

EMPLOYEE PERFORMANCE MANAGEMENT WORKGROUP

**REPORT TO THE NATIONAL COUNCIL
ON FEDERAL LABOR-MANAGEMENT
RELATIONS ON EMPLOYEE
PERFORMANCE MANAGEMENT**

September 2011

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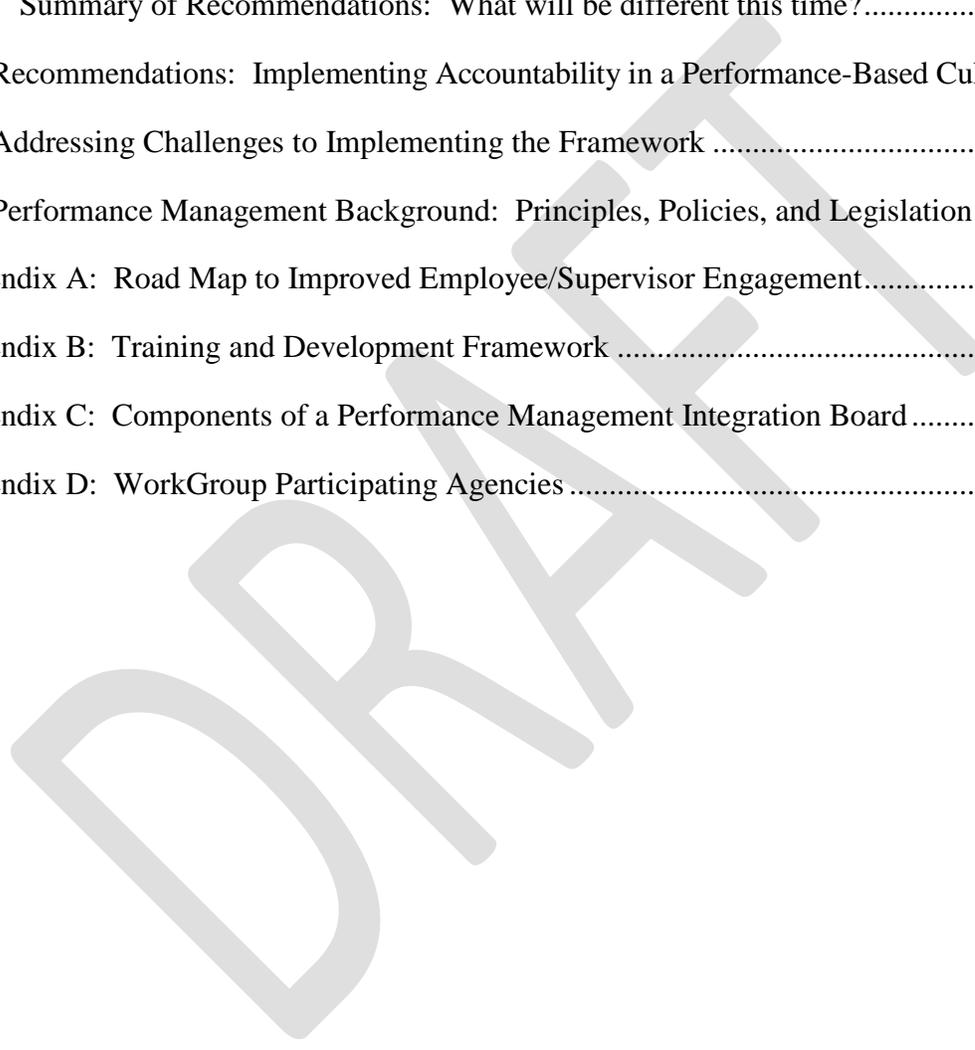
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FOREWORD

The Nation expects its Federal employees to be engaged, enabled, and high-performing to deliver and improve Government services. Federal employees work hard to make their agencies successful in carrying out their mission and strive to ensure that the American taxpayers obtain the best from their Government. Over the years, there have been numerous attempts to reform and improve employee performance management in the Federal sector. Some attempts were based on a belief that employees were not being held accountable enough for their performance. Others determined that stronger employee performance management systems help employees realize their potential to do better work. However, the same problems and challenges persist and employees today give low marks to their performance management systems for fairness and effectiveness, as did employees in the past. These problems are not just Federal issues, but private/public sector issues that have been grappled with for years. Most frustrating of all is the lack of evidence that these performance management systems universally (public and private) do a good job of improving employee performance and the performance of the organizations in which the employees work.

We set out to try to do things differently this time. Starting with the goal of improving the performance management system, we came to realize that we do not have a systems problem – our problems are human ones and they are bound up in the cultures of our agencies. To address these cultural challenges, we engaged front-line employees and agency managers through their labor unions and chief human capital officers. We looked at ways to do a better job of selecting the right people to be supervisors, training them well, and then supporting them as they do their jobs. We came up with designs and approaches to improve the way employees and supervisors engage with each other and their work. We determined ways to drive the importance of employee performance management all the way up to the highest levels of our agencies by promoting accountability through open Government and driving agencies' top priorities.

We also discovered there is a disconnect among the various functions responsible for organizational performance improvement and employee performance improvement. People working hard on improving the performance of our agencies and people working hard on improving employee performance are often not communicating and working with each other, but rather are working on parallel tracks. We think this disconnect is part of the reason that good employee performance management has been so elusive. Coordinating both efforts offers exciting opportunities to do a better job of tying employee expectations to strategic organization goals and doing meaningful succession management, including workforce planning that helps employees develop their careers, synchronized with the future needs of the organization. Better alignment of the two functions will improve the implementation of both – we cannot improve agency performance without employees, and employees' success and satisfaction depend on meaningful work tied to goals they see and understand.

Our recommendations describe the handshake and dialogue necessary not only for the employee and supervisor, but also between bottom-up employee performance management and the top-down cascade of organizational performance management from the agency head to the individual employee. Effective and productive relationships between managers and employees are necessary for performance improvements. This ongoing dialogue – formal and informal – will provide the continuous feedback needed to realize a new day for the Federal service.

Employee Performance Management Workgroup

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EXECUTIVE SUMMARY EMPLOYEE PERFORMANCE MANAGEMENT ACCOUNTABILITY FRAMEWORK

A. Background: How did we arrive at these recommendations?

President Obama created the National Council on Federal Labor-Management Relations (LMR Council) as “[a] nonadversarial forum for managers, employees, and employees’ union representatives to discuss Government operations [that] will promote satisfactory labor relations and improve the productivity and effectiveness of the Federal Government.” Office of Personnel Management (OPM) Director John Berry and Office of Management and Budget (OMB) Deputy Director for Management Jeffrey Zients co-chair the LMR Council. At the LMR Council’s April 2011 meeting, they raised the prospect of the Council, in conjunction with the Chief Human Capital Officers Council (CHCO Council), examining the Federal Government’s performance management accountability framework and making recommendations for improvements.

Beginning in late May 2011, workgroup members representing various Federal agencies, labor unions, and management organizations from the LMR Council and the CHCO Council discussed ways to strengthen the existing system of employee performance management. The group has consistently asked, “*What will make this effort different than previous attempts?*” The workgroup made remarkable progress by agreeing to set aside the mechanical elements of the employee performance appraisal system, such as rating levels and awards; to focus on the relational elements that make any system useful, such as clear expectations, frequent formal and informal feedback, and reliable, impartial treatment for good and bad performance. The workgroup realized that to be successful, the organizational performance processes typically managed by the Chief Operating Officer (COO), Performance Improvement Officer (PIO), and the Chief Financial Officer (CFO) must be brought together with the individual performance management processes that are heavily influenced by employee and labor relations and led by the Chief Human Capital Officer in consultation with the Chief Learning Officer (CLO), or equivalent, and individual supervisors.

B. Summary of Recommendations: What will be different this time?

Several elements of the Employee Performance Management Accountability Framework make this proposal unique and vastly different from previous Federal approaches to employee performance management.

