

Department of the Interior Departmental Manual

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Series: Personnel Management

Part 370: Departmental Personnel Program

Chapter 430: Managing Senior Executive Performance

Originating Office: Office of Personnel Policy

370 DM 430, Subpart C

1. **Purpose and Authority.** This chapter establishes the Department of the Interior (DOI) Performance Management System (PMS) for Senior Executive Service (SES) employees. The Senior Executive Service PMS is established in accordance with the following authorities:

A. Performance Appraisal - 5 U.S.C. chapter 43, subchapter II (Performance Appraisal in the Senior Executive Service); 5 CFR Part 430, Subpart C (Managing Senior Executive Performance).

B. Performance Awards - 5 U.S.C. chapter 45 (Incentive Awards); 5 CFR Part 451, Subpart A (Agency Awards); 5 CFR 534, Subpart D (Performance Awards)

C. Records of Employee Performance - 5 CFR Part 293, Subpart D (Employee Performance File System Records).

2. **Policy.** The Department recognizes the importance of integrating its performance appraisal, pay, and award programs into the management of its human resources to promote efficient and effective attainment of its mission, program objectives, and strategic planning initiatives. The Department's PMS for SES members is a management tool to motivate high levels of achievement, and to hold senior executives accountable for their individual and organizational performance by:

A. Expecting excellence in senior executive performance;

B. Linking performance management with results-oriented goals of the Government Performance and Results Act (GPRA) of 1993;

C. Setting and communicating individual and organizational goals and expectations;

D. Systematically appraising senior executive performance using measures that balance organizational results with customer, employee, or other perspectives; and

E. Using performance results as a basis for pay, awards, development, retention, removal, and other personnel decisions.

3. **Coverage.** The plan applies to all SES employees covered by 5 U.S.C. chapter 31, subchapter II, with variation for the Department of Interior, Office of Inspector General (OIG). The OIG will follow OPM policy and guidance in awarding SES performance awards and pay rate increases utilizing its own Executive Resources Board/Performance Review Board. The OIG will have a separate SES bonus pool, and will not exceed the percentage established by OPM guidelines. The OIG will report all approved SES performance awards and pay rate increases to the Department's Office of Personnel Policy.

4. **Guidelines.**

A. The Department's SES Performance Management System requires that performance elements comprising individual performance plans are to be cascaded from the goals and commitments agreed upon by the Secretary, Assistant Secretaries, and Bureau Directors. The Department will include customers, stakeholders, and employees in performance management efforts to reach a balance between the needs and opinions of these groups and the achievement of the Department's mission. Performance information will be used as a basis for adjusting pay, granting rewards, assessing continuing development needs, removing senior executives, and making other personnel decisions.

(1) Individual performance plans must link mission outcomes and employee performance by establishing performance standards related to organizational strategic or annual performance goals through the Department's strategic planning process, in support of the Government Performance and Results Act (GPRA).

(2) Individual SES performance plans must contain sufficiently strong performance elements and standards to hold SES members accountable for achieving expectations and to clearly link pay with performance. Performance plans must take into account such factors as:

(a) Effectiveness, productivity, and performance of the employees for whom the senior executive is responsible and

(b) Meeting affirmative action, equal employment opportunity, and diversity goals and complying with merit system principles; and efforts to improve diversity and to prevent and remedy discrimination and harassment in compliance with the Department's policy of zero tolerance.

(3) Performance evaluations must use balanced measures that consider organizational results with customer satisfaction and employee perspectives.

- (4) Performance expectations must be clearly communicated to SES members.

B. Mandatory Departmental performance elements will be issued in conjunction with annual Departmental guidance on the establishment of SES performance plans. The Department's Performance Management System authorizes heads of Bureaus/Offices to define the Fully Successful performance standards for each performance element, including elements mandated by the Department. Mandatory performance standards may also be issued by the Department.

