



# Performance Culture Nuts and Bolts

*Working for America*

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT



# Message from the President

"We're interested in results, and to be effective, we have to work together and learn from each other."

**President George W. Bush**



# Message from the Director



***“When all is said and done, its about the people – how we manage the people in the government workforce who serve the citizens of our great nation.”***

***- Kay Coles James***

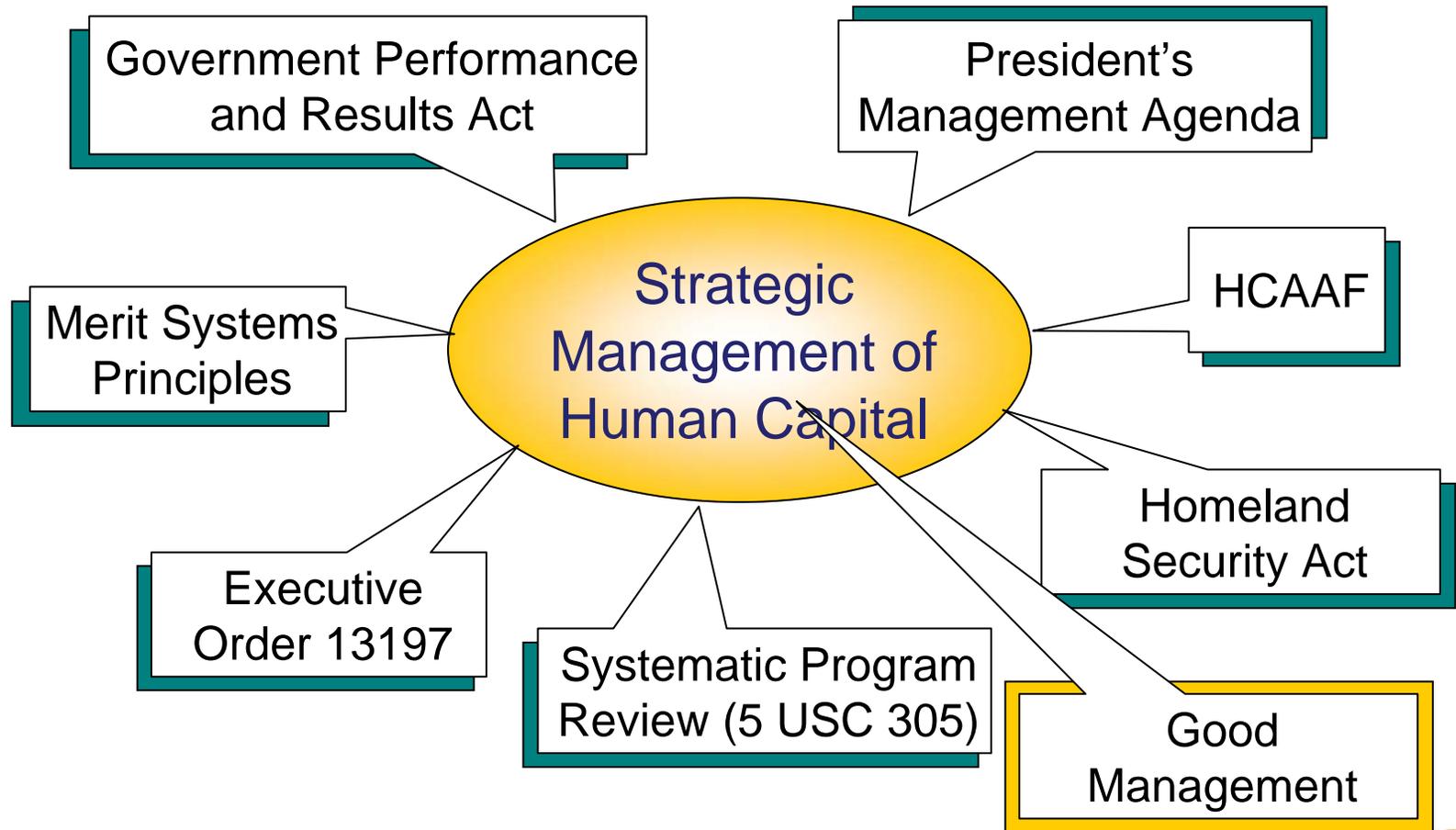


# Session Overview

- Human Capital Environment
- Human Capital Assessment and Accountability Framework (HCAAF)
- How GPRA addresses alignment of mission and goals from the top down
- Balanced Scorecard (BSC) as tool to help align
  - Mobil Balanced Scorecard case study
- Discussion



# Human Capital Environment



# Aligning Human Capital to the President's Management Agenda

## Strategic Management of Human Capital

### Human Capital Standards for Success



### Executive Management Scorecard



## Performance and Results



# HCAAF Standard for Results-Oriented Performance Culture

- Agency has a diverse, results-oriented, high performance workforce, and has a performance management system that effectively differentiates between high and low performance, and links individual/team/unit performance to organizational goals and desired results.