To create high performing organizations that are aligned, accountable, and focused on results, the workgroup recommends:

1. **Articulate a High-Performance Culture** – Require all agencies to **identify and articulate their desired agency culture**, and focus on employee engagement, development, performance, accountability, and how that culture fits in with Government-wide performance improvement.
2. **Align Employee Performance Management with Organizational Performance Management** –
 - a. Drive ongoing alignment and cascading of established **organizational performance objectives** down through Executive, Manager, Supervisor, and **employee performance goals** via an agency’s management board (vest authority with an existing or newly established board) responsible for improvement of organizational and employee performance.
 - b. This “**Performance Management Integration Board**” (chaired by the PIO and CHCO) would focus on the importance of linking organizational performance objectives to employee

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performance management and appraisal mechanisms consistent with the Government Performance and Results Act Modernization Act of 2010 (GPRAMA).

3. Implement Accountability at All Levels:

- a. **Agency leaders will be accountable** to the President's Management Council (PMC) and the White House Chief of Staff for **improvements** to organizational performance from the effective use of employee performance management.
- b. Require a **formal mechanism for internal agency coordination of alignment and accountability for performance management at the organizational and employee levels**. Agencies may choose to establish a new agency Performance Management Integration Board or vest authority in existing governance processes to implement this mechanism. This will provide oversight of the employee performance management program and it will inform reviews at the PMC and White House levels.
- c. All employees at every level share in the responsibility to **actively seek and encourage engaged feedback** that is informed by collective use of metrics, perspectives, and best practices.
- d. Fully utilize **agency labor-management forums**.
- e. Improve **third-level supervision (management of supervision)** by implementing training on how to manage and evaluate supervision for higher-level managers.

4. Create a Culture of Engagement – Improve employee and supervisor engagement through two-way communication as an integral part of performance management, and foster and require a culture of ongoing feedback via an improved cycle of regular formal progress reviews, informal interactions, and continuous learning for employees at every level on giving, receiving, requesting, and utilizing feedback.

5. Improve the Assessment, Selection, Development and Training of Supervisors

- a. Focus the **selection process for supervisors** on identifying competencies required for effective performance as a supervisor, including performance management requirements.
- b. Require that **supervisory performance plans** include an element to ensure that all supervisors are rated on their exercise of supervisory responsibilities, including timely and effective performance management and feedback.
- c. Implement **mandatory training for supervisors** on:
 - the Employee Performance Management Roadmap (Appendix A), including employee feedback and engagement.
 - PIO delivered training on agency performance management systems, including Strategic Plan, goals, high priorities, and key performance targets.
- d. Agencies should also implement programs designed to **identify and develop future leaders** by making training on supervisory and people management skills broadly available throughout the workforce.

These recommendations should be carried out fully utilizing agency labor-management forums.

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I. RECOMMENDATIONS: IMPLEMENTING ACCOUNTABILITY IN A PERFORMANCE-BASED CULTURE

To create high performing organizations, the workgroup proposes five recommendations for an Employee Performance Management Accountability Framework. The content in this section represents the workgroup's view of what must be included to maximize the effectiveness of the framework. Each recommendation also cites proposed solutions and optional tools/processes for implementing the framework within each agency.

1. Recommendation: Articulate a High-Performance Culture – Require all agencies to identify and articulate their desired agency culture, focused on employee engagement, development, performance, and accountability and how that culture fits in with Government-wide performance improvement.

1.1. Required:

- a. Formulate a Government-wide Performance Management Culture Policy Statement for heads of all agencies signed by the President and promulgated by OMB and OPM.
- b. Issue an OMB and OPM co-mandate for the training of political appointees and Military leaders, within a short time after the appointee or Military leader takes office. The training should include the basics of the civil service system including labor-management relations and the rules and principles of effective performance management.
- c. Supervisory training should also include training for third level supervisors.
- d. The PMC or related successor entity should be a permanent operation that provides an emphasis on maintaining performance management leadership and a high performance management culture.

1.2. Proposed Solution(s):

- a. Transmit an Executive Order by the President to the heads of all departments and agencies establishing employee performance management as a mission-critical priority for Federal organizations. This will direct agency heads to support interagency coordination and foster transparency regarding the importance of employee performance management, the obligations of employees and supervisors (civilian and Military) to engage in high quality performance and the support of managers and supervisors who effectively motivate and hold accountable their portion of the Federal workforce.
 - Leaders will build consensus for desired results by engaging employees in small groups to communicate and support the culture policy statement based on performance and human capital issues. Specifically leaders will model effective communication aligning strategic priorities that are linked and assigned at the organizational level through the Governmental Performance and Results Act (GRPA) Modernization Act, as well as align agencies' Performance Improvement Officers with human capital offices and managers to set the line of sight on performance goals and ensure successful performance management and accountability.
 - Engage labor-management forums at various levels to involve employees and their union representatives in discussing and understanding agency goals, removing barriers, building career development into advance planning, and other culture change activities.

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1.3. Optional Tools and Processes:

- a. Leaders instill a culture of continuous feedback as a critical piece of the overall performance management culture. Agencies will review internal reports and evaluate capabilities to inform senior leadership that the enhanced performance management culture is occurring and valued.
- b. Require agencies to train and supervise Performance Management Champions within each agency to work with the Performance Management Integration Boards. (See Recommendation 7.2.c and Appendix C.)

2. Recommendation: Align Employee Performance Management with Organizational Performance Management –

- a. Drive ongoing alignment and cascading of established **organizational performance objectives** down through Executive, Manager, Supervisor, and **employee performance goals** via an agency’s management board (vest authority with an existing or newly established board) responsible for improvement of organizational and employee performance.
- b. This “**Performance Management Integration Board**” (chaired by the PIO and CHCO) would focus on the importance of linking organizational performance objectives to employee performance management and appraisal mechanisms consistent with the Government Performance and Results Act Modernization Act of 2010 (GPRAMA).

NOTE: Small agencies or agencies not represented on the CHCO Council or whose government practices and authorities do not include formalized performance improvement functions will work with OMB and OPM to determine the most efficient implementation of this recommendation.

2.1 Required:

- a. Establish the Performance Management Integration Board (PMIB) and associated reporting requirements to integrate with the Performance Improvement Officer in the agency to improve overall program execution (shared responsibility using measurement, risk management and configuration management and how these systems support and are used in performance management).
- b. Develop semi-annual reports to determine effectiveness and program efficiency. Senior executives and managers meet semi-annually (the Performance Management Integration Board), January and June, to review progress towards agency performance management goals and implementation of individual performance management plans. Determine needed actions on identified issues and/or problems (i.e., agency semi-annual performance reports and/or performance management scorecards).
- c. Labor-management forums are fully involved in the alignment of organization and employee performance.

2.2 Proposed Solution(s):

- a. Integrate PMIB with the GPRA-MA requirement for COO led reviews of agency top priorities and performance, resulting in a direct connection of agency and personnel performance.

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- b. Surface performance management issues early on in order to work on and apply lessons learned.
- c. Improve accurate monitoring via senior leadership being directly involved in performance monitoring updates.
- d. Authorize independent program evaluation with continuous feedback to executive management and peer review.
- e. Identify consequences for inadequate performance and communicate this to the entire organization.
- f. Align planning and accountability for performance via leadership, effective communication, measuring results, reporting results to the appropriate level, compliance/enforcement, and implementation.
- g. CHCO works with Agency PIO to ascertain which agency level priority performance goals were attained and ensure results articulated in final performance appraisals are consistent with the PIO's determination.
- h. Evaluate and use the results of performance management leadership and development activities.

2.3 Optional Tools and Processes:

- a. See Appendix A: Road Map to Employee/Supervisor Engagement
- b. See Appendix C: Components of a Performance Management Integration Board (PMIB)

3. **Recommendation: Implement Accountability at All Levels** with a focus on (a) agency leadership accountability to the President's Management Council and the White House, (b) integration of and accountability for performance management functions within the agency, (c) feedback and engagement, (d) utilizing labor-management forums, and (e) improving third-level supervision.