5. **Responsibilities.**

A. Assistant Secretaries/equivalent officials are responsible for:

- (1) Nominating SES members within their respective organizations to serve on Performance Review Boards (PRB's);
- (2) Determining the final written summary rating of record for SES members within their respective organizations; and
- (3) Recommending performance awards for SES members within their respective organizations to the Department's Executive Resources Board (ERB) for final determination.

B. Heads of Bureaus/Offices are responsible for:

- (1) Terminating the appraisal period (as required) for any SES member within their organization at any time after 90 days and directing that his/her performance be rated;
- (2) Mandating (as applicable) performance elements for SES members within their organization with the concurrence of the Assistant Secretary; and
- (3) Defining the Fully Successful performance requirement for performance elements mandated Department-wide with the concurrence of the Assistant Secretary.

C. The Rating Official (typically the immediate supervisor) is responsible for:

- (1) Developing a senior executive performance plan, developed cooperatively between the rating official and the executive being appraised, for each SES employee supervised;
- (2) Informing the SES employee of the performance elements of his or her position;

- (3) Establishing performance requirements for those elements, in compliance with Department guidelines;
- (4) Appraising performance;
- (5) Assigning the initial summary rating;
- (6) Ensuring that copies of the following appraisal documents are provided to the SES employee at the time they are prepared:
 - (a) the initial summary rating and award recommendation;
 - (b) any comments and recommended changes to the initial recommendation made by the optional high-level reviewer, the PRB, and/or the Assistant Secretary/equivalent official;
 - (c) final determination of the summary rating of record; and
 - (d) final determination of performance award, if any.

D. The Department's Office of Personnel Policy (PPM) is responsible for:

- (1) Ensuring guidance is issued (annually) concerning the establishment of individual performance plans for all SES employees in each bureau/office;
- (2) Ensuring guidance is issued (annually, near the end of the appraisal period) regarding appraisal procedures and projected bonus pools to the Assistant Secretaries and equivalent officials;
- (3) Providing staff support to the PRB and the ERB for the SES appraisal process. PPM collects all appraisal and award recommendation documents, analyzes the documents to ensure they are complete and adequately documented, organizes the documents for PRB and ERB review, records PRB recommendations and ERB decisions, and forwards the documents to the appropriate servicing personnel offices for processing and distribution to the executives; and
- (4) Reporting the ratings of record and performance awards to the Office of Personnel Management.

E. Servicing personnel officers are responsible for:

- (1) Maintaining all records related to the executive's annual performance appraisal for at least five years from the date the rating of record is issued.
- (2) Assisting the Rating Official with providing the documents referred in C (6) above; and
- (3) Reporting annually that performance plans have been established for all SES employees in their servicing area.

6. Training and Program Evaluation.

A. The Department, through the Office of Personnel Policy, will develop and provide appropriate training and written guidance to ensure that all employees involved in managing the SES performance appraisal program, the executives subject to the system, and their supervisors have the necessary information to carry out the annual appraisal process in an effective, efficient manner which complies with applicable law, regulation, and Departmental policy.

B. The Department, through the Office of Personnel Policy and the Executive Resources Board, will periodically evaluate the SES performance appraisal program to determine its effectiveness. Improvements will be made to the system as necessary.

7. Definitions.

A. Annual Summary Rating: The overall rating level that an appointing authority assigns at the end of the appraisal period after considering a Performance Review Board's recommendations.

B. Appointing authority: The Secretary or his or her designee.

C. Appraisal period: The period of time established for which the executive's performance will be reviewed. The Department's appraisal period for SES members is from October 1 through September 30 of the following year.

D. Balanced measures: A balanced approach to performance measurement that draws from a suite of performance measures reflecting the multi-faceted reality of program and manager performance. These will be results-oriented measures that encompass mission goals, as well as customer interests and employee considerations to provide continuous input from a variety of perspectives.

E. Critical Element: A key component of an executive's work consisting of one or more duties and responsibilities that contributes to organizational goals and results and is so

important that unsatisfactory performance of the element would make the executive's overall performance unsatisfactory.

F. Higher Level Reviewing Official: The official who is responsible for providing a higher level review of an SES member's initial summary rating. The reviewer must be at a higher level than the rating official.

