

CHAPTER I

PERFORMANCE MANAGEMENT SYSTEM FOR MANAGERS AND SUPERVISORS

1. **OBJECTIVE:** To establish requirements and responsibilities for the administration and operation of a performance management system for managers and supervisors including performance appraisals, performance-related recognition and other actions related to performance management.
2. **APPLICABILITY:**
 - a. **DOE Elements:** This system applies to all Department of Energy (DOE) and National Nuclear Security Administration (NNSA) managers and supervisors as indicated below:
 - (1) employees who meet the General Schedule Supervisory Guide (GSSG) definition of manager and supervisor and who are grade or salary levels below Senior Executive Service; or
 - (2) employees who meet the GSSG definition of manager and supervisor and who are appointed to the excepted service at Pay Band V and below (i.e., EJ, EK, and EN appointments); or
 - (3) at the discretion of individual Elements, those employees who meet the DOE application of the term "limited supervisor."

(CH GUIDANCE)- Employees who meet the General Schedule Leader Grade Evaluation Guide (GSLGEG) definition of team leader meet the definition of "limited supervisor" and therefore are covered by the requirements of this policy.
 - b. **Exclusions:**
 - (1) Any DOE/NNSA employee who does not meet the GSSG definition of "supervisor," or, if determined by the Element, the DOE application of the term "limited supervisor."

(CH GUIDANCE)- Any employee who does not meet the GSSG definition of supervisor or the GSLGEG definition of "team leader" is excluded from the requirements of this policy.
 - (2) Contractors: This chapter does not apply to DOE contractors or contract employees.
 - (3) Bargaining unit employees as defined by Title 5, United States Code, Section 7103.

3. GENERAL PROGRAM REQUIREMENTS:

- a. Each DOE Element shall establish a Performance Management System for Managers and Supervisors that, in addition to the requirements listed in DOE O 331.1B., EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM:
- (1) ensures managerial accountability for the accomplishment of organizational goals and strategic plans.
 - (2) results in performance ratings that can clearly identify managers and supervisors who significantly exceed performance expectations as well as managers and supervisors who need assistance and/or corrective action as a result of overall performance that is below the Meets Expectations level.
 - (3) rewards managers and supervisors that significantly exceed performance expectations with monetary recognition commensurate with their performance ratings.
 - (4) conforms to the requirements of this chapter, including Appendix, and DOE O 331.1B unless superceded by this chapter.
- b. Elements that have received approval of their performance management programs in response to the requirements of DOE O 331.1B and that conform to the requirements of this chapter, including its appendices, may proceed with their program without further approval. Elements that wish to be granted exceptions to specific requirements must submit performance management program plans to the Director of Human Resources (or for NNSA Elements, the Administrator or his/her designee) for approval prior to the implementation of any new or revised performance management program. The request for exception must delineate specifically how the program plans would meet the policy objectives of items 3.a.(1) - (3) of this chapter.

4. PERFORMANCE APPRAISAL PLAN REQUIREMENTS:

- a. Performance appraisal plans:

(CH GUIDANCE)-Individual managerial and supervisory performance, as measured by individual performance plans, will align individual performance expectations to organizational performance goals and objectives.

All managerial and supervisory performance appraisal plans will:

- (1) contain a maximum of two elements, both of which are critical elements: one critical element that addresses individual performance on key programmatic accomplishments and corresponding sub-elements; and one critical element that addresses clusters of managerial attributes that each employee should demonstrate.

- (2) specify four performance levels to be used in assessing performance on the two critical elements. The following terms, Significantly Exceeds Expectations (SE), Meets Expectations (ME), Needs Improvement (NI), and Fails to Meet Expectations (FME) will be used throughout this chapter. Local terminology may be substituted but the performance levels described must be equivalent to these terms.

(CH GUIDANCE)- CH has adopted the above terminology as recommended by DOE-HQ.

The four performance levels are defined as follows:

SE: *Clearly exceeds performance expectations. A model supervisor/manager who sets an example for others, while consistently making outstanding contributions to DOE-CH. This rating level is reserved for top performing DOE-CH managers and supervisors.*

ME: *Consistently meets performance requirements. A solid performer.*

NI: *Occasionally does not meet performance requirements.*

FME: *Regularly does not follow-through with meeting performance requirements. Job performance is below an acceptable standard and corrective action is required.*

- (3) contain four summary levels. The following terms, SE, ME, NI, and FME will be used throughout this chapter. Elements may modify this terminology but the levels that they represent must conform to the requirements of Title 5, Code of Federal Regulations, Section 430.208, Pattern F.

(CH GUIDANCE)- CH has adopted the above terminology as recommended by DOE-HQ.

The four summary rating levels are defined as follows:

SE: *Both critical elements are rated SE.*

ME: *Both critical elements are rated at ME; or one critical element is rated ME and the other is rated SE.*

NI: *Lowest rated critical element is rated NI, the overall summary rating is NI.*

FME: *One critical element rated FME results in an overall summary rating of FME.*

- (4) have performance standards established at the ME level for both critical elements.
- (5) be reviewed by one level higher than the rating official.

- (6) be recorded on the form attached as an Appendix to this chapter.
(The Managerial/Supervisory Performance Appraisal Form is attached as Appendix 1 to this chapter.)

b. Critical Elements:

All managerial and supervisory performance plans will be comprised of two critical elements, addressing the subjects of Program Accomplishments and Management. The titles of critical elements may differ according to local parameters.

(CH GUIDANCE)- CH has adopted the term “Program Accomplishments” as the title of Critical Element 1 and the term “Managerial/Supervisory Attributes” as the title of Critical Element 2.