3.1 Required:

- a. Agency leaders will be accountable to the President's Management Council and the White House Chief of Staff for improvements to organizational performance from the effective use of employee performance management.
- b. Establish a formal mechanism for internal agency coordination between the agency Performance Improvement Officer, the Chief Human Capital Officer and employee representatives to ensure alignment of employee performance management goals with agency organizational performance goals and to provide oversight of the employee performance management program.
- c. All employees at every level share in the responsibility to actively seek and encourage engaged feedback that is informed by collective use of metrics, perspectives, and best practices.
- d. Fully utilize labor-management forums to engage in the alignment of organization and employee performance
- e. Improve third level supervision (management of supervision) by implementing training on how to manage and evaluate supervision for higher-level managers.

3.2 Proposed Solution(s):

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- a. Integrate GPRA-MA requirement for Agency Priority Goal Reviews chaired by COO with the employee performance management program to establish a formal mechanism for internal agency coordination between the agency Performance Improvement Officer, the Chief Human Capital Officer and employee representatives.
- b. Establish a schedule of reporting agency-level results in human capital indicators aligned to mission effectiveness (retention, training, rewards, etc) to the PMC and the White House Chief of Staff. (See proposed solutions below for mechanisms to compile the information necessary for a report out at the PMC and White House levels.)
- c. Establish or vest in each agency's existing management boards/councils the authority to serve as the agency's Performance Management Integration Board. Refer to Appendix C for a full description of the following components of the Board:
 - i. Chairperson/Membership
 - ii. Purpose
 - iii. Goals
 - iv. Roles and Responsibilities
 - v. Reporting
 - vi. Alignment Actions
 - vii. Resources

3.3 Optional Tools and Processes:

- The small-scale, pilot phase will help determine what tools and processes may be utilized.

4. Recommendation: Create a Culture of Engagement – Improve employee and supervisor engagement through **two-way communication** as an integral part of performance management, and foster and require a **culture of ongoing feedback** via an improved cycle of regular formal progress reviews, informal interactions, and continuous learning for employees at every level on giving, receiving, requesting, and utilizing feedback

4.1 Required:

- a. Require senior line managers to define, formalize, and adhere to the development and updating of performance tools, skill requirements, and changes linked to program and career lifecycles for their respective organizations and disciplines.
- b. Fully fund and resource all Human Resource (HR) offices to have dedicated and well-trained staff members (i.e., Performance Management Champions) that have the responsibility to be a resource to employees, supervisors and managers. These resources will help employees and supervisors to:
 - Engage in creating better performance expectations that are clear, accountable, measurable, verifiable, and focused on the result.
 - Improve the clarity of vision that drives how supervisors and employees engage during the performance period.
 - Foster a joint expectation for engagement of both employee and supervisor through the five key processes of performance management: planning, monitoring, developing, rating, and ensuring consequences. See Appendix A ("Road Map to Improved

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Employee/Supervisor Engagement”) for details on implementing joint engagement in each of these processes.

- c. Improve existing performance measurement systems by strictly adhering to milestone reviews to gauge progress, but also encouraging the flexibility to modify plans as appropriate. Systems will be designed at each of the following suggested milestone dates to ensure accountability at all levels:
 - i. Map the milestones to a performance appraisal system where reward is timely (within one month of accomplishment) and clearly differentiates the level of accomplishment. The system is based on continuous feedback on a frequent formal and informal basis once objectives are set; it deals with performance difficulties and challenges early in the process.
 - ii. Rely on performance data provided by the PIO to managers to provide contextual data on agency performance and the linkage to employee performance.
 - iii. For example, at the 80-90 day point, a formal “Progress Score Card” is developed and used by the employee and supervisor to engage in interactive feedback about strengths and weaknesses, barriers to getting the job done, ideas for the future, any performance deficiencies, resolution and support; or the employee is placed on a Performance Improvement Plan (PIP), as deemed necessary. When applicable, employee and supervisor will engage each other in modifying and improving individual performance plans. Timely recognition should also be considered, as applicable, at this point and thereafter.
 - iv. At the mid-point or 150 days into the performance period, a second formal Progress Score Card is undertaken to continue the interactive feedback process. In those cases where deficiencies were identified previously and no performance progress has been made, then employee is promptly placed on a PIP.
 - v. At the 200-210 day point, a third Progress Score Card could be used to assess performance and to begin reassignment or dismissal activities, if necessary.
- Risk: The intent of this recommendation is to drive meaningful discussions, not to promote a “check the box” requirement. The success of this recommendation depends on the coordinated and effective implementation of the other recommendations: training of supervisors, implementing accountability and successful involvement of the third level of supervision).
- d. Involve labor-management forums to help with performance tools, employee development processes and other efforts to improve performance.

4.2 Proposed Solution(s):

- a. Agencies must continually work to improve their feedback culture within their performance management systems by seeking guidance from experts and being willing to execute new, innovative ideas. For example, simplify existing performance management processes and make them meaningful with specific linkages to agency mission, goals, and/or strategies. This type of expertise can be shared and communicated via existing avenues.
- b. Agency CHCO works with the PIO to produce data driven status reports on agency priorities performance measures and provides this data to supervisors each quarter to better facilitate employee performance discussions. These reports should be shared with Labor-Management Forums as well.

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4.3 Optional Tools and Processes:

- a. OPM provide recommended template(s) – ranging from detailed to streamlined methods – for progress reviews.
- b. Compile (or update) a straightforward Supervisor Performance Management Handbook to be provided to all supervisors, managers and Senior Executives, as a commonly available Government-wide reference tool and resources (e.g., job aids, HR University (HRU)¹, LMR Council, other central learning repositories).
- c. Use an online collaboration/crowd sourcing approach to enhance two-way communication and promote knowledge management (by OPM in cooperation with the Merit Systems Protection Board, and similar to the approach taken with USAJobsRecruit.gov).

ENHANCING SUPERVISION AND TRAINING

The following recommendation includes sub-elements essential for overall improvement of supervision at the first-line operational level and the next management level (third-level supervisor). They identify critical competencies for the selection of effective and successful supervisors, effective engagement with employees, performance outcomes key to supervisory responsibilities, mandatory training for first time supervisors, ongoing learning and development for all supervisors, and actively engaging the third-level supervisor.

5. Recommendation: Improve the Assessment, Selection, Development and Training of Supervisors –

- a. Focus the **selection process** for supervisors on identifying competencies required for effective performance as a supervisor, including performance management requirements.
- b. Require that **supervisory performance plans** include an element to ensure that all supervisors are rated on their exercise of supervisory responsibilities, including timely and effective performance management and feedback.
- c. Implement **mandatory training for supervisors** on:
 - the Employee Performance Management Roadmap (Appendix A), including employee feedback and engagement.
 - PIO delivered training on agency performance management systems, including Strategic Plan, goals, high priorities, and key performance targets.
- d. Agencies should also implement programs designed to **identify and develop future leaders** by making training on supervisory and people management skills broadly available throughout the workforce.

5.1 Required:

- a. Ensure senior career and political leadership training and communication on the importance of performance management. Training content must: consider the performance management system; be sensitive to agency-specific culture; incorporate labor relations and effective trust building; and include behavioral activities with senior leaders to ensure a team approach to performance management.

¹ www.HRU.gov

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- b. Define, develop, and use a competency model for assessing potential for the selection of supervisors and managers that would be utilized by the appropriate agencies as part of the selection process to determine readiness.
- c. Establish a performance element for supervisors and include in their performance plans to ensure that all supervisors are rated on their supervisory responsibility.
 - i. OPM develops SES-wide performance standards and appraisal guidance for supervisory performance, agencies develop GS/WG and Excepted Service level performance standards.
 - ii. Supervisory quality and effort is defined for each level of supervision (line, group, supervisor of supervisors, and executives) and weighted to reflect impact on overall organizational performance.
- d. Use supervisory probationary period to evaluate carefully new supervisors to ensure that if they lack supervisory skills and abilities, they are provided training or removed from the supervisory position.
- e. Enforce Mandatory Requirement for Supervisory Training (5 CFR 412) in advance to enhance their skills as supervisors/managers that:
 - i. emphasizes the need for frequent performance conversations that actually communicate expectations and provide feedback on how those expectations are being met;
 - ii. addresses diversity, Equal Employment Opportunity, grievances, Labor Management Relations, Alternative Dispute Resolution, programs, policy and procedures; and
 - iii. emphasizes how to coach, mentor and have honest conversations between employees and supervisors.
- f. As a precursor, begin training for Supervisory/Leadership Awareness Training with opportunities at the journeyman level and beyond to determine readiness: ‘Setting the Supervisor and Employee Up for Success.’
- g. Regularly conduct succession assessments for supervisory positions at risk (i.e., departing supervisors and managers) to identify skill gaps, develop readiness and competency of candidates, and integrate with agency’s strategic HR plans for succession planning.