G. Rating of Record: An overall rating level the supervisor derives from appraising the senior executive's performance during the appraisal period and forwards to the Performance Review Board.

H. Interim Rating: An interim rating is utilized to appraise a senior executive's performance during details, or temporary reassignments of 90 days or longer. The gaining organization must set performance goals and requirements for the detail or temporary reassignment. The gaining organization must appraise the senior executive's performance in writing, and this appraisal must be factored into the initial summary rating.

I. Minimum Appraisal Period: The minimum amount of time in which a senior executive must have served in a position under written performance elements and requirements in order for an appraisal to be completed concerning such performance. The Department's minimum appraisal period is 90 days.

J. Performance: The accomplishment of the work described in the senior executive's performance plan.

K. Performance Appraisal: The review and evaluation of a senior executive's performance against performance elements and requirements.

L. Performance Management System: The framework of policies and practices established under 5 U.S.C. chapter 43, subchapter II, and 5 CFR Part 430, Subpart C, for planning, monitoring, developing, evaluating, and rewarding both individual and organizational performance and for using resulting performance information in making personnel decisions.

M. Performance Requirement: A statement of performance expected for a critical element. A performance requirement may include, but is not limited to, factors such as quality, quantity, timeliness, and manner of performance.

N. Progress Review: A review of the senior executive's progress in meeting the performance requirements. A progress review is not a performance rating. The Department requires at least one progress review during the appraisal period.

O. Rating Levels: The SES Performance Management System provides for three rating levels: Fully Successful, Minimally Satisfactory, and Unsatisfactory.

P. Rating Official: The individual who is responsible for informing the employee of the elements of his or her position, establishing performance requirements for those elements, appraising performance, and assigning the initial summary rating. Typically, this is the senior executive's immediate supervisor.

Q. Senior Executive Performance Plan (Form DI-2011, Appendix A): The written summary of work the senior executive is expected to accomplish during the appraisal period and the requirements against which performance will be evaluated. The plan addresses all critical elements and any other performance elements established for the senior executive.

8. **Appraisal Period.**

A. The appraisal period for all members of the SES begins October 1 and concludes September 30 of the following year.

B. The minimum period for performance appraisal is 90 days.

(1) At the end of the appraisal period, executives who have not served under an officially approved performance plan for at least 90 days will have their appraisal period extended for the time necessary to meet the 90-day requirement.

(2) If the appraisal period is extended, a rating of record will be prepared at the end of the extended performance period.

C. An executive's appraisal period may be terminated and his/her performance rated after the 90 day minimum appraisal period, provided that there is enough information on which to base a rating.

D. An appraisal and rating may not be made for Career SES members within 120 days after the beginning of a new Presidential administration.

9. **Senior Executive Performance Plan (Form DI-2011, Appendix A).**

A. An individual senior executive performance plan is established annually for each member of the SES.

(1) Senior executive performance plans are developed cooperatively between the rating official and the executives being appraised. However, final authority for establishing the senior executive performance plan rests with the rating official.

(2) Senior executive performance plans are developed and communicated to executives at, or before, the beginning of each appraisal period. Written performance plans are provided to the executives usually within 30 days of the beginning of the appraisal period. If delayed, reasons must be documented.

(3) Until new performance plans are established for the appraisal period, executives remain under the performance plan established for the previous year, unless they have changed positions.

B. The performance elements comprising individual senior executive performance plans are cascaded from the goals and commitments agreed upon by the Secretary, Assistant Secretary, and the Bureau Directors. To be most effective, elements of performance plans should be customized to the specific overall assignments of individual executives. Accomplishment of organizational objectives is reflected in individual senior executive performance plans by the incorporation of objectives, goals, program plans, work plans, or any similar means which will account for program results.

(1) In the Department, all performance elements in the performance plan are defined as critical elements. That is, each performance element included in an individual performance plan is considered of sufficient importance that unsatisfactory performance of an individual element results in unsatisfactory performance in the position.

