



U.S. DEPARTMENT OF THE INTERIOR

SENIOR EXECUTIVE SERVICE

PERFORMANCE AGREEMENT AND APPRAISAL SYSTEM

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U.S. DEPARTMENT OF THE INTERIOR  
SENIOR EXECUTIVE SERVICE  
PERFORMANCE MANAGEMENT SYSTEM

SECTION I: AUTHORITY AND PURPOSE

- A. This document constitutes the system for managing the performance of all members of the Senior Executive Service (SES).
- B. Chapter 43 of Title 5 United States Code, Section 4312, requires that each agency establish one or more SES performance management systems.
- C. This SES performance management system is designed to hold senior executives accountable for individual and organizational performance. The purposes of this system are to:
  - 1. Promote excellence in senior executive performance;
  - 2. Link executive performance to organizational goals.
  - 3. Hold executives accountable for results, with credible measures, that are expected to be achieved during the rating period;
  - 4. Establish and communicate individual and organizational performance goals, expectations, objectives and document significant accomplishments;
  - 5. Systematically appraise executive performance using measures that balance individual results and the needs of customers and employees (and other stakeholders) regarding business needs and requirements.
  - 6. Use performance results as the primary basis for determining SES pay, awards, training, retention, removal, and other employment decisions.

## SECTION II. COVERAGE

This system covers all Department SES employees including Presidential appointees who have elected to retain their eligibility for SES pay and eligibility for performance and awards under 5 USC 3392 (c).

## SECTION III. REFERENCES

5 USC 4312 - SES performance appraisal systems (law)

5 CFR 430.301 through 430.312 (regulation)

5 CFR 451.101 through 451.203 (regulation)

## SECTION IV. DEFINITIONS

- A. Annual Summary Rating - The official rating level that the Appointing Authority or his/her designee assigns at the end of the appraisal period after considering recommendations made by the appropriate Performance Review Board (PRB).
- B. Appraisal Cycle - The established period of time for which a senior executive's performance is appraised and rated.
- C. Balanced Measures - A quantifiable approach for evaluating job performance that seeks equilibrium in the achievement of organizational results among:
  - 1. Stated mission objectives;
  - 2. Customer Satisfaction; and
  - 3. Employee and other stakeholder perspectives regarding business needs and requirements (e.g. resource allocation, program planning, management guidance, training and development, etc.).
- D. Performance Element - A key component of an executive's work that contributes to the achievement of organizational goals and objectives and is so important that unsatisfactory performance of the element would result in unsatisfactory job performance.

- E. Executive - A member of the Senior Executive Service; also referred to as a “member,” a “senior executive,” or an “SESer”.
- F. Initial Summary Rating - The summary rating prepared by the senior executive’s rating official.
- G. Performance Agreement - The written description of work a senior executive is expected to accomplish during the appraisal cycle and the desired results against which job performance will be evaluated.
- H. Performance Appraisal - The review and evaluation of a senior executive’s job performance against elements established at the beginning of the appraisal period.
- I. Progress Review - A review of the senior executive’s progress in meeting established performance requirements/standards. A progress review generally occurs mid-way through the appraisal cycle.
- J. Rating Official - Generally the executive’s immediate supervisor.
- K. Reviewing Official - A higher-level management official, often one level above the rating official, who will review an initial rating at the request of rated executive.

## SECTION V. POLICY

It is the policy of the Department:

- that Senior Executive Service performance plans clearly link to the Department’s mission, GPRA strategic goals, program and policy objectives, and/or annual budget priorities;
- that Senior Executive Service performance plans hold executives accountable for aligning the performance plans of their subordinates with organizational goals and for rigorously appraising employee performance using clear, measurable standards and timeframes;
- that Senior Executive Service performance plans reflect expected results, outcomes and outputs, performance targets or metrics, policy/program objectives and/or milestones, and are stated in terms of observable measurable and/or demonstrable performance;