5.2 Proposed Solution(s):

- a. Use metrics at all organizational levels to verify results and program improvement. Leverage quarterly data driven reports on agency performance measurement results provided by the PIO.
- b. Enhance mentoring and coaching programs for supervisors and employees. Agencies should create an environment for mentoring across the generations that can lead to stronger measures of performance, higher levels of synergy and improved career development.
- c. OPM should provide the initial “seed money” to provide a full suite of cost-effective leadership training to supervisors, including some expert training, train the trainer programs, and off-the-shelf products (i.e., HRUniversity.gov or GoLearn.gov); however, funding ongoing training efforts will need to be resourced across the Government.

5.3 Optional Tools and Processes:

- a. Develop and require standard and agency-specific training to ensure consistent application Government-wide. Engage the CLO Council to assist in identifying current performance management learning tools and strategies.
- b. Incorporate a blended learning approach based on agency needs, to include formal and informal training (i.e. web-based, video, instructor-led, avatar).
- c. Integrate Office of Personnel Management core courses and tools (i.e. existing how-to manuals, job aids, training and other methods) into the Federal HR University (HRU),

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Federal Executive Institute (FEI), Management Development Centers (MDC), and other leadership courses and Federal leadership academies.

- d. See also: Appendix C: Elements of Mandatory Supervisory Training and Leadership and Knowledge Management System (OPM Human Capital Accountability and Assessment Framework Resource Center).

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II. ADDRESSING CHALLENGES TO IMPLEMENTING THE FRAMEWORK

Given agency culture and failed attempts at implementing performance management in the past, we are cognizant of the challenges involved with this undertaking. The following is a list of potential challenges agencies may face in implementing our framework, with possible solutions for overcoming these barriers.

1. Political Leadership

- a. **Challenges:** Political appointees and military leaders often stay in their jobs for 18-24 months. Frequent rotations at the top leadership level, combined with empty slots due to confirmation issues, mean that political leadership is unfamiliar with employee performance management and/or the culture of an agency. The failure to integrate the orientation process of political leadership with performance management leads to inconsistency and puts mission accomplishment at risk. In order to achieve mission goals, political leaders must understand and use the levers of individual accountability appropriately and effectively.
- b. **Addressed by:** Recommendations 1 (Culture), 2 (Alignment), and 3 (Accountability).

2. Top Leadership Engagement

- a. **Challenges:** Top leadership must be engaged and an active participant in the performance management system. This requires training on the system and communication to senior executives and managers on the importance of performance management. Training content must include not only the performance management system and culture, but also incorporate labor relations and trust building activities with senior career leaders to ensure a team approach to performance management. This is particularly true at the career SES level because of the continuity that will be provided as administrations change.
- b. **Addressed by:** The recommendations as a whole promote cultural and system changes that promote, require, and depend on top leadership engagement.

3. Feedback and Communication

- a. **Challenges:** There is no current culture of regular feedback and documentation of that feedback regarding performance management. Communication often happens only around performance cycles, and not continuously. Leaders need to ensure that agency culture emphasizes and supports regular feedback and communication among employees and managers regarding performance.
- b. **Addressed by:** Recommendations 3 (Accountability) and 4 (Engagement).

4. The Lack and Inconsistency of Training and Career Development

- a. **Challenges:** Training of supervisors in basic elements of performance management is inconsistent and often is cut when budgets are tight. An absence of leadership support for building a culture where employees are encouraged to partake in training and career development opportunities further exacerbates the prioritization of training and development as a major component of performance management. An agency culture should be established that not only requires supervisory training, but also ensures that all supervisors actually take the training.
- b. **Addressed by:** Recommendation 5 (Enhancing Supervision and Training).

5. Selection of Managers/Supervisors

- a. **Challenges:** Currently, managers and supervisors are chosen based on technical skills, not management skills. Agency culture needs to be changed to value building a pipeline of

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managers, developing managers, and then training them once they take on a supervisory role. This requires a culture shift to ensure a budget for training and a focus by agency leadership that training and development is a priority.

- b. **Addressed by:** Recommendation 5 (Enhancing Supervision and Training).

6. Appeals and Complaint Process

- a. **Challenges:** The Equal Employment Opportunity (EEO) process can be lengthy and complex. Grievances and other employee complaints can also be a concern of a supervisor dealing with a difficult employment situation. The EEO and grievance systems are necessary and important rights for Federal employees. The threat of an EEO complaint or other pushback from a subordinate can be a deterrent to an untrained supervisor in dealing with a problem employee. This is particularly true for an EEO complaint where it is not unusual for even the most minor of complaints to linger for years. Further complicating this matter is the perception of a lack of higher-level support for supervisors who have made a decision to hold employees accountable. The failure to deal with workplace issues in a timely and effective manner carries over to cause difficulties with the rest of the workforce.
- b. **Addressed by:** Recommendations 3 (Accountability), 4 (Engagement), and 5 (Enhancing Supervision and Training).

7. Proliferation of Performance Management Systems

- a. **Challenges:** There is a variety of performance management systems Government-wide and even within a single agency. This makes it difficult for top leaders to understand, promote, and provide flexibility in performance management. This proliferation of systems also makes it difficult to build common leadership competencies. For example, the National Security Personnel System (NSPS) experiment and its abandonment created confusion and uncertainty at the Department of Defense (DoD). In other agencies, Pass/Fail systems were once considered acceptable and then fell into disfavor as part of an effort to impose “pay for performance” concepts to the general Federal workforce. Many agency systems are overly complex and technical.
- b. **Addressed by:** Recommendations 2 (Alignment) and 3 (Accountability).

8. Agency Performance

- a. **Challenges:** The emphasis on agency strategic performance pushes agency leaders to prioritize mission critical, technical performance. Performance management and the human capital side of agency performance needs to be embraced as a critical part of agency performance and embedded in strategic plans and as part of the culture of a high-performing agency.
- b. **Addressed by:** Recommendations 1 (Culture), 2 (Alignment), and 3 (Accountability).

9. Inconsistency with and Uncertainty of Federal Funding and the Appropriation Process

- a. **Challenges:** A performance management system must be funded. From performance awards, to other incentives, to training, lack of funding or inconsistent funding leads to inconsistent and poorly implemented performance management processes.
- b. **Addressed by:** The Recommendations as a whole allow a culture change that is less dependent on funding fluctuations.

III. PERFORMANCE MANAGEMENT BACKGROUND: PRINCIPLES, POLICIES, AND LEGISLATION

This Background section provides information to support, explain, justify, and clarify the above recommendations. It presents information about guiding principles and proposed policies for implementing an effective performance management system and background information about the Government Performance and Results Act Modernization Act through the Governmental Performance and Results Act (GRPA) Modernization Act, (P.L. 111-352) and Executive Order 13450, which requires the designation of Performance Improvement Officers and OPM supervisory competencies. Where appropriate, and particularly in the sections on Principles and Policies, we have included a parenthetical cross reference to the recommendation that we believe addresses the particular background item presented.