(2) Assistant Secretaries or Heads of Bureaus/Offices, with the concurrence of the appropriate Assistant Secretary or equivalent official, will define the Fully Successful performance requirement for performance elements mandated Department-wide by the Secretary.

(3) Assistant Secretaries and Heads of Bureaus/Offices have authority to mandate performance elements for SES members within their organizations.

(4) As many performance elements as determined to be necessary may be included in individual performance plans.

10. **Progress Reviews.**

A. Rating officials must hold at least one progress review with subordinate executives during the performance year.

B. In the progress review, the rating official must:

(1) inform executives of their level of performance by comparing their accomplishments to the established performance requirements;

(2) identify any performance weaknesses and provide the executive the opportunity to improve; and

(3) ascertain whether the performance elements contained in the performance plan are current and applicable, or whether they should be revised to reflect changes since the beginning of the rating period in mission, goals, objectives, organization, budget, administration, or statutory requirements.

C. The rating official and executive must initial and date Part II of the SES Performance Plan (Form DI-2011, Appendix A) to document the completion of each progress review.

11. **Rating of Record.**

A. The rating official for the executive's position of record at the end of the appraisal period (September 30) is responsible for initiating the process to determine the executive's annual summary rating of record and any performance award.

(1) The rating official is usually the executive's immediate supervisor. However, the Head of the Bureau/Office may designate another official within the organization who ranks above the executive being appraised to serve as the rating official. This would generally occur when the immediate supervisor is unavailable.

(2) There is no minimum amount of time required for a rating official to have been designated prior to his/her initiating the performance rating process. Rating officials appointed near the end of the performance year will rely upon interim summary ratings (Section 16, Interim Summary Ratings) and other documentation of performance to determine their recommendations for annual summary ratings of record.

B. The Department's SES performance management system provides three rating levels for each performance element. The three levels are:

- **FULLY SUCCESSFUL**
Performance of the element fully met expectations.
- **MINIMALLY SATISFACTORY**
Performance of the element marginally met expectations.
- **UNSATISFACTORY**
Performance of the element failed to meet expectations.

C. At the end of the appraisal period, following discussion with the executive and review of any supportive documentation, the rating official assigns a rating to each of the performance elements in the executive's performance plan, unless the executive had insufficient opportunity to demonstrate performance in the element during the appraisal period.

(1) The rating official determines the rating for each performance element by comparing the executive's actual performance during the appraisal period to the established Fully Successful performance requirement.

(2) No documentation of performance of the element is required if the rating is Fully Successful.

(3) Adequate documentation of performance of the element is required if the rating is Minimally Satisfactory or Unsatisfactory.

D. Using the guidance contained in Appendix B of this issuance, the rating official assigns an initial summary rating of the executive's overall performance, based upon the ratings assigned to the individual elements. See Appendix C for guidance on assigning an initial summary rating of Minimally Satisfactory or Unsatisfactory.

E. The rating official completes, signs, and dates Part III of the SES Performance Plan (Form DI-2011, Appendix A) to document his/her determination of individual performance element ratings, and the initial summary rating, and recommendation of any performance award.

F. The rating official discusses the initial summary rating and award recommendations (for career appointees only) with the executive being appraised. The executive signs and dates PART III of the SES Performance Plan (Form DI-2011, Appendix A) to indicate that the rating official has discussed the appraisal with him/her.

G. The executive has the right to respond in writing to the initial summary rating.

H. The executive has the right to request a higher-level review of the initial summary rating before they are reviewed by the PRB (Section 12, Higher-level Review). Copies of the reviewer's comments and recommendations must be provided to the executive being appraised, the rating official, and the PRB.

12. **Higher-level Review.**

A. A higher-level review of the rating official's initial performance rating is optional, at the request of the executive being appraised.

B. The higher-level review of the initial rating and award recommendations is conducted by the next higher-level official above the rating official in the organization.