- that Senior Executive Service performance plans contain measurable results that account for at least 60% of the summary rating;
- that Senior Executive Service performance plans be developed with the input and involvement of the SES employees, are communicated to them at the beginning of the rating period, and at appropriate times thereafter (such as a mid-year progress review);
- that Senior Executive Service performance plans take into consideration appropriate indicators of employee and/or customer feedback;
- that oversight be exercised by the Secretary or his/her designee to ensure that meaningful distinctions are made in the levels of performance, results of the appraisal process are based on the Department's assessment of its performance, and rewards accurately reflect individual performance or contribution to the Department's performance;
- that training and information are provided to executives covered by this system, officials who manage executives, and officials who assist executives on the requirements of the Department's pay-for-performance system, how it operates, the preparation of performance plans, conducting progress reviews, rating executives, and using appraisals as a factor in making recognition decisions.

## SECTION VI. BASIC RESPONSIBILITIES

### A. The Executive Resources Board:

1. The Executive Resources Board (ERB) is delegated the authority to perform the functions vested in the head of the agency under title IV of the Civil Service Reform Act of 1978 (P.L. 95-454), as amended, and section 506 of the Ethics Reform Act of 1989 (P.L. 101-194) relating to the Senior Executive Service within the Department.
2. The ERB establishes one or more Performance Review Boards (PRBs)\* and selects members to serve on the PRB. More than one-half of the PRB shall be career SES members when performance of career executives is being reviewed. The PRBs shall consist of at least three individuals. Notice of appointment to the PRB is published in the Federal Register.

\*The Inspector General may establish a separate PRB for SES members assigned to the Office of Inspector General (OIG).

3. The ERB approves the Department's SES Performance Agreement and Appraisal System, regulations, policies, forms and instructions.
  4. The ERB reviews and decides which SES Presidential Rank Award nominations will be forwarded to the agency head, and to the Office of Personnel Management for government-wide competition.
- B. The Agency head or his/her Designee:
1. The Agency head or his/her designee approves annual summary ratings of SES members, performance awards, and salary level adjustments based on the recommendations made by the Performance Review Boards.
- C. The Executive Resources Division, Office of Human Resources:
1. Develops policy and procedures governing an SES performance management system established within the Department;
  2. Ensures appropriate training and guidance is provided to senior executives and their supervisors to implement the SES performance management system; and
  3. Periodically monitors and evaluates the effectiveness of the performance management system;
- D. The Rating Official:
1. Consults with senior executives at the beginning of the appraisal period and establishes individual performance plans;
  2. Monitors executive performance and provides feedback during the appraisal cycle;

3. Conducts at least one formal progress review for each executive to identify progress and/or performance deficiencies, and maintains the necessary records to document job performance;
4. Appraises the job performance of senior executives, prepares the initial summary rating, communicates organizational results, and furnishes signed initial summary ratings; and
5. Proposes appropriate actions for senior executives whose performance is less than Fully Successful.

E. The Reviewing Official:

1. Upon request of an individual senior executive, reviews an initial summary rating; and,
2. For those executives who indicate disagreement with the initial summary rating, the reviewing official will prepare a written response for the rated executive and the PRB.

F. The Performance Review Boards:

1. Must review all SES initial summary ratings for reasonableness and equity to ensure that an executive's performance merits the initial summary rating given; and
2. Make recommendations concerning annual summary ratings, pay level adjustments and performance bonuses to the Agency Head or his/her designee (PRB members may not take part in any deliberations involving their own performance appraisals or those of their immediate supervisors).

## SECTION VII. PERFORMANCE APPRAISAL PERIOD

- A. The minimum period of performance for which a senior executive may receive a valid appraisal is 90 days.
- B. The annual SES performance appraisal cycle is established as October 1 through September 30. A written performance plan is provided at the beginning of the rating cycle and/or upon entry to an SES position.

