

SES Modified Performance System [23]

NOTE: The content of this document has not been reviewed by legal counsel, nor does it represent a consensus view of the Design Team or indicate any kind of preference among options presented to the Senior Review Committee.

Summary Description:

- This performance system is based on the Senior Executive Service performance appraisal system, and utilizes Performance Review Boards (PRB's) to oversee all performance ratings and thereby ensure consistency, fairness, and uniformity of ratings and awards outside of local jurisdictions.
- The PRB's serve as the final reviewer for all performance ratings and awards and, in a performance based pay system, pay decisions.

Key Features:

Coverage:

This option is designed to cover all DHS employees who are now covered by chapter 43 of title 5. It could also cover all TSA employees under the authority provided by law to the TSA Administrator.

- This option provides for enhanced planning and communicating of performance expectations, identifying performance elements and the requirements against which performance will be assessed, monitoring performance, appraising and rating performance, and using performance results as the basis for pay, awards, and other personnel decisions.
- This option has a built in review process prior to the issuance of the final rating. No appeals or review would be allowed once the final rating has been issued or served.
- This option uses a Performance Review Board (PRB) to review ratings, awards, and, under a pay for performance system, pay decisions, to ensure consistency, fairness and uniformity across an organizational entity.
- All award and pay decisions would be held until all ratings are served and final.
- The option allows for a higher (2nd level) review prior to submission to the PRB, for rating of less than Fully Successful.
- The PRB is comprised of three supervisors/managers from outside the immediate chain of command of the employee.
- The PRB serves as the sole opportunity for review before a final rating is issued.

Sub-Options:

- The PRB could make recommendations to a final approving authority on performance, award and pay decisions
- The PRB could be used only to review:
 - An unsatisfactory rating; or
 - Any rating other than fully successful.
 - Employee disputes.
- In cases where there is limited use of the PRB by a majority of the employees, a sampling of ratings or awards will be conducted by the PRB to ensure uniformity with parallel entities.

Other:

- Employees would be allowed to opt for a personal presentation to the PRB to state their case.
- In cases where the board recommends lowering the current rating, the board proposal would be documented and the employee would be notified. The employee would be allowed to address the

deciding official before a final decision has been issued.

- The PRB reviewing bargaining unit appraisals and awards could include a union official as a panel member.
- All recommendations issued by the PRB should be published (on a web site) for all employees to view. This information would be in big picture format and would not link individual identifiers.
- Permit appeals limited to process issues. Appeal would be submitted to Human Resources officer or designee.

Relation to Other Options:

- This option covers the performance management system.
- It could work with any pay, classification, labor relations, discipline and appeal system. This option could support a pay for performance system, since there is a built in internal third level of review which ensures timely performance rating and pay decisions.

Implications (This section contains "possible advantages/benefits" and "possible problems/challenges" and "other implications" suggested by design team members. The views expressed in these "implications" represent the opinions of one or more members of the design team and therefore reflect sometimes opposing points of view. These opinions do not reflect the collective judgment of the entire design team on any of the issues addressed, nor have they been reviewed by legal counsel.):

Possible Advantages/Benefits

- This process could ensure a more timely resolution of employee disputes over performance ratings, which might lessen friction in the workplace resulting from such disputes.
- The PRB members could have a broader overall organizational perspective to ensure consistency, fairness and uniformity of ratings and awards.
- The system could be open and transparent because the members of the PRB would be known. The employee is aware of the supervisor's rating and can opt to comment to the PRB in writing. The employee could also receive a written record of any decision the board offers.
- Oversight by the PRB might encourage supervisors to pay more attention to the process.
- Permits quick resolution of performance issues to ensure timely pay decisions.

Possible Problems/Challenges

- This system will require additional time spent by supervisors and Panel members on the evaluation and appraisal of employees, which could impact the accomplishment of work.
- Some believe that not providing external appeal rights to an independent third party could reduce management accountability and may lessen acceptance of the system.
- Some employees may be concerned about review of employee ratings by members of Performance Review Board who do not have direct knowledge or observation of employee performance.
- Some believe that not allowing collective bargaining over system design would be contrary to the intent of the Homeland Security Act and lessen employee acceptance of the system.
- If the sub option to include union members on the PRB is adopted, then several problems may arise. The union representative may be viewed as a token representative or may have a conflict of interest if the union is also representing an employee before the PRB.