C. The reviewing official will accomplish the higher-level review by reviewing the rating official's initial recommendations for the performance rating and any award, all written documentation supporting the rating official's recommendations, and any written response to the initial recommendations by the executive being appraised. At his or her option, the reviewing official may meet with either or both the rating official, and the executive being appraised to discuss the appraisal. The rating official may respond to the executive's comments or concerns.

D. If the reviewing official disagrees with the rating official's initial rating or award recommendations, the reviewer attaches to the appraisal a statement making his/her own recommendations.

E. The reviewing official signs and dates Part III of the SES Performance Plan (Form DI-2011, Appendix A) to certify review of the initial performance rating and award recommendations.

13. **Performance Review Board.**

A. There is one Departmental Performance Review Board, appointed annually. The purpose of the PRB is to:

- (1) consider the initial rating and award recommendations;
- (2) review all documentation, including any written response by the executive being rated and any comments provided by a higher-level reviewer;
- (3) conduct whatever additional review it deems necessary; and
- (4) make written recommendations to the appropriate appointing authority regarding final performance ratings of record and the awarding of performance bonuses, Secretary's executive leadership awards, and performance-based pay rate adjustments.

B. Assistant Secretaries/equivalent officials nominate SES members in their organizations each year to serve on the PRB. The Executive Resources Board makes final selection of members. Appointment to the PRB is for a one year term, which is renewable.

C. Before the PRB can convene or conduct any business, the names of the PRB members must be published in the Federal Register.

D. The Office of Personnel Policy will provide PRB members training and written guidance to ensure objectivity and consistency of review and recommendations.

E. The PRB cannot conduct any business with less than three members present.

F. When the Board is reviewing the performance rating/performance award recommendations and supporting documentation for a Career appointee, more than one-half of the sitting members of the PRB must consist of Career SES appointees.

G. PRB members may not take part in deliberations regarding their own appraisals, or regarding the appraisals of immediate subordinates or superiors.

H. After the PRB reviews the appraisal and award recommendations and any documentation, the Chair of the PRB records the Board's rating and award recommendations, signs Part IV of the SES Performance Plan (Form DI-2011, Appendix A), and provides their recommendations to the appointing authority.

14. **Annual Summary Rating.**

A. Authority to determine the annual summary rating of record is delegated by the Secretary to the Assistant Secretaries or equivalent officials. Using the guidance contained in Appendix B of this issuance, after PRB recommendation, the designated official assigns the annual summary rating of: Fully Successful, Minimally Satisfactory, or Unsatisfactory.

B. The Assistant Secretary or equivalent official documents the annual summary rating by completing, signing, and dating Part V of the SES Performance Plan (Form DI-2011, Appendix A).

C. If the Assistant Secretary or equivalent official disagrees with the PRB's recommendation, he/she will document the rationale for the annual summary rating in an attachment to the SES Performance Plan.

15. **Performance Awards.**

A. Under the law, the Department has the option, but is not obligated, to grant special recognition, awards, and incentive payments to SES members to recognize, reward, and motivate highly competent executives. In the Department, these payments and forms of recognition include: performance awards (bonuses), Secretary's Executive Leadership Award, or pay rate increases.

B. To recommend an executive for any of these types of awards, the rating official completes an SES Performance Award Recommendation Form (Form DI-2012, Appendix D) and attaches it to the original of the executive's completed SES Performance Plan document (Form DI-2011, Appendix A).

(1) The documentation on the SES Performance Award Recommendation form should highlight the executive's outstanding accomplishments in the performance elements mandated by the Department as well as program-specific performance elements.

(2) The documentation for the award recommendations should provide a brief general discussion of the executive's achievements, rather than a lengthy justification addressing each performance element.

C. The rating official also documents recommendations for a performance award by completing the "Recommended Award" section of Part III of the SES Performance Plan (Form DI-2011, Appendix A), and signing and dating the form.

D. Initial recommendations for SES performance awards are reviewed by the Department's PRB. The PRB makes its own recommendations regarding performance awards to the cognizant Assistant Secretaries/equivalent officials, who in turn make recommendations for performