courts have issued many decisions regarding valid Performance Standards. This section highlights what the Board deems as two major errors to avoid when writing Standards. In order to avoid reversal by the MSPB, agencies must ensure that Retention Standards:

- are not impermissibly absolute (i.e., allow for some error).
- inform the employee of the level of performance needed to retain his or her job.

Retention Standards must allow for some error (i.e., the Retention Standard cannot be absolute). Avoid listing tasks without defining how regularly the task should be performed. For example "Communicates effectively" would not be appropriate since it seems as if employees are always required to communicate effectively with no margin of

error. When writing Standards, especially Retention Standards, avoid simply listing tasks without describing the regularity of the occurrence of the task—but also avoid the requirement to do it *always*.

> **Tip:** Watch out for words such as all, always, never, each (not necessarily absolute, but these words can be red flags).

An "absolute" Retention Standard is acceptable only in very limited circumstances. When a single failure to perform under a critical Element would result in loss of life, injury, breach of national security, or great monetary loss, an agency can legitimately defend its decision to require perfection from its employees. In other circumstances, the MSPB and the courts usually will find that the agency abused its discretion by establishing Retention Standards that allow for no margin of error.

> To help determine whether you are writing an absolute Standard, ask yourself:
> - How many times may the employee fail this requirement and still be acceptable?
> - Does the Retention Standard use words such as "all," "never," and "each"? (These words do not automatically create an absolute Standard, but they often alert you to problems.)
> - If the Retention Standard allows for no errors, would it be valid according to the criteria listed above (risk of death, injury, etc.)?

Retention Standards must inform the employee of the level of performance required to keep his or her job. Standards should express the level of work that needs to be done and avoid using negative language (e.g., fails to meet deadlines). Negative language actually describes "Unacceptable" performance, not "Minimally Satisfactory" performance.

> **Incorrect example:** The requirement "Completes fewer than 4 evaluations a year" allows the employee to do nothing (0) evaluations a year and still meet this Standard.

Section Two Summary

Remember, it is important to measure what is truly critical to the performance of the job – not just what is easiest to measure.

> **For example:** Requiring a certain number of speaking engagements is a measurable result. However, that measure may not be tapping into the most important aspect of speaking engagements – reaching the audience. Instead try using another measure that would be more appropriate, such as gathering reaction ratings from the audience.

Use multiple measures to evaluate a Standard, when possible.

SECTION TWO: KNOWLEDGE CHECK

1. Which is not described in SMART-Q Framework?
a. Specific
b. Measured
c. Allocated
d. Realistic
e. Timeframe
f. Quality

2. T or F - Performance Standards should be written to align with organizational goals

3. Performance Standards should be defined in a Performance Plan at what level?
a. Exceptional Results
b. Achieved Expectations
c. Exceeds Expectations

Exercise Two: Improve Standards

Cooperation and Teamwork

1. Ensure the continuous transfer of knowledge and skills across the organizations by serving as a technical resource or initiating and overseeing the development of formal knowledge sharing systems.

Communication

2. Prepares and delivers communications that are of exceptional technical quality as recognized by peers, supervisors and/or customers.

Customer Focus

3. Develops innovative and use approaches for improving or expanding products and/or services, resulting in highly valued services that improve the overall customer satisfaction.

Resource Management

4. Balances competing resource requirements to ensure alignment with mission objectives.

Leadership

5. Effectively formulates short- and long-term strategies across units that take a broad view and achieve significant results in support of the organization's goals and long-term vision.

Technical Proficiency

6. Is frequently consulted for depth and/or breadth of expertise to handle the most complex and difficult assignments.

Critical Thinking

7. Makes timely and logical recommendations or decisions in complex, ambiguous or unusual situations.

Exercise Three: Improve Standards

Instructions: Follow the steps outline in Appendix A of the workshop guide to write a Performance Standard under the *Contribution to Mission Accomplishment* Element for your own position.

General Measures of *Contribution to Mission Accomplishment:*

Assign Specific Measures to each General Measure:

Choose one Specific Measure and write a Performance Standard for that measure:

Quality Check: Does your Standard meet SMART-Q criteria?

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Section Three:

Quality Check
Challenges and Approaches
Summary

Quality Check

After writing Performance Standards for each of the measures identified, you can check the quality of the Standards, according to the SMART-Q framework.

Ask yourself:
- Is the range of acceptable performance clear?
- Are the Standards fair and written at an appropriate skill level?
- Is it possible for an employee's work to surpass the "Achieve Expectations" level?
- Do the Performance Standards follow the SMART-Q framework?
  - Specific and detailed?
  - Quantifiable/measurable?
  - Aligned with organizational goals and priorities?
  - Realistic and practical?
  - Tied to a timeline?
  - Describing the quality of work expected?

The Performance Plan itself can also be checked for quality according to the OPM and DoD requirements.

Does the Performance Plan meet six criteria to comply with OPM and DoD specifications?
- If the employee supervises others, does the plan address **accountability** for the Performance Management of subordinates?
- Is the plan **aligned** with organizational goals and priorities, as demonstrated by cited references to organizational documents?
- Does the plan reference **balanced measures**, in terms of the collection and use of subordinate and customer feedback?
- Does the plan demonstrate **consultation**, with signatures of the employee and the Rating Official in Part B-1 of the Executive Performance Appraisal Form?
- Does the plan have Standards that hold the employee accountable for achieving results in promoting **diversity** and furthering equal employment opportunity in the workplace?
- Do all Performance Standards under the Contribution to Mission Accomplishment contain **measurable results** (in terms of quality, quantity, timeliness, and/or cost effectiveness)?

Challenges and Approaches

Focus groups with DoD Senior Leaders identified certain challenges in writing Performance Standards in a way that communicates the work that is being performed and incorporates the organization's priorities at the time. Many of those concerns are addressed throughout this guide; however, here is a summary of some of the major challenges identified and possible approaches.

Challenge	Suggested Approach
Pay Panel Process: Understanding SES Compensation	• Communicate with own supervisor and other Senior Leaders to learn how process works. • Request to be a member on Pay Panel.
Hard to know what to write in Performance Plans and Self-Evaluations	• Incorporate as many "hot topics" from throughout the year, as possible. • Utilize various communications to assist you in gathering your contributions. • Keep a list of your accomplishments throughout the year – it is easier to remember your contributions when you record them on a regular basis.
Training/Additional Performance Management Information	• Take Computer Based Performance Management Training available through CPMS. • Use other agency resources. • Network with other Senior Leaders about what has worked for them.

Summary and Conclusions

Writing Performance Standards requires a considerable amount of planning, monitoring, developing, and communicating. On-going collaboration between the supervisor and employee provides the assurance that the organization, as a whole, will meet its expected goals during the rating period and that the top performing employees will be rewarded for their contribution to the mission of the organization.

Properly established Performance Standards and the organization's mission accomplishment are not mutually exclusive endeavors. For this reason, the major considerations when drafting Senior Leader Performance Standards include:

- Alignment with the mission and strategic goals of the organization.
- Being achievable and within the control of the individual being rated.
- Time-bound to the appraisal period.
- Ensuring high level of quality from the work product.
- Reinforcing decisions that represent solid production (quantity); a work product of value (quality); methods that are cost-effective; and a timely delivery of the output.
- Making certain that each employee has a grasp of the level of effort required to achieve the expected results and retain his/her position.
- Using SMART-Q as a quality check for the written Standards.

Ideally, each employee works according to Performance Plans that are aligned with the organization's goals and mission, creating an organization where employees are forward-thinking and innovative in their pursuit of mission accomplishment.

Answers to Section Activities and Knowledge Checks

Knowledge Check Answers:

SECTION ONE: KNOWLEDGE CHECK

1. Which is not a component of a Performance Plan?
    - a. Performance Elements
    - b. <mark>Performance Language</mark>
    - c. Performance Requirements/Standards
    - d. Performance Levels

2.   T or <mark>F</mark> - The Contribution to Mission Accomplishment Performance Element must equal at least 70% of your plan. <mark>The answer is 60%.</mark>

3.   <mark>T</mark> or F - There are 7 Performance Elements and 3 are required to be in the Performance Plan.