Principles of Leadership and Culture

1. Leadership must agree, and proactively communicate that performance is not a program or an initiative, but the qualitative and quantitative delivery by organizations and individuals of the agency mission to the public and other stakeholders. Addressed by: all Recommendations as a whole.
2. The performance management system should be driven by agency mission and values, and informed by data and other clear, objective standards that are transparent and easily understood by all. Addressed by: Recommendations 2 (Alignment) and 3 (Accountability).
3. Goals that reflect agency values must be set at all levels and cascade down to individual employees and their annual performance plans and appraisals. Addressed by: Recommendations 2 (Alignment) and 3 (Accountability).
4. Management at all levels must be held accountable for the delivery of mission goals and must communicate regularly with all employees about the importance of the mission. Addressed by: Recommendations 3 (Accountability) and 4 (Engagement).
5. Employees must understand and be held accountable for their contributions to the delivery of the cascading goals. Addressed by: Recommendations 2 (Alignment), 3 (Accountability), and 4 (Engagement).
6. Supervisory/leadership training that supports employee/supervisory engagement and is effectively applied is critical to the success, evaluation, and continuous improvement of an effective performance management system. Addressed by: Recommendation 5 (Enhancing Supervision and Training).
7. Employee training that emphasizes collaboration, teamwork, and customer service is critical to establishing a high performance culture where peers hold one another accountable. Addressed by: Recommendations 4 (Engagement) and 5 (Enhancing Supervision and Training).
8. A key part of accountability is making people successful, where employees are engaged and supervisors are facilitating employee accomplishment with support, clear direction, and trust. Addressed by: Recommendations 4 (Engagement) and 5 (Enhancing Supervision and Training).

Policies

1. Building a transparent foundation (shared values) by being reliable, responsible, and able to provide/receive accurate and timely feedback as well as accepting the diverse viewpoints from different people. Clear communication of agency's strategic priorities is vital. Leaders must be

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consistent and demonstrate by modeling the same values and supporting the same priorities as they expect from others.

2. Leaders need to align their culture with the subcultures to engage everyone via small sessions to clearly convey and clarify the strategy into priorities and viable goals. Implementation plans will be developed to identify the major outcomes.
3. Coordinate actions with all of the responsible functions and monitor progress to ensure desirable results and execution of the program. This will sharpen the focus of the high priorities. If no positive developments are taking place, then leadership needs to communicate what they will do differently next time and engage the workforce regarding their conduct and duties. Take quick action if people fail to deliver the desirable results.
4. Communicate the mindset that everyone is responsible for the results and/or service. "Our behavior and actions are a direct reflection of our organization." Leaders should attend all the meetings within their organization to promote ideas on how to improve, encourage employees to share more data (constructive feedback) and challenge areas that do not make sense. Clarify the expectations as much as possible to avoid any misinterpretations and assumptions and establish firm deadlines for assignments to be completed from employees.
5. Leadership will model the good behavior of effective performance management.
6. Labor-management forums at various levels will be involved in making these changes successful.

Executive Order 13450

In 2007, the President signed an Executive Order requiring each agency to designate a Performance Improvement Officer (PIO). PIOs coordinate agency's performance management activities by improving performance goals and plans; regularly assess progress; hold managers accountable for results and ensure agency GPRA plans and reports are useful and transparent. The order establishes an interagency Performance Improvement Council that meets monthly to improve interagency collaboration on common problems.

Government Performance and Results Act Modernization Act of 2010 (GPRAMA)

1. GPRA requires long-term goals to improve management functions in human capital.
2. The Act designates the deputy head of each agency as Chief Operations Officer (COO) with day-to-day responsibility for management with overall responsibilities for improving the management and performance of the agency.
3. The Act requires each agency to designate a senior executive as Performance Improvement Officer to support the COO.
4. The Act also establishes a Performance Improvement Council chaired by the OMB Deputy Director for Management and composed of PIOs from various agencies.
5. For each Government-wide performance goal, a lead Government official is to be designated and held responsible for coordinating efforts to achieve the goal.
6. At the *agency level*, for each performance goal, an agency official, known as a goal leader, will be responsible for achieving the goal.

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7. To promote overall organizational accountability, the act requires OMB to report each year on unmet agency goals. Where a goal has been unmet for three years, OMB can identify the program for termination or restructuring, among other actions.
8. GPRAMA requires reporting for Government-wide and agency priority goals on a quarterly basis and on a Government website fostering transparency. Quarterly reporting **includes priority goals and the quarterly reviews require top leadership to be involved as well as to review the progress achieved toward goals** and develop strategies to improve performance.

The Leadership and Knowledge Management System (OPM HCAAF Resource Center)

- Leadership and Knowledge Management System focuses on identifying and addressing agency leadership competencies so that continuity of leadership is ensured, knowledge is shared across the organization, and an environment of continuous learning is present.
- Full definition and elements available at: http://www.opm.gov/hcaaf_resource_center/4-1.asp#item1

Glossary

- **Accountability** – the obligation a person, group, or organization assumes for the execution of assigned authority and/or the fulfillment of delegated responsibility. This obligation includes: answering-providing an explanation or justification-for the execution of that authority and/or fulfillment of that responsibility; reporting on the results of that execution and/or fulfillment; and assuming liability for those results.
- **Blended learning** – identified as four different concepts: 1. To combine or mix modes of web-based technology (e.g., live virtual classroom, self-paced instruction, collaborative learning, streaming video, audio, and text) to accomplish an educational goal. 2. To combine various pedagogical approaches (e.g., constructivism, behaviorism, cognitivism) to produce an optimal learning outcome with or without instructional technology. 3. To combine any form of instructional technology (e.g., videotape, CD-ROM, web-based training, film) with face-to-face instructor-led training. 4. To mix or combine instructional technology with actual job tasks in order to create a harmonious effect of learning and working.
- **Coaching** – in the performance management context relates to assisting and enabling employees to identify options and solutions to achieve their performance objectives.
- **Continuous Improvement** – process improvement based on constant measurement and analysis of results produced by the process and use of that analysis to modify the process.
- **Focus** – the ability to concentrate on what really matters and to understand what does not.
- **Lessons Learned** – a good work practice or innovative approach that is captured and shared to promote repeat application or mistakes that are described so that they can be avoided in the future.
- **High-Performance Organization** – an organization that effectively utilizes productive work habits to enhance individual and organizational performance and consistently produces significant results over time.
- **Mentoring** – providing for employee development and succession planning and focuses on individual career development.

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- **Organization Culture** – has been defined as "the specific collection of values and norms that are shared by people and groups in an organization and that control the way they interact with each other and with stakeholders outside the organization." As used in this document, the organization culture consists of the common norms, expectations, and guidelines that prescribe the behavior of employees at all levels concerning achieving and maintaining high performance outcomes.
- **Output** – a product or service produced by a program or process and delivered to the public.
- **Performance Management** – a systematic approach to performance improvement through an ongoing process of establishing strategic performance objectives; measuring performance; collecting, analyzing, reviewing and reporting performance data; and, using that data to drive performance improvement.
- **Performance Management Integration Board** – an agency board co-chaired by both the CHCO and PIO that integrates employee performance management with organizational performance management and is accountable for the oversight of end-to-end performance management.
- **Performance Improvement Officer** – an agency's designated senior executive to support the Chief Operating officer in managing improvement in performance and management as identified by the GPRAMA.
- **Performance Management Champions** – Individuals that reside in an agency's Human Capital organization responsible for consultation and guidance to the agency on all elements of the end-to-end performance management process.

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APPENDIX A: ROAD MAP TO IMPROVED EMPLOYEE/SUPERVISOR ENGAGEMENT

This road map is provided as a best practice and guidance to help agencies foster a joint expectation for engagement of both employee and supervisor through the five key processes of performance management:

1. Planning
2. Monitoring
3. Developing
4. Rating
5. Ensuring Consequences and Rewarding Success

Specifically, the road map identifies specific actions to be implemented in each of the processes in order to improve, foster, and maintain employee/supervisor engagement.

I. PLANNING Performance

- a. **Expectations.** Create better performance expectations that are clear, accountable, measurable, verifiable, and focused on the result. This will improve the clarity of vision that drives how supervisors and employees engage during the performance period. Employees and supervisors will engage in establishing expectations.
- b. **Metrics.** Metrics will be used at all organizational levels to verify goal achievement and accountability for employees and supervisors.
- c. **Alignment.** All performance expectations will be aligned with mission/goals identified in the strategic plan or other governing documents.
- d. **Accountability.** Employees and supervisors will be held accountable for results.
- e. **Distinctions in Performance.** Discuss and set standards that clearly differentiate among levels of performance.
- f. **Flexibility.** When applicable, employee and supervisor will engage each other in tailoring and improving individual performance plans.
- g. **Team Performance.** Establish goals and expectations for individuals when participating on teams outside the direct supervision of their supervisor. When applicable, promote team performance by incorporating a special projects element within performance expectations for evaluating individual performance on a team. Supervisors, project leaders, and employees will engage each other in establishing expectations.

