Department of Energy
Washington, DC 20585

March 21, 2012

MEMORANDUM FOR HEADS OF ALL DEPARTMENTAL ELEMENTS
RESOURCE MANAGERS
HUMAN RESOURCES DIRECTORS

FROM: MICHAEL C. KANE

SUBJECT: Secretary's Memorandum on Improving our Performance-Based Culture

The Secretary recently issued a memorandum announcing that the Department is one of five Federal agencies participating in the Goals-Engagement-Accountability-Results (GEAR) Pilot. All organizational elements except for NNSA are expected to participate in the Pilot. We will start the Pilot in the FY-12 performance cycle, and we expect it to run through the FY-13 performance cycle. This effort will build upon many things we already do to improve the performance-based culture of the Department to maximize mission success. In his memorandum, the Secretary explained what he meant by a performance-based culture. He also asked all employees (including NNSA) to complete a brief online survey to help us gauge where we are today in our performance-based culture. We will use the information gleaned from the survey over the next few weeks to conduct a number of employee and manager focus groups to gain a better understanding of the reasons behind the survey results. Soon, we will be asking for volunteers from throughout the Department (including NNSA) to participate in these focus groups.

The GEAR Pilot itself will include a number of initiatives which aim to:

1. Improve the frequency and effectiveness of documented performance-based feedback from managers to employees;
2. Drive more visible, understandable, and frequently measurable performance goals for each organizational element that cascade from top to bottom; and
3. Integrate workforce planning and development into the Department's planning, programming, budgeting, and execution processes.

Specifically, with respect to improving the frequency and effectiveness of performance-based feedback from managers to employees, supervisors of all non-SES employees should engage in four (4) formal performance-based discussions during the FY-12 performance cycle:

1. Plan Approval: Establish a performance plan that aligns employee performance elements to their work unit's (organizational elements) goals and the Department's strategic goals. (This should have already taken place.)
2. Progress Review 1: A performance feedback session in March/April, which should be documented in ePerformance in the first Progress Review section.
3. Progress Review 2: A performance feedback session in June, which also should be documented in ePerformance in the second Progress Review section.
4. Year-End Rating: At the end of the performance cycle to provide feedback to the employee on their final evaluation.

The focus of all these performance-based discussions should be on how the employee is contributing to the achievement of the organization's goals, where the organization stands in achieving its goals, what is

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The focus of all these performance-based discussions should be on how the employee is contributing to the achievement of the organization's goals, where the organization stands in achieving its goals, what is expected, and what is needed to be successful. We have developed a one-page Progress Review Assessment Tool to help supervisors structure a quality performance-based discussion. On the back, it also provides helpful tips for preventing poor performance. It is attached for your convenience and for further distribution to your managers and supervisors. Although the focus is on completing at least four (4) formal performance-based discussions, supervisors and managers should be engaged in constructive performance-based conversations with their employees on a daily basis. When everyone is engaged, focused, and aligned, there are few surprises.

As part of the systems approach established by the Department to measure and achieve Management and Operational Excellence, we are tracking our progress as a DOE-wide Measure of Performance titled "Performance-Based Culture" at https://powerpedia.energy.gov/w/images/e/e3/MOP40.jpg and also by organization at https://powerpedia.energy.gov/wiki/EPerformance_Implementation.

The Secretary plans to conduct a town hall meeting in April to discuss this important effort to continue to improve the performance-based culture of the Department to maximize mission success. There will be other initiatives associated with this effort as we move forward. We welcome your feedback and suggestions. I encourage you to share this memorandum with your employees. We will only be successful with your strong support and advocacy.

Attachment: Progress Review Assessment Tool for FY 2012

Recommended structure for two-way dialogue during the progress reviews to create a culture of ongoing, continuous feedback between supervisors and employees to improve communication and alert employees on performance status.

Elements of Review	Explanation	Criteria Assessed	Focus of Review
Accomplishments	**What have we achieved:** • at agency level… • at organizational level… • at work unit level… • at individual level…	• Deliverables relative to targets	• Outcomes
Context	**Where are we now?** What is working well? What are the challenge areas?	• Priorities • Milestone expectations • Vulnerabilities	• Status/employee performance pulse check
Planning	**Where do we want to be?** Discussion of Optimal Performance Expectations in what time frame	• What results are we looking for	• Performance Expectations
Inputs	**What do we need?** Identification of resources/training needed for success	• Resources • Identification of success partners	• Discussion of employee developmental needs; Review IDP; identification of other resources needed for success
Process	**How do we go about it?** How will the individual go about getting the work done	• Approach to work • Interpersonal feedback	• Teamwork; Efficiency and Effectiveness

During the progress review, supervisors should communicate to employees whether they are at least meeting expectations or not and this should be documented in the progress review section for each critical element in e-performance.

If an employee is not meeting expectations, then the employee is either in a status of "Needs Improvement (NI)" and should be put on a Performance Assistance Plan (PAP) or a status of "Fails to Meet Expectations (FME)" and should be put on a Performance Improvement Plan (PIP). If you have to do either of these, you should refer to the Supervisory/Non-Supervisory Employee Performance Management and Recognition Desk Reference and work with your employee and/or labor relations specialist.

Please see reverse side for "Tips for Preventing Poor Performance."

Tips for Preventing Poor Performance

The best way for Rating Officials to handle poor performance issues is to take action to prevent performance problems before they occur. Such preventive actions include the following:

- **Communicate clear performance outcomes and expectations to employees.** If an employee doesn't understand what is expected, it will be very hard, if not impossible, for him/her to meet those expectations. Providing clear expectations doesn't necessarily require precisely written, detailed instructions to be laid out on every performance component. Generally, the question one should ask is: "Would a reasonable person understand what is expected?"

- **Provide regular and frequent feedback on performance.** Such feedback, both positive and negative, whether given in regularly scheduled meetings or in unscheduled discussions, is crucial to ensuring that expectations are understood. Frequent feedback lessens the likelihood that an employee will be surprised if it becomes necessary to take formal steps to resolve poor performance. Always look for opportunities to confirm that employees understand what is expected.

- **Reward and recognize good performance formally and informally.** Recognizing good performance is simply another way of clarifying expectations. Recognizing good performance also increases the likelihood that good performance will continue.

- **Make full use of the probationary periods.** Performance problems often first show up during the initial period of Government employment. Generally, a probationary period is one year for competitive service employees and for new supervisors, and one to two years for excepted service employees depending on their appointment authority. The probationary period is designed to give supervisors the opportunity to assess how well an employee can perform the duties of a job. Employees' performance during this time period usually serves as a good indication of how well he/she will perform throughout his/her career. During this period supervisors should provide assistance to help new employees improve their performance while at the same time determine whether or not the employee is suited for a position.

  The lapse of a probationary period without a proper assessment of a new employee's performance may result in future performance problems. The probationary period should always be considered a key period for addressing and resolving poor performance.