SECTION TWO: KNOWLEDGE CHECK

1. Which is not described in SMART-Q Framework?
a. Specific
b. Measured
<mark>c</mark>. Allocated <mark> - The A in SMART-Q stands for Aligned</mark>
d. Realistic
e. Timeframe
f.   Quality

2. <mark>T</mark> or F - Performance Standards should be written to align with organizational goals

3. Performance Standards should be defined in a Performance Plan at what level?
a. Exceptional Results
b. <mark>Achieved Expectations</mark>
c. Exceeds Expectations

Answers for Practice Distinguishing Activities from Accomplishments

	ACCOMPLISHMENT	ACTIVITY	COMPETENCY
Trains employees		X	
Supervision			X
A completed case	X		
Public relations			X
Recommendations	X		
Customer service			X
HR policy interpretations	X		
Writes agency policy		X	
Solutions to problems	X		
Develops software programs		X	
Writes memos		X	
Computer systems that work	X		
Teamwork			X
A completed project	X		
Satisfied customers	X		

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Resources

Resources

- DoD's CPMS website: http://www.cpms.osd.mil/sespm/index.htm

- OPM's SES website: http://www.opm.gov/ses

- Handbook for Measuring Employee performance at:
  http://www.opm.gov/perform/WPPDF/2002/Handbook.pdf

- Department of Defense SC920 – Executive and Senior Professional
  Pay and Performance System:
  www.cpms.osd.mil/sespm/docs/InterimPolicy.pdf

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Appendix A:

Take-Away Guide to Writing Performance Standards

Guide to Writing Performance Standards

- Determine General Measures for each Performance Element
  - Quantity
  - Quality
  - Timeliness
  - Cost-Effectiveness

- Assign Specific Measures to determine the quantity, quality, timeliness, cost-effectiveness of each Element.
  - How can (quantity, quality, timeliness, or cost-effectiveness) be measured?
  - Choose Specific Measures for parts of the job that align with organizational goals and values
  - Is there a number or percent that could be tracked?
  - Who can judge that the Element was done well?
    - What are the factors that person would look for?

- Write Standards to express Specific Measures in each Element
  - You'll have a Standard for each measure you identified.
  - For numeric measures: include what is being tracked and the exact number or range of numbers that meet the "Achieved Expectations" level.
  - For descriptive measures: include who/what would be the judge of performance, what the judge would need to observe and report to verify that the employee met the "Achieved Expectations" level.

- Check your Standards against SMART-Q criteria. For each Standard ask yourself:
  - Is it specific?
  - Is it measurable?
  - Is it aligned with organizational goals and priorities?
  - Is it a realistic goal to accomplish during the Performance Cycle?
  - Is it bound to an accurate timeframe?
  - Does it express the quality of work that is needed to be successful?
  - Does it describe an accomplishment or outcome of the work rather than an activity?

Still stuck? Try these strategies…

- Gather your organization's goals and strategies and work down from there. Which of those goals can your work group affect? Which goals does your work most align with? Choose those goals and identify what you can accomplish to help you meet those goals.

- If you manage a division or work group or supervise others, what are your work group's goals? Pick a goal and work up from there. If your group is accountable for providing X, what is your role in that?

- Identify your customers or those you provide services or products to. What do those stakeholders expect from you or your work group? What do you need to accomplish to meet your customers' expectations?

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Appendix B:

Checklist for Meeting Regulatory Requirements:
SES/SLT Performance Appraisal System

Checklist for Meeting Regulatory Requirements: Performance Appraisal Systems

SES EMPLOYEES AND SENIOR PROFESSIONALS

The following provisions apply to Senior Executives (SES employees) and to senior professionals (SL and ST employees) where annotated.