# Performance Culture Standard for Success (results.gov)

- Has performance appraisal plans for all SES and managers, and more than 60% of the workforce, that:
  - Link to agency mission, goals, and outcomes;
  - Hold employees accountable for results appropriate to their level of responsibility;
  - Effectively differentiate between various levels of performance; and
  - Provide consequences based on performance.



# Elements of Alignment

- Common understanding of goals
- Use of complementary measures and information at all levels of the agency:
  - Organizational level
  - Supervisor level
  - Work unit level
- Consistency in:
  - Planning
  - Tracking
  - Analysis
  - Improvement



# Alignment in Federal Agencies

- Most managers and employees cite the performance management system as a way they are held accountable for meeting agency goals
- However, this doesn't mean that performance management systems are aligned with agency strategic goals!
  - GAO found that aligning performance management with organizational missions and goals is still a “work in progress”
- Some federal agencies have had success with systematic approaches



# Elements of Systematic Alignment

- Approaches are systematic if they build in the opportunity for evaluation and learning
- Systematic approaches are:
  - Repeatable
  - Use data and information
  - Make possible improvement and learning

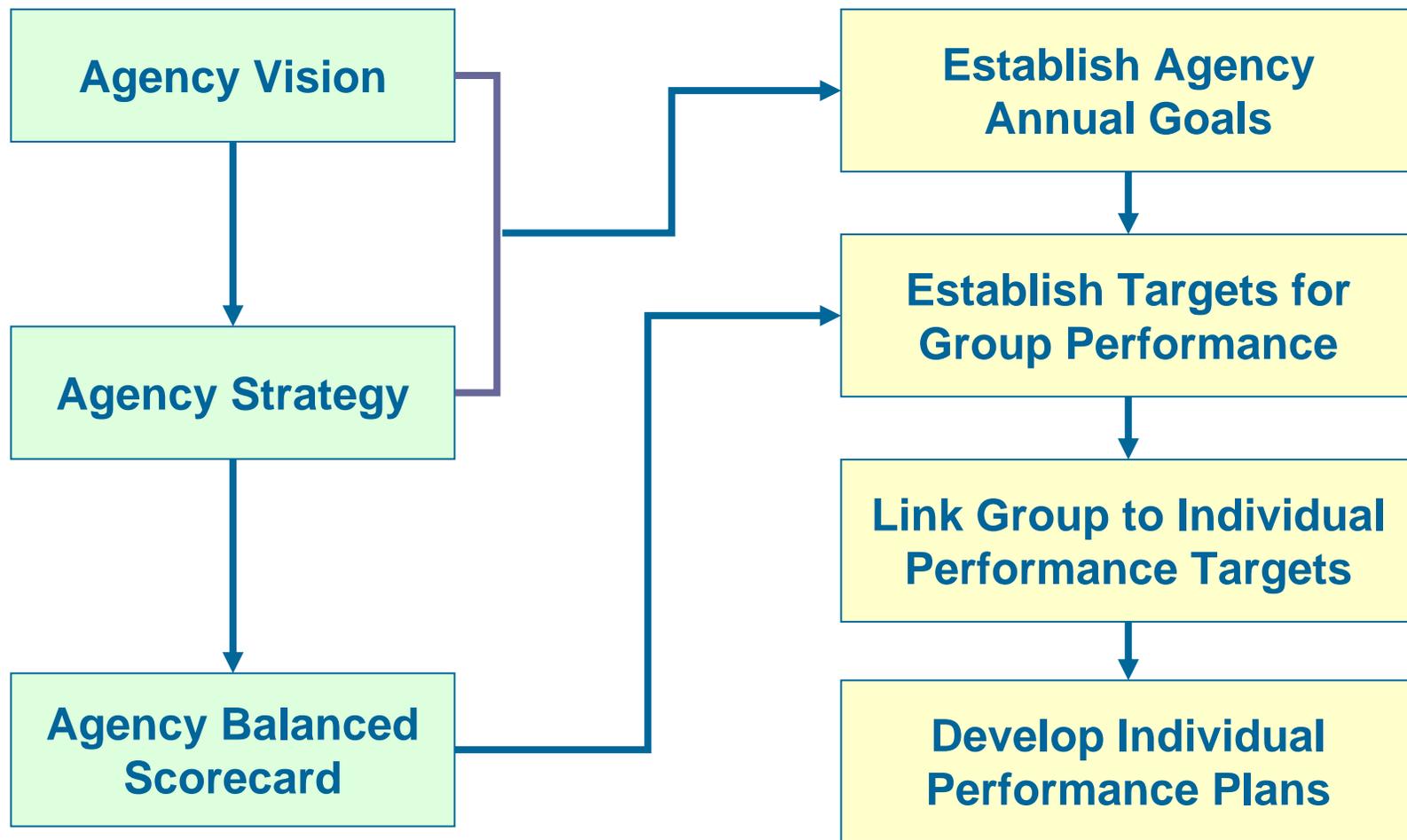


# Examples of Systematic Alignment

- Balanced scorecard
- HR self-assessment
- Rewarding executives based on achievement of agency goals
- Linkage of employee level plans to agency goals
- Automated system to assist linkage (NASA)



# Link Between Balanced Scorecard & Performance Culture



# Case Study: Mobil NAMR Balanced Scorecard (BSC)

- Mobil North America Marketing and Refining (NAMR - a division of the parent Mobil)
- Losing money, last in market
- BSC provided the framework for aligning the business initiatives with the strategic plan
- Individual performance plans linked to BSC objectives – see how individual jobs relate to organization performance
- Communications plan and senior management attention – lots of feedback and support
- Pay linked to results



# Performance Management System/Programs

- Foundation
  - Clear, results-oriented, measurable performance elements and standards for Individual Performance Plans
- Allow for distinct levels in employee performance
- Guide decisions with regard to consequences for poor or superior performance



# Differentiating Levels of Performance

- HCAAF states that agencies must have a system that effectively differentiates between high and low performance
- Assessing Employee Performance
  - How to identify top performers?
  - How to assure that the higher levels are reserved for those who are top performers?
- Performance distribution data
  - Are a high percentage of employees rated Outstanding?



# Link to Rewards

- Performance plans are the basis for formal appraising and rating of employees...
  - ...which may lead to formal rewards or other outcomes
- Can be the basis for informal rewards as well
  - Development opportunities, rotational assignments



# Rewarding Employees: Informal

- NASA Silver Snoopy Award: Why it works
  - Only given to top performers
  - Established performance criteria
  - Clear consequence of top performance
  - Heavily linked to the overall agency mission



# Rewarding Employees

- Many formal Federal performance-based rewards are financial
  - Individual Cash
  - Group Cash
- Pros and cons of monetary rewards?



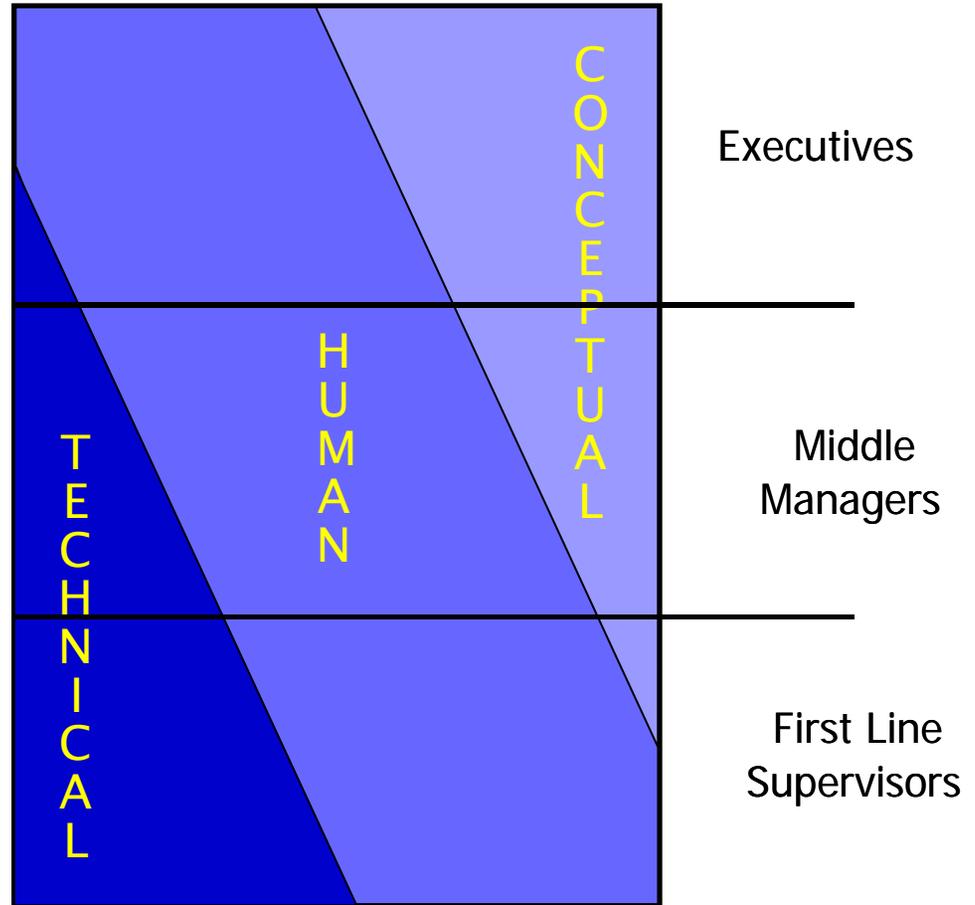
# Supervisor's Role

- Supervisors are one of the keys to establishing and sustaining a performance culture
- Discussion: What do supervisors do that is so important?