II. MONITORING Performance

- a. **Model Effective Communication.** Leaders should demonstrate their own commitment to enhance communication.
- b. **Informal Feedback.** Agencies should create the expectation for continuous informal feedback (shared responsibility).
- c. **Results.** Feedback should be focused on employee- and supervisor-owned outcomes and results.
- d. **Levels of Performance.** Encourage dialogue by addressing established expectations as they relate to the employee's performance. Focus on both results and the manner in which they were achieved.

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- e. **Diversity.** Train on diversity, generational differences, and personality types for effective methods on giving and receiving feedback.
- f. **Periodic Reviews.** Supervisors should complete periodic reviews (quarterly at a minimum) of work samples to give feedback on work products to reduce end-of-year surprises.
- g. **Team Feedback.** Supervisors should incorporate team feedback into performance. Team feedback will be shared when employees participate on teams that are not under the direct supervision of their supervisor.
- h. **Feedback Tools.** Establish new channels and tools to seek guidance, advice, and/or tools and techniques related to the feedback culture, including 360-degree assessments for complete feedback and development.
- i. **Virtual Work Environment.** Employees and supervisors must be kept engaged and continuous feedback must continue in a virtual environment. Promote a feedback culture from executive leadership throughout the agency with technology such as emails, social media, online videos, events, etc.
- j. **Best Practices.** Agencies must continually work to improve their feedback culture within their performance management systems by seeking guidance from experts and be willing to execute new, innovative ideas.

III. DEVELOPING Performance

- a. **Continuous Learning.** Leaders lead by example and should demonstrate their own commitment to continuous learning and improvement.
- b. **Learning Opportunities.** Supervisors should develop the ability of others to perform and contribute to the organization by providing opportunities to learn through formal and informal methods.
- c. **Mentoring.** Agencies should create an environment for mentoring across the generations that can lead to stronger measures of performance, higher levels of synergy and improved career development.
- d. **Employee Involvement.** Employees should be involved and engaged in the determinations of how their work is performed, as well as involved in the development of their individual development plans.
- e. **Coaching.** Emphasize the benefits to managers of *coaching* in order to help employees achieve individual and organizational goals.
 - Provide guidance to supervisors and employees on coaching, including discussions on what is working and what is not working, new ideas for doing the work, and requesting assistance when needed.
- f. **Improve Communication Skills.** Train both employees and supervisors on effective verbal and written communication.
- g. **Training on Performance Management.**
 - Training will include the five processes of performance management – planning, monitoring, developing, rating, and providing consequences for performance.
 - Training should be conducted regularly and developed by agencies to fit their organization.

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- Train individuals on creating performance expectations that are clear, accountable, verifiable, and focused on the mission, the public, and results. This will improve the clarity of vision that drives how supervisors and employees engage in the development of performance expectations for the performance period. Employee training will provide guidance on developing and understanding expectations and how expectations will be achieved.
- Provide managers and employees with training on how to provide, receive, request, and use frequent feedback. In particular, train both supervisors and employees on how to give and receive feedback, and teach active listening. Explain how to give and receive feedback in any work environment (office, field, and telework). Provide tools for both supervisors and employees on three types of feedback: coaching, praising, and inquiry.
- Train both supervisors and employees on how to incorporate team feedback into performance. Train supervisors on how to work with project leaders and employees on establishing expectations and giving feedback in a team environment.
- Requirements for leadership and supervisory training:
 - Training for supervisors either before they become supervisors or directly after they are promoted into the position.
 - Training on the benefits of continuous feedback.
 - Training should focus extensively on best practices for discussing performance with their employees and encourage employee feedback.
 - Training on developing organizational goal statements that link to agency goals.

IV. RATING Performance

- a. **Results.** Employees and supervisors will be held accountable for results.
- b. **Team Performance.** Feedback from the team leader and team members should be gathered at the conclusion of the project to inform the employee and supervisor on how well they performed within the established expectations.

V. ENSURING CONSEQUENCES for Performance

- **Accountability.** Supervisors will take appropriate action for any employee or supervisor who is not performing according to expectation. Supervisors will provide appropriate recognition for high-level performance.

APPENDIX B: TRAINING AND DEVELOPMENT FRAMEWORK

I. Purpose

1. Define a learning and development approach that focuses on effective performance management strategies, leadership and employee engagement and behavioral skills development. In the future, a technical training approach will be addressed.
2. Identify current Government-owned supervisory/leadership training and tools (e.g. job aids) that support employee/supervisory engagement and is effectively applied; is critical to the success of an effective performance management system. Determine options with recommendations; articulate the benefits and challenges to developing and implementing Government-wide performance management training.

II. Overarching Issues

1. **Lack and Inconsistency of Leadership Training and Employee Development** Training of supervisors in basic elements of performance management is inconsistent and often is cut when budgets are tight. An absence of leadership support for building a culture where employees are encouraged to partake in training and career development opportunities further exacerbates the prioritization of training and development as a major component of performance management. An agency culture must adhere to supervisory training requirements and ensure that all supervisors are held accountable for completing the training.
 - a. *Recommended Solution:* Engage senior career and non-career (political) leadership; political appointees must be engaged in the agency's performance management system. Training begins at the top where senior career and political leadership are active participants in the performance management system. This requires training on the system and communication to senior executives and managers on the importance of performance management. Training content must: consider the performance management system; agency-specific culture; incorporate labor relations and effective trust building; and, behavioral activities with senior leaders to ensure a team approach to performance management. This is particularly true at the career SES level because of the continuity that will be provided as administrations change.
 - b. *Recommended Solution:* Develop and maintain a curriculum tool for continuous learning that ties organization and employee performance together.
 - Encourage employees and supervisors to work collaboratively to create individual development plans to bridge employee skills or behavior gaps that are identified through the performance appraisal process. Corporate Leadership Council's research indicates that development plans that are customized, achievable, and taken seriously by managers can increase employee effort and commitment by up to seventy percent [Corporate Executive Board, 2005].
 - Identify immediate needs for just-in-time training (e.g., job aids that are easily accessible).
 - Set clear and navigable phases of skills acquisition for each career path (e.g., new supervisor, manager, executive).
 - c. *Recommended Solution:* OPM works with Office of Presidential Personnel to mandate and

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- provide training for political appointees within a short time after the appointee takes office. The training should include the basics of the civil service system including labor-management relations and the rules and principles of effective performance management, merit systems principles/prohibited personnel practices. The President's Management Council or related successor entity should be a permanent operation that provides an emphasis on maintaining performance management leadership and a high performance management culture.
- d. *Recommended Solution:* Issue a common Government-wide central learning repository
- Ensure consistency and economies-of-scale by providing all supervisors, managers, and senior executives with a Government-wide learning resource, such as offered by HR University. (e.g., performance management resource component).
 - Require that all HR offices have dedicated and well-trained staff members with the responsibility to be a resource to supervisors and managers in the area of employee performance management.
2. **Selection of Managers/Supervisors:** Currently, selections and promotions for managers and supervisors are “often based more heavily on technical expertise than on leadership competencies. Technical skills appear to be much more strongly emphasized than are supervisory skills in both job announcements and assessments.”² Agency culture needs to change in order to value building a leadership pipeline. This includes recruiting, selecting, developing, appraising, and recognizing managers, as well as training them once they take on a supervisory role. This requires a culture shift to ensure there is adequate budget for training and a focus by agency leadership to make certain that learning and development is a priority.
- a. *Recommended Solution:* Enhance leadership skills: This must be part of the selection assessment along with required training, mentoring and coaching to align the skills. Ensure both supervisor and employee responsibility for individual performance. Enforce mandatory requirements for supervisory training, emphasizing the need for frequent performance conversations that actually communicate expectations and provide feedback on how those expectations are met. Use the supervisory probationary period to evaluate carefully new supervisors to ensure that if they lack supervisory skills and abilities, they are provided training and development or removed from the supervisory position, as appropriate. Enhance mentoring and coaching programs for supervisors and employees.
- b. *Recommended Solution:* Agencies adhere to mandatory training for supervisors on performance management (5 CFR 412), including employee feedback and engagement. Provide mandatory training for agency leaders, including political appointees, on the importance of employee performance management and the link to organizational performance.
- c. *Recommended Solution:* Ensure selection process for supervisors is focused on identifying competencies required for effective performance as a supervisor, including performance management requirements. Offer leadership-type training at the non-supervisory level in preparation for supervisory/managerial career opportunities. Create a leadership development curriculum that includes learning activities covering the leadership pipeline.