- C. Appraisals will not be provided to executives within 120 days of the beginning of a new Presidential administration [5 CFR 430.304(c)(iii)], except in cases in which an outgoing political appointee is subject to the preparation/receipt of an interim rating. This moratorium may delay SES appraisal and rating actions, however, it does not extend the length of the annual performance appraisal cycle.
- D. When there is no adequate basis on which to appraise a senior executive's job performance (e.g. extended sick leave pending disability retirement), the Executive Resources Division will determine appropriate action and inform agency management officials.

## SECTION VIII. PLANNING AND COMMUNICATING PERFORMANCE

- A. SES performance agreements are developed through consultations between the rating officer and the executive at the beginning of the annual appraisal cycle and/or upon entry to an SES position. Each agreement will consist of 1) a Departmentwide element and 2) at least two position-specific elements. The Departmentwide element reflects the core values of the Department and is shared by all executives. It includes strategic alignment, leadership, equal employment opportunity, supervision, internal controls and business results, and employee and customer perspectives and/or feedback. Position-specific commitments are specific to individual executives and the programs they direct. Position-specific commitments:
  - 1. are established to address individual and/or organizational goals;
  - 2. are to be written with the focus on the measurable results expected to be achieved by the senior executive;
  - 3. must be clear as to what constitutes success;

4. must be consistent with the duties described in the senior executive's position description for which the senior executive will be accountable;
  5. are written to describe performance at the Fully Successful level;
  6. are based on objective, measurable, observable and/or demonstrable criteria.
- B. Both the rating official and the senior executive will sign and maintain a copy of the performance agreement.

## SECTION IX. MONITORING PERFORMANCE

- A. The supervisor must conduct at least one progress review with an executive during the appraisal cycle, providing feedback about how well the executive is performing against the established performance agreement. Frequent informal performance discussions are strongly encouraged to provide feedback on the executive's progress in accomplishing the job elements and to provide advice and assistance on performance improvement as needed. In addition, the rating official will:
1. Provide written documentation if progress on a job element is less than Fully Successful. This documentation must include a review of progress, deficiencies, and any steps taken or needed to reach the Fully Successful level; and
  2. Discuss/communicate any and all changes to established performance requirements with the senior executive.
- B. Both the rating official and the senior executive will sign the appraisal form to indicate the date the progress review occurred.

## SECTION X. APPRAISAL/RATING PROCESS

- A. At the end of the appraisal cycle, each senior executive provides

his/her written accomplishments to the rating official. These accomplishments address the performance elements established in the performance agreement.

B. The rating official will appraise an executive's job performance based on the performance requirements established at the beginning of the appraisal period. The rating levels assigned by the rating official to the performance elements will be based on the extent to which the executive's performance met the rating level definitions described on form DI-2011. Appraisals of executives must be based on both individual and organizational performance, taking into account such factors as:

1. Results achieved in accordance with the Department's strategic planning initiatives;
2. Customer satisfaction;
3. Employee and other stakeholder perspectives regarding business needs and requirements (e.g. resource allocation, program planning, management guidance, training and development, etc.);
4. The effectiveness, productivity and performance of the employees for whom the senior executive is responsible;
5. Contributions to the achievement of equal employment opportunity and diversity goals; and
6. Compliance with merit system principles.

C. Element Rating Definitions

Each element has five rating levels, defined as follows:

1. Unsatisfactory: Performance fails to demonstrate the Fully Successful level of accomplishment or progress toward the agreed-upon critical action, objective and/or desired result to such an extent that it results in demonstrable negative consequences for the organization.