- (1) Critical Element I: Program Accomplishments: This element will:

- (a) be directly linked to the supervisor’s organizational strategic plan and, as appropriate, the performance plan of the supervisor’s rating and reviewing officials.
- (b) consist of between two and five critical sub-elements, each sub-element describing a specific and measurable activity and/or work product.

(CH GUIDANCE)- Sub-elements must reflect all Presidential Management Agenda (PMA) goals established by the Department that are specifically applicable to the position and responsibilities of the employee. PMA initiatives are: Budget and Performance Integration, Strategic Management of Human Capital; Competitive Sourcing; Improved Financial Performance; and expanded Electronic Government. In addition to the government-wide PMA initiatives, the Department is assigned a sixth initiative, Better Research and Development Investment Criteria.

Sub-elements must also reflect organizational small business goals as criteria, as appropriate. The Office of Economic Impact and Diversity (ED) has provided the following performance measure for all appropriate key programmatic objectives under Element 1: Promotes the participation of small business in all contracting activities – ensures that contracts are not unnecessarily bundled and that the effects of necessary and justified contract bundling are mitigated through subcontracting opportunities. Any specific effectiveness and efficiency measures related to small business goals, along with the associated execution target(s), should be included as appropriate.

- (c) have sub-elements weighted equally.
- (d) have the standard of performance for all sub-elements written at the ME level.

(2) Critical Element II: Managerial/Supervisory Attributes- This element contains the personal behavioral attributes, grouped into five critical clusters that contribute to successful performance as a supervisor or manager. The relevant attribute clusters are listed in the Supervisory/Managerial Performance Plan form in the Appendix.

- (a) All clusters are to be used to the maximum extent.
- (b) All clusters are to be weighted equally. The standard for performance at the ME level is provided in the Appendix.

5. PERFORMANCE RATING REQUIREMENTS:

a. *The performance period will commence on the first day of each fiscal year and will end on the last day of each fiscal year.*

(CH GUIDANCE)- Managers and supervisors must be on performance plans for a minimum of 90 calendar days in order to be eligible for a rating of record. All managers/supervisors will be placed on performance plans within the first 30 calendar days of the performance period.

b. *At least one progress review is to be conducted and documented by the rating official during the annual performance cycle (i.e. typically at midpoint – March 31). More than one progress review is encouraged in assessing all managers and supervisors serving probationary periods and post-probationers whose performance reflect a need for improvement.*

c. *All managerial and supervisory (including team leaders) employees shall receive performance ratings within 15 working days following the end of the performance period except as follows:*

1. *Employees of rating officials who leave, either through retirement, reassignment, or transfer within 90 calendar days before the end of the performance period will receive a performance rating immediately prior to the rating official's departure when the employees have been on a performance plan for at least 90 calendar days. This will become the rating of record.*
2. *Employees who have not been on performance plans for at least 90 calendar days at the end of the performance period will have their performance period (e.g. for new hires, promotions, reassignments, etc.) extended in order to complete the minimum appraisal period of 90 calendar days.*

d. *If an employee is temporarily detailed or promoted to another position for a period of 90 calendar days or more during a rating cycle and the employee will be reporting to other than his/her supervisor of record during the detail, the detail inheriting supervisor shall conduct an informal assessment of the employee's performance during the detail or temporary promotion and provide it to the supervisor of record for consideration in determining a final performance rating for the employee.*

e. *Employees whose performance is at the FME level at any time after a minimum*

of 90 calendar days on a performance plan and who have failed to improve after counseling from their rating official will be placed on a Performance Improvement Plan and given the opportunity to improve their performance prior to any performance-based action.

f. Performance ratings will be signed by a reviewing official at least one organizational level higher than the rating official.

6. PERFORMANCE AWARDS:

a. Eligibility for Performance Awards:

- (1) All supervisors and managers earning a summary performance rating of SE must be paid a performance award.
- (2) The granting of performance awards to managers and supervisors earning a summary performance rating of ME is at the discretion of the Head of the Departmental Element or designated official. If a Departmental Element wishes to provide performance awards to some, but not all, managers and supervisors with summary ratings of ME, the Element must establish a ranking of all supervisors and managers with ME ratings and grant awards according to ranking. This requirement does not apply if a Departmental Element wishes to grant performance awards to all supervisors and managers with summary ratings of ME.
- (3) Managers and supervisors earning summary performance ratings of NI or FME are not eligible for performance awards.
- (4) Managers and supervisors who have not been covered by this managerial/supervisory performance plan for the minimum appraisal period of 90 calendar days during the annual appraisal period are not eligible for performance awards.

b. Amounts of Performance Awards:

- (1) A manager or supervisor earning a summary rating of SE is entitled to a performance award of the higher amount of: 5% of base pay or an award twice the highest amount of a manager or supervisor who was rated ME and is receiving an award within the Departmental Element.
- (2) Elements have the discretion to pay up to 10% of base pay or \$7,500, whichever is less, to managers or supervisors who are rated SE.

7. RESPONSIBILITIES:

- a. Director of Human Resources Management. Approves exceptions to the requirements for managerial and supervisory performance management program plans contained in this chapter for all Elements other than NNSA.

- b. NNSA Administrator or Designee. Approves exceptions to the requirements for managerial and supervisory performance management program plans contained in this chapter for NNSA Elements.
- c. Heads of Departmental Elements. Request exceptions to the responsible official named in 6.a. or b. above.

8. CONTACT:

(CH GUIDANCE)- DOE-CH questions concerning this policy should be addressed to your servicing Employee Relations Specialist in CH-Human Resources Services.