² U.S Merit Systems Protection Board, “A Call to Action: Improving First-Level Supervision of Federal Employees,” (May 2010)

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- d. *Recommended Solution:* Require agencies to focus on performance, accountability, development, employee engagement, and how that culture supports Government-wide performance. Implement accountability for the alignment/linkage and execution of organizational performance mission/goals/strategies and employee performance goals (at all levels).

III. Key Features

- a. Incorporates a blended learning³ approach based on agency need to include formal and informal training (i.e. web-based, video, instructor-led, avatar). Blended learning must be refreshed periodically (e.g., at least every three years or more frequently as dictated by policy or performance management system changes).
- b. Leverages Government-wide funds and resources. OPM may provide the initial “seed money;” however, funding ongoing training efforts will need to be resourced across the Government.
- c. OPM identifies and endorses Government-owned content and/or develops core curriculum (required topics/courses) and each agency is responsible for developing agency-specific courses. Integrate OPM core courses into the Federal HR University (HRU), Federal Executive Institute (FEI), Management Development Centers (MDC), and other leadership courses and Federal leadership academies.
- d. Engage CLO Council to assist in identifying current performance management learning tools and strategies.
- e. Encourage and support the CLO Council in its goal to share courses and resources across the Government.
- f. Recognizes agency-specific culture.
- g. Balances technical performance management process training and behavioral skills training.
- h. Ensures course content and job aids are available to all levels of employees, leaders, HR professionals and union groups.
- i. Complies with Section 508 of the Rehabilitation Act (29 U.S.C. 794d), as amended by the Workforce Investment Act of 1998 (P.L. 105-220), August 7, 1998⁴.
- j. Multi-faceted approach targets a wide variety of audiences and learning styles (addresses generational and cultural sensitivities).
- k. Shares accountability (everyone has a role in and ownership of performance management).

³ Driscoll (2002) identifies blended learning as four different concepts: 1. To combine or mix modes of web-based technology (e.g., live virtual classroom, self-paced instruction, collaborative learning, streaming video, audio, and text) to accomplish an educational goal. 2. To combine various pedagogical approaches (e.g., constructivism, behaviorism, cognitivism) to produce an optimal learning outcome with or without instructional technology. 3. To combine any form of instructional technology (e.g., videotape, CD-ROM, web-based training, film) with face-to-face instructor-led training. 4. To mix or combine instructional technology with actual job tasks in order to create a harmonious effect of learning and working.

⁴ Section 508 requires that Federal agencies' electronic and information technology is accessible to people with disabilities.

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- l. Training addresses link between ratings and rewards as well as the consequences of poor performance.
- m. Reinforces an accountability aspect to the training so that learning is evaluated, tracked, and recorded.
- n. Prioritizes learning and that time is made available for employee training during the various phases of the rating cycle; job aids are available anytime and anywhere via agency intranet and/or HRU.
- o. Supplements training with learning strategies and tools that support the performance management process.
 - i. Define, develop, and use a competency model assessment template that may be utilized by the appropriate agencies as part of the leadership selection process to determine readiness.
 - ii. Use the supervisory probationary period, to evaluate carefully new supervisors to ensure that if they lack supervisory skills and abilities, they are provided training or removed from the supervisory position.
 - iii. Agencies regularly conduct succession assessment for supervisory positions at risk (i.e. departing supervisors and managers) to identify skill gaps, develop readiness and competency of candidates, and integrate with agency's strategic HR plans for succession planning.
 - iv. Incorporate effective employee development strategies such as creating individual development plans.
 - v. Establish a performance element for supervisors and include in their performance plans to ensure that all supervisors are rated on their supervisory responsibility, to include allowing time for employees to complete training.
 - vi. Encourage use of Government-wide tools (i.e. how-to manuals, job aids, training and other resources on the HRU website, as often as possible).
 - vii. As a precursor, begin training for supervisory/leadership awareness training with opportunities at the journeyman level and beyond to determine readiness.
 - viii. Enhance mentoring and coaching programs for supervisors and employees.
 - ix. Provide training on addressing diversity, equal employment opportunity, grievances, labor-management relations, alternative dispute resolution, programs, policy, and procedures in advance to enhance their skills as supervisors/managers/executives.
 - x. Use metrics to verify results and impact on organizational performance (e.g., linkage between performance management training and OPM's Federal Employee Viewpoint Survey).
 - xi. Every supervisory training course should have curriculum that teaches basic supervision and leadership.

IV. Implications (Benefits of Performance Management Training)

- a. Integrates performance management as a part of everyday work life.
- b. Communicates a standard message across the Government (top down driven).
- c. Improves shared communication and more consistent performance discussion.
- d. Improves productivity.
- e. Increases recognition relating to performance.
- f. Encourages managers and supervisors to address poor performers.

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- g. Links performance management responsibilities to mission success.
- h. Promotes a consistent approach to manage poor performance.
- i. Utilizes a blended learning approach to reinforce training message and reach a broad, diverse workforce and learning preferences.
- j. Provides “just in time” tools or job aides based on immediate needs.
- k. Complies with training policy 5 CFR 412 (Career Transitions to Executive, Manager, and Supervisor levels).
- l. Links performance management training to other policies (5 CFR 412).
- m. Considers bargaining agreements and impacts on labor organizations.

IV. Challenges

- a. Senior career and political leadership actively buying-in, participating, and engaging in the performance management process and system.
- b. Addressing cost/resource issues: initial costs (design, development, and production) and maintenance costs for a Government-wide system (as there would be for any new system). Varying ability of agencies to monetarily support or contribute to training. Sharing resources among and between agencies.
- c. Prioritizing funding for training: making learning and the resources for learning a priority.
- d. Creating realistic performance management metrics to improve agency performance.
- e. Avoiding the creation of a SES-type certification system – one that is cumbersome and creates additional staff work – for the GS.
- f. Dealing with current systems and agency cultures already in place.
- g. Agencies resisting the need to modify or replace current automated performance management systems to accommodate a new Government-wide system.
- h. Addressing union contract issues.
- i. Addressing different learning styles.
- j. Resisting a “one model fits all” approach to performance management.
- k. Learning curve for a new system.
- l. Maintaining up-to-date and relevant performance management content.
- m. Being smart about any new reporting requirements.
- n. Creating revisions to current accountability standards (e.g., OPM’s Performance Appraisal Assessment Tool (PAAT), Audits).

V. Framework – Performance Management Training

This Performance Management Training Framework illustrates the suggested learning components that organizations may include when offering performance management training to their workforce. It is based on a review of the literature and a data gathering exercise conducted in support of the Chief Human Capital Officer Council Workgroup performance management initiative.

Overview

- a. Leadership Commitment
 - i. Career and Political Leadership
 - ii. Senior Leadership Engagement
- b. Process (Systematic)
- c. Roles and Responsibilities (Accountability) – senior executives, managers, supervisors employees, and human resource professionals

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Writing Performance Objectives/Elements and Standards/Expectations (the standards against which an employee will be measured)

- Alignment to organization's mission and culture using SMART or similar approach.