2. Minimally Successful: Performance is between the levels described for Fully Successful and Unsatisfactory. Overall performance was marginally acceptable and occasionally less than Fully Successful. The executive had difficulties in meeting performance expectations. Actions taken by the executive were sometimes inappropriate or marginally effective.
3. Fully Successful: Performance demonstrates the Fully Successful level of accomplishment through observable outcomes or achievement of or substantial progress toward agreed-upon critical actions, objectives, and/or desired results. Expectations were consistently met with solid, dependable performance. Performance reflects notable achievements and the executive regularly demonstrated the ability to meet the difficult and complex requirements inherent in SES positions, while consistently demonstrating the highest level of integrity and accountability in achieving all program objectives and management goals. No areas of performance are deficient.
4. Superior: Performance is between the levels described for Exceptional and Fully Successful. Performance outcomes and results of the executive's leadership surpassed expectations by exceeding the majority of performance requirements. Effectiveness and contributions may have had an impact beyond the executive's purview and performance is well beyond what is expected or required for the position. Consistently demonstrated the highest level of integrity and accountability in achieving all program objectives and management goals. Served as a source of leadership and motivation for peers and subordinates.
5. Exceptional: Consistently delivered on assignments and commitments; displayed outstanding leadership in promoting the organization's strategic goals and initiatives; demonstrated the highest levels of integrity and accountability in achieving program and management goals. Contributions had an impact beyond the executive's

immediate purview. Executive exerted a major positive influence on management practices, operating procedures or program implementation, which contributed substantially to organizational change, growth and recognition. This executive's expertise, advice and opinions are sought and respected by peers.

D. Converting Element Ratings to an Annual Summary Rating

The formula established to convert the individual element ratings into the appropriate Annual Summary rating levels is as follows:

1. Unsatisfactory: rated Unsatisfactory on any element.
2. Minimally Successful: Rated Minimally Successful on any element; no elements are rated Unsatisfactory.
3. Fully Successful: rated Fully Successful or higher on all elements.
4. Superior: rated Superior on 75% or more of the elements; no elements rated below Fully Successful.
5. Exceptional: rated Exceptional on 75% or more of the elements; no elements rated below Superior.

These definitions describe the minimums for each rating level. If the individual ratings on the elements meet the definition for a higher summary rating level, the higher summary rating level applies.

E. Both the rating official and senior executive will sign and maintain a copy of the initial summary rating.

F. An executive who disagrees with the initial summary rating may request a higher level review as follows:

1. The senior executive must request a higher level review in writing within ten days of receipt of the initial summary rating.
2. The higher level review must occur prior to submitting the rating to the Performance Review Board.

3. The reviewing official will review the initial summary rating, the executive's written request, and any other pertinent materials.
  4. The reviewing official must prepare a separate written finding and recommendation to the PRB. The reviewing official may not change the initial summary rating but may recommend a rating other than that assigned by the rating official. A copy of the reviewing official's finding must be provided to the senior executive, the rating official and the PRB.
  5. The Performance Review Board will consider the initial summary rating, the executive's request and the reviewing official's written findings and recommendations and whatever other input the Board believes would be beneficial to full understanding of relevant issues. The PRB will provide a written recommendation reflecting a majority opinion to the Agency Head or his/her designee regarding the annual summary rating.
- G. When there is no request by an executive for a higher level review, the PRB will review the appraisal to determine whether the initial summary rating is supported by examples provided in the narrative section (Part V) of the appraisal. The PRB will then provide a written recommendation that reflects the majority opinion concerning the annual summary rating level. The PRB also may use additional criteria in making these recommendations, such as:
- the relative value of the executive's achievement to the accomplishment of organizational goals;
  - the degree of difficulty inherent in successful achievement by the individual;
  - the extent to which the achievement was characterized by strong executive leadership and significant contributions in the formulation of agency policies and programming;
  - effective supervision and development of subordinates;

- evidence that an executive actively promotes leadership and management training at the organizational unit level and applies the principles of that training to foster organizational improvement;
- the extent of demonstrated, highly developed expertise;
- achievements in cost reduction, efficiency, quality of work, productivity, and timeliness to the end of improving managerial flexibility and effectiveness;
- meeting EEO/affirmative employment goals;
- achievements in identifying and correcting problems of waste, fraud, abuse, or mismanagement; and
- evidence of effective performance management and evaluation of subordinates as demonstrated by timely submission of subordinates' appraisals and their clear linkage to organizational goals.

H. The Agency Head or his/her designee will consider the recommendation of the PRB in assigning the annual summary rating for each executive.