The system prohibits appraising and rating a career appointee's performance within 120 days after the beginning of a new President's term of office. [5 CFR 430.304(5)(c)(1)(i)]

When an SES employee is detailed or temporarily reassigned for 120 days or longer, the gaining organization must set performance goals and requirements for the detail or temporary assignment; appraise the SES employee in writing; and factor the appraisal into the initial summary rating. [5 CFR 430.307(b)]

SES employees are consulted on the development of Performance Elements and requirements. [5 CFR 430.304(b)(2)]

Each SES employee's performance is monitored during the appraisal period and feedback is provided to the SES employee on progress in accomplishing the Performance Elements and requirements. Advice and assistance on how to improve are provided. [5 CFR 430.306]

A progress review is held at least once during the appraisal period. At a minimum, SES employees must be informed about how well they are performing against Performance Requirements. [5 CFR 430.306]

At least annually, each SES employee's performance is appraised against requirements using measures that balance organizational results with customer and employee perspectives. [5 CFR 430.304(b)(4)] (Note: See 5 CFR 430.307(a)(2) for more information.)

Performance information is used to adjust pay, reward, reassign, develop, and remove SES employees or make other personnel decisions. [5 CFR 430.304(b)(5)]

Performance Standards appear reasonable and provide appropriate distinctions between levels for SES employees and senior professionals (SL/ST). [5 CFR 430.404(i)]

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Appendix C:

SES and SL/ST
Performance Appraisal System
Certification Submission Checklist

This checklist is for agencies submitting complete packages for Provisional or Full certification of their Performance Appraisal System.

	Documents to Submit
1.	Written request for certification. Letter to the Director of OPM from the head of the agency or designee.
2.	Description of specific improvements made based on feedback provided by OPM/OMB.
3.	Agency's strategic plan and annual Performance Plan as applicable to establish alignment with employee Performance Plans.
4.	Performance Appraisal system description. System description addresses requirements for—
	Alignment
	Consultation
	Measurable, outcome-oriented results
	Balanced Measures – customer and employee feedback
	Organizational Assessment and Guidelines to senior employees, rating and reviewing officials, and Performance Review Board (PRB) members
	Oversight responsibility for effectiveness of system application
	Accountability – Subordinate plans are aligned to organizational goals and senior employees are held accountable for rigorous Performance Management of subordinates
5.	A sample of senior employee Performance Plans representative of the employees and offices covered by the program (include a plan from OIG, if applicable). ➢ 10 percent sample of covered employee Performance Plans or a total of 20 plans, whichever is greater. ➢ For agencies with fewer than 20 covered employees, all employee Performance Plans must be submitted.
	a. Alignment - Plans show clear linkage to strategic plan, agency/organization annual Performance Plans, budget documents, etc.
	b. Consultation – Senior Employees were involved in developing the Performance Plans.
	c. Measurable Results - Plans show Elements include organizational and individual results and Requirements/Standards that are: ➢ observable, measurable, and/or demonstrable, and ➢ outcome-oriented
	d. Summary Rating – derivation formula requires each senior employee's Performance Plan to count measurable results as at least 60% of the summary rating or a derivation methodology where measurable results clearly drive the summary rating.
	e. Balance - Senior employee Performance Plans show solicitation of employee and customer feedback and its use to inform decisions, as applicable.
	f. Accountability - Senior employee Performance Plans include an Element holding supervisory senior employees accountable for: ➢ rigorous Performance Management of subordinates, and ➢ aligning subordinate employees' Performance Plans with organizational goals.

6.	Assessment - Applicable documents that describe the process for assessing organizational performance.
7.	Guidelines ➢ Description of how the agency communicated organizational performance; and ➢ Guidance provided to senior employees, rating and reviewing officials, and PRB members for considering organizational performance in the individual appraisal process.
8.	Oversight - Documentation that identifies the position of the individual responsible for oversight of the appraisal and organizational assessment processes.
9.	Performance and Pay Differentiation – Ratings, pay, and awards data for all senior employees covered by the appraisal system. (Information submitted for the annual data call will generally be used. A second additional submission is not required.) ➢ For full certification – data from two appraisal periods preceding the certification request. ➢ For provisional certification – data from the appraisal period preceding the certification request.
10.	Description of the training provided to senior employees, Rating Officials, PRBs, and human resources staff on the policies and operation of the agency Performance Management and pay systems.
11.	Description of the methodology used to communicate to senior employees, Rating Officials, and PRBs the results of the application of the appraisal process (overall rating distribution and average payout).