# Katz Leadership Model

Each targeted level requires slightly different skill mixes and therefore will have different educational needs.



Adapted from Robert Katz, "Skills of an Effective Administrator, HBR, Sept. – Oct., 1974

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# Communication, Leadership and Employee Performance

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- Good leaders are good communicators
- In any situation, performance depends on knowing what the target is and frequent feedback on the status of efforts at hitting the target
- Employee performance is tied to two-way communication



# Getting to Green

- What does getting to green look like for you?
- Incentives may be necessary to encourage others to help foster a performance-oriented culture, for example:
  - Processes for “owning” organizational goals and objectives from top to bottom of organization
    - Employee involvement
  - Clear management support for accountability
    - Rewards given appropriately
    - Marginal performers addressed promptly and fairly
  - What else have you used?



# Case Examples

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Successes in Performance Management



# Objective: Individual Performance – the Practical Link to Organizational Performance

## Steps involved:

- Develop the Competency Model
  - Knowing what you need for successful performance
- Design performance measures – using benchmarks to define quality levels
  - Link to Performance Activities
  - Clarity of Expectations (supervisor & employee)
- Train managers on the process



# Case Example- Agency A

## ISSUES:

- Needed the flexibility to move staff as needed to accommodate changes, initiatives and priorities
- Wanted to identify, train and develop potential leaders
- Focused on using the SES core qualifications and applying them throughout organization
- Understood that to be successful requires more than technical expertise



# Actions

- Develop the Competency Model
  - Conduct a job analysis to determine critical functions
  - Crosswalk functions to competencies required
  - Gather subject matter expert input on competencies



# COMPETENCY-BASED PERFORMANCE BENCHMARKS

- Levels of Performance (e.g., Outstanding, Exceeds Expectations, Meets Expectations, etc.)
- Each Level Will Include:
  - Definition
  - Examples
- Provide Clear and Concise Expectations



# Competency and Level Definition

- **Levels of Performance Example:**
- ***Teamwork:***
  - Exceeds Expectations/Outstanding – *Coordinates group's work efforts and monitors progress toward attaining team goals. Facilitates or leads group discussions, and information sharing.*
  - Meets Expectations/Fully Successful – *Cooperates with others to establish priorities and develop work plans. Contributes to group discussions and information sharing.*
  - Does Not Meet Expectations/Unacceptable – *Is unwilling to participate in team projects or if assigned does not contribute to team effort.*



# EXAMPLE: TEAMWORK

<b>MEETS EXPECTATIONS</b>	Cooperates with others to establish priorities and develop work plans. Contributes to group discussions and information sharing.	<ul style="list-style-type: none"><li>•Accepts responsibility for specific tasks.</li><li>•Communicates with team members and generally conducts follow through.</li><li>•Attends and participates in meetings.</li><li>•Is willing to work with team members to organize necessary information and materials.</li><li>•Retrieves information but may provide little or no analysis.</li><li>•Accepts additional responsibilities when new tasks are assigned.</li><li>•Assists with eliminating team backlogs.</li></ul>
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# Results

- Competency requirements for team leader, supervisor and manager
- Competency requirements for all professional occupations
- Outcomes of performance appraisal will be self-development plan
- Self development plan will guide the training and development opportunities to be offered and fiscal allocations necessary.
- Competencies and the development of them will ensure organizational effectiveness



# Case Example- Agency B

## ISSUES:

- Understanding performance management is a continuous process of evaluating results
- Educating supervisors on the use of performance management system



# Actions

- Agency-aligned Unit goals and objectives to overall goals and objectives in strategic plan
- Agency-developed individual performance measures that connected to Unit goals and objectives
- Agency-trained supervisors and employees on use of performance management system



# Results

- Educated supervisors on effective performance management
- Discussed with supervisors the importance of ongoing feedback to employees
- Trained supervisors on use of competency based performance measures
- Enlisted support for clear expectations



# Contact Information

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[www.opm.gov](http://www.opm.gov)

[Jeffrey.Risinger@opm.gov](mailto:Jeffrey.Risinger@opm.gov)