I. Senior executive performance appraisals are not appealable.

## SECTION XI. POSITION CHANGES

Exhibit A addresses situations where executives have been reassigned, transferred, appointed, converted, detailed, or whose supervisor has changed during the performance appraisal period.

## SECTION XII. PAY AND RECOGNITION DETERMINATIONS

### A. Actions Based on Performance

#### 1. Awards

- a. A career executive, whose annual summary rating is at least Fully Successful at the end of the performance cycle is eligible for SES performance award consideration under 5 CFR 534 Subpart D. When recommending performance awards, the following factors may be considered: 1) the complexity of the position occupied, 2) the extent to which the executive's contributions met organizational goals and objectives, 3) criteria listed in Section IX, item F, 4) other performance-related criteria deemed appropriate by the PRB or the Appointing Authority or his/her designee.
- b. A noncareer or limited term executive is not eligible for a performance award. These executives may be considered for other recognition under 5 CFR 451 Subpart A. Awards under this section—such as special act cash awards—must be commensurate with the value of the accomplishment and its overall benefit to the government. The maximum amount the Department can approve for special act cash awards is \$10,000.

## 2. Pay Adjustments

Increases or decreases in SES pay rates for career, noncareer, and limited term executives will be based on annual summary performance ratings.

## 3. Presidential Rank Award

The selection of career SES nominees for Presidential Rank Awards is based on a record of sustained exceptional executive performance over multiple annual performance cycles.

## B. Actions Based on Less than Fully Successful Performance

### 1. Minimally Successful Performance

During the appraisal period, if performance on one or more critical element(s) is determined to be Minimally Successful, that determination must be documented following a progress review and written notification of such findings to the senior executive. The documentation must include identification of

the critical element(s) and performance requirement(s) involved, and a narrative description of the performance deficiency in comparison to the performance requirement(s). The rating official and executive must discuss activities such as formal training, on-the-job training, counseling and/or closer supervision to improve performance on any element rated Minimally Successful. The assistance must be summarized in writing and a copy provided to the executive. If performance does not improve by the end of the appraisal period and the executive is given an annual summary rating of Minimally Successful, consideration should be given to reassigning the executive.

If an executive whose performance was found to be Fully Successful or higher at the time of the annual progress review is then rated Minimally Successful on the annual summary rating, the rating official must document the Minimally Successful performance on the appraisal form and discuss with the executive those activities (formal training, on-the-job training, counseling and/or closer supervision) that will improve performance on any element rated Minimally Successful. This assistance must be summarized in writing and a copy provided to the executive.

An executive who receives less than a Fully Successful annual summary rating twice in any three-year period must be removed from the SES.

## 2. Unsatisfactory Performance

During the appraisal period, if performance on one or more elements is determined to be Unsatisfactory, that determination must be documented in writing and assistance provided as described in B.1. above.

At the end of the appraisal period, if performance on one or more elements is determined to be Unsatisfactory, the rating official must document the Unsatisfactory performance on the appraisal form. An executive who receives an Unsatisfactory

annual summary rating must be reassigned or transferred within the SES to another position, or removed from the SES.

An executive who receives two Unsatisfactory annual summary ratings in any five-year period must be removed from the SES.

### C. Other Actions Based on Performance

Other actions may be appropriate, such as reassignments, training and development, pay reduction, and continual learning.

An executive may not appeal the lack of (or amount of) a pay increase or performance recognition. Executives have the right to respond in writing to the initial summary rating made by the rating official. This response becomes part of the appraisal.

A career SES appointee may file a complaint with the Office of Special Counsel regarding any aspect of the rating process which he/she believes to involve a prohibited personnel practice (5 CFR Part 4).

## SECTION XIII. TRAINING

Training and information on the requirements of the Department's pay-for-performance system, how it operates, the preparation of performance plans, conducting progress reviews, rating executives and using appraisal information as a factor in making other management decisions will be provided to executives covered by this performance management system and to officials who manage and assist the SES employees. Such information and program guidance is designed to ensure that the performance management system is clearly understood and operates effectively.