Effective Communication Strategies

- a. Communication between employees, senior executives, managers, supervisors, and HR professionals (e.g., trust and behavioral skills building).
 - i. Handling difficult conversations.
- b. Understanding generational and cultural sensitivities.
- c. Applying effective learning strategies (Employee Development)
 - i. Supporting employee development through effective coaching and mentoring (motivation; career development).
 - ii. Creating individual development plans (IDPs).
 - iii. Incorporating development into the planning process – planning for the year, determining required resources for employees to do their job.
- d. Managing your manager.
- e. Conducting formal and informal feedback reviews.
 - i. Providing, receiving, requesting, and responding to frequent feedback.
 - ii. Addressing both high and low performers.
 - iii. Listening actively.
 - iv. Incorporating team and peer-to-peer feedback into performance (360).
 - v. Addressing mobile/virtual work situations.

Writing Effective Accomplishments (Employee focused)

How to Rate Performance and Write Effective Narratives

- a. Linkages to recognition and awards.
- b. Rater consistency (e.g., using words/adjectives that support the rating level).
- c. Addressing and resolving performance problems.
- d. Awareness for managers on what already exists.

Avoiding Adverse Impact (Employee and Labor Relations)

- a. Identify fairness and transparency.
- b. Ensure knowledge/understanding of compliance issues (accountability).
- c. Include union role in the process.

Audience: All senior executives, managers, supervisors, employees (cascading), and human resource professionals.

Delivery: Blended learning approach based on agency need, to include formal and informal training

- a. Training available informally (e.g., on-line) at all times and imbedded formally (via HR reminders) during critical stages and in accordance with 5 CFR 412, such as: new supervisor, supervisory refresher training at least every three years, annual and midyear performance reviews.
- b. Tracked and recorded (accountability) – HRU link to agency LMS (functionality exists).

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- c. Interactive – Customize to fit organizational needs (e.g., staff meetings; brown bags; informal learning opportunities).
- d. Organizations need to be mindful of their particular work environment (e.g., wage grade; out-in-the-field, etc.).
- e. Utilize HR University as a central repository to house performance management training modules and development resources (job aids), as well as best practices.

Assessment/Knowledge Checks Embedded into the Learning Modules

- a. Knowledge checks inserted throughout the course.
- b. Pre and post assessments, as needed.

Post Course Evaluations

- a. Implement Kirkpatrick levels of evaluation.
 - i. Level 1 - Reaction (initial thoughts and feelings about the training).
 - ii. Level 2 - Learning (the resulting increase in knowledge or capability).
 - iii. Level 3 - Knowledge transfer to the job.
- b. Linkage to future OPM Federal Employee Viewpoint Surveys.
- c. Continuous Improvement.
 - i. Impact on future training/learning events.
 - ii. Identify changes needed in performance management process.

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APPENDIX C: COMPONENTS OF A PERFORMANCE MANAGEMENT INTEGRATION BOARD

1. Chairperson/Membership
 - a. Headed by Departmental senior executives and comprised of senior program performance officials including the Performance Improvement Officer, agency COO, CFO, CHCO with participation from employee unions represented at the agencies, as well as management associations with consultation rights.
 - b. Fully utilize existing agency's labor-management forums to address performance system, process, and feedback continuously and not just at the mid-point or end of year.
 - c. Board receives semiannual reports identifying any significant trends or changes from the prior quarter.
 - d. Board receives updates from the agency Performance Improvement Officer.
 - e. Establish and/or continue to build key relationships:
 - i. Within the Agency (i.e., agency head and deputy, Chief Human Capital Officer, other chief officers (financial, information, acquisition), Inspector General, labor representatives, assistant secretaries and program managers, and performance management staff in line programs, etc.).
 - ii. Within the Government (i.e. OMB, Government Accountability Office, OPM, Performance Improvement Office Council, management associations, labor representatives, Congressional oversight committees, etc.).
 - iii. Outside the Government (i.e. Partnership for Public Service, Council for Excellence in Government, Senior Executive Association, National Academy of Public Administration, etc).
2. Purpose of the Board
 - a. Integrate organization and individual performance. Board will also look at the "health" of the organization (i.e. turnover, Employee Viewpoint Survey, OPM grade structure, succession planning, etc.).
 - b. Measure performance including consistency and quality of supervision and the resulting ratings for both supervisors and employees.
3. Goals
 - a. Improve agency-level performance and accountability.
 - b. Improve implementation of accountability at the individual performance level.
4. Oversight Roles and Responsibilities.
 - a. Responsible for governance and oversight regarding performance and accountability.
 - b. The board will not be a new layer of management. However, it will embody the pivotal and timely communication among existing leadership roles in order to move each Department forward from merely the alignment of performance goals to the implementation of accountability for performance results.
 - c. To drive accountability to look at the mission, objectives, strategic priorities, and track performance for consistency at all levels, including the quality of supervisors and ratings with requirements to the Office of Personnel Management.
5. Reports
 - a. Publish and report results at the agency and Federal Government-wide levels on an annual basis to identify best practices, deficiencies and trends for improvement in process mechanics and training.
6. Oversight Actions (Proposed but would be modified per agency requirements)
 - a. The Board reviews bi-annual reports, workforce dashboards, etc. to identify issues, significant trends, and recommends priorities, strategies, and actions to improve performance management.

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- b. Chairperson, the Board, and the agency's Performance Improvement Officer/Performance Improvement Council partner with the Chief Human Capital Officer to hold managers accountable for their results.
 - c. Assess the Human Capital goals for the agency and define actionable strategies, activities and results including Succession Assessment for supervisory/management positions at risk and ensure an adequate candidate pool.
7. Resources (HR, information technology, budget, etc.)
- a. Reviews effectiveness of professional development and performance evaluation process as it aligns to strategic priorities and actions.
 - b. Reviews the human capital resources required to enable the strategy.
 - c. Make recommendations regarding technological innovations that enhance effective performance management systems.

Design an Integrated Performance Management System

- a. Agencies will develop a framework for cause-and-effect relationships among objectives and the components of an organization's strategy to understand: 1) the business strategies, 2) results, and 3) objectives that align with the performance measures to enhance employee performance and accountability. Employee performance can be aligned with the Department's performance to support an integrated system.
- b. Performance measures and targets (inputs, outputs, and outcomes) must be met within the organization to be successful. Accountability reporting should present data on outputs.
- c. Performance management systems need to provide credible information for decision makers, not just raw data.
- d. Agencies will ensure that a formal mechanism exists to evaluate alignment of Human Resources at the agency head level.
- e. To address the above, human capital needs to further develop strong internal working relationships and partner with the senior leadership of Departmental programs.

Summary of Results of Integrated Performance Management System

- a. Clear understanding and consensus on what results are expected and the performance measures required determining when results have been met.
- b. Senior executives and leaders share performance results and recommend changes to improve accountability and fulfill public policy objectives.

Improving Evaluation

- a. Involve experts early in the planning stages to ensure that effective evaluations are in place to indicate program effectiveness.
- b. Evaluations should be used to assess impacts and improve performance.
- c. Sustained management (strong foundation of engaged leadership) in developing the attributes of a *high performance organization* [Shared vision, mission, and values with effective and interactive communication to motivate employees in order to execute strategy successfully]. Accountability for results must be clearly assigned and understood in order to identify organizational success. All managers and employees need to understand fully what they are responsible for in achieving organizational goals.

Improving Transparency

Employee Performance Management Accountability Framework (PMAF)

- a. Validate and convey data on a Government wide website to include GPRA Plans/Reports and Budget Requests (i.e., www.Performance.gov).
- b. Budgets and performance reports should consistently include performance results.
- c. Brief White House Chief of Staff on an annual basis.

Improving Accountability

- a. Ensure that managers are consistently held accountable for program goals by assessing the relationship between performance and goals to ensure high quality.
- b. Opportunities to enhance relationships and promote interagency coordination and collaboration with other Federal agencies via comparative assessments

DRAFT

APPENDIX D: WORKGROUP PARTICIPATING AGENCIES

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Employee Performance Management Accountability Framework (PMAF)

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Effective Performance Management Training Subgroup **Training and Development Needs of Employees and Supervisors**

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