Other Implications

- There may be cases where the employee wants to expand on comments that the supervisor wrote into the performance evaluation as well as defending against weak comments. As a result write

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- ups to the board could become larger as employees become aware of board decisions.
- Supervisors will need training so they have the resources and skills to properly administer the system.

Cost

- Costs would be associated with convening PRB's; however, they may be offset by the resources used currently within the appeals process.

Evaluation in Terms of Guiding/Design Principles:

Mission Centered

- This option is designed so that only impartial managers who actually do the work of DHS and know its importance would review ratings and awards. As a result, managers may be in a better position to recognize employee accomplishments as they relate to strategic goals and mission objectives.

Performance Focused

- This option is designed to fairly, quickly and correctly review performance and awards by impartial managers. This built in review process could ensure that all performers in different areas are rated and awarded in a similar fashion.

Contemporary and Excellent

- The professional-based SES Model offers the opportunity to apply a system designed for the agency leaders to all department employees
- With the opportunity of a third party review, managers will most likely place greater focus on the interaction with employees and documentation of performance.

Generate Trust and Respect

- By having an impartial third-party review, trust in the system may be enhanced.
- Since employees will have the opportunity to provide input and feedback directly to the review panel, there could be an enhanced feeling of empowerment.
- Decisions by the board may reinforce communication of goals to other employees and enable those employees to compare their performance against other employee achievements.

Based on Merit System Principles and Fairness

- An objective review board will increase consistency of ratings across an organization and greatly contribute to the fair and equitable treatment of all employees.
- The impartiality of a third party review could protect against improper influences in decision making.
- System could promote consistent and equitable variable pay based on employee performance.

Transition & Implementation:

- The PRB process would operate best if incorporated into an electronic format, whether that would be as simple as requiring all input be placed in electronic forms, or through use of a performance management automated system.

**Detailed Description
By System Component and System Element**

P Performance Management System		
System elements:		Summary description:
1	Purpose	<ul style="list-style-type: none"> • This management process utilizes a Performance Review Board (PRB) to oversee the uniformity, consistency and transparency of ratings and awards. • This is a performance review process and is intended to work with any performance management system.
2	Measures	<ul style="list-style-type: none"> • This option is dependant upon the measures outlined and provided within the approved performance management program to which it is applied.
3	Appraisal	<p><i>The below option identifies the key features of this process and can be modified as outlined under the Sub-Options portion.</i></p> <ul style="list-style-type: none"> • Once the initial rating has been assigned by the supervisor, an employee can either agree or disagree with that overall rating. • If the employee agrees with the rating, that appraisal is submitted to the PRB . • If the employee disagrees with the rating, there are two possible courses of action: <ul style="list-style-type: none"> ○ The employee provides a written statement addressing concerns to be forwarded to the PRB. <li style="text-align: center;">or ○ The employee provides a written statement addressing concerns and also requests a higher level of review prior to being forwarded to the PRB. The higher level would then review the initial rating and the written statement and issues a recommendation to be considered by the PRB. • The PRB would consist of members that are at the same level or greater to the initial reviewer. • The PRB reviews all ratings for consistency and makes a recommendation to the approving authority. • The approving authority then issues the final rating. No further reviews or appeals are permitted to this process.
4	Communication vehicles	<ul style="list-style-type: none"> • Communication from managers to employees (via a work plan) at the commencement of the rating year is paramount to arriving at a clear understanding of expectations. • Open dialogue during the course of the rating year backed up by formal reviews bi-annually.
5	Appeals	<ul style="list-style-type: none"> • The PRB will be the sole review process. No further appeals will be allowed.
6	Evaluation	<ul style="list-style-type: none"> • DHS wide surveys of all participants to measure the extent of consistency (final ratings & awards) achieved throughout this process.