## SECTION XIV. RECORDKEEPING AND RECORD USES

- A. Performance records for SES members are retained for five consecutive years. When an executive transfers to another agency, the Employee Performance Folder containing all pertinent performance records is forwarded to the gaining agency.
- B. When a career SES member accepts a Presidential appointment, the

executive's performance folder will be retained as long as the executive remains under that Presidential appointment. If the individual does not return to an SES position when the Presidential appointment ends, the Employee Performance Folder shall be disposed of in accordance with proper procedures.

- C. When performance-related documents are needed in connection with ongoing, quasi-judicial or judicial proceeding, they may be retained for as long as necessary beyond the established retention schedule.

## SECTION XV: EVALUATION

Periodically the effectiveness of the SES Personnel Management System will be assessed. Improvements will be implemented as appropriate.

**EXHIBIT A – PROCEDURES FOR CERTAIN SITUATIONS**

Requirements for Performance Agreements, Initial Summary Ratings and Annual Summary Ratings of Record

<b>Event</b>	<b>Performance Plan for New Position</b>	<b>Performance Rating(s)</b>
The appraisal cycle begins (October 1)	Establish SES performance agreement immediately.	At the end of the appraisal cycle (September 30), provide a rating. This is the initial summary rating.
An individual is appointed to the SES, converted to the SES, or is reinstated from outside the government into an SES position.	Establish performance agreement immediately.	Provide a rating at the end of the appraisal cycle (September 30). If less than 90 days remain in the cycle, extend the appraisal period until at least 90 days are reached then provide a rating. This is the initial summary rating.
Executive changes SES positions within the Department during the appraisal cycle.	Establish an agreement for the new position provided there are at least 90 days left in the appraisal cycle.	Provide a departure rating at the time of position change if executive was under a SES plan for at least 90 days in the former position. This is used as input for the initial summary rating of record at the end of the appraisal cycle.
The executive transfers from an SES position in another agency to an SES position in the Department.	Establish performance agreement immediately	Obtain departure rating from former agency. At the end of the appraisal cycle, rating official considers all departure ratings when preparing the initial summary rating. If departure rating from former agency is a current annual summary rating, it can be referred to the PRB.

<p>The executive is detailed or temporarily assigned to another SES position within the Department, and the duration of that assignment is expected to be at least 90 days within the appraisal cycle.</p>	<p>Establish performance agreement for the detail/temporary assignment.</p>	<p>a. Prepare a departure rating at the expiration of the detail (or at the end of the rating cycle) if the executive served under a plan for at least 90 days.</p> <p>b. At the end of the appraisal cycle, rating official considers all departure ratings for the appraisal cycle when preparing the initial summary rating.</p>
<p>The executive is detailed or assigned outside the Department and the duration of that assignment is expected to be at least 90 days.</p>	<p>Every reasonable effort must be made to ensure that a performance agreement is established while on detail outside the Department.</p>	<p>a. Rating official of record in the Department provides a departure rating at the time of position change if the executive served under a plan for at least 90 days.</p> <p>b. Rating official of record in the Department should make reasonable efforts to obtain departure rating from the supervisor of the detail when the detail ends, especially if the employee did not serve under a Department plan for at least 90 days during the appraisal cycle.</p> <p>c. Rating official of record considers all relevant departure ratings for the appraisal cycle in preparing the initial summary rating.</p>
<p>Before the end of the appraisal cycle, the executive embarks on long-term training and does not return by the end of the appraisal cycle.</p>	<p>N/A</p>	<p>Provide a departure rating at the time the executive embarks on training if the executive served under a performance plan for at least 90 days. This becomes the initial summary rating.</p>
<p>The executive transfers to a new agency after serving under a performance plan for at least 90 days</p>	<p>N/A</p>	<p>Provide a departure rating and forward it to the new agency.</p>
<p>For other situations, contact the Executive Resources Division, Office of Human Resources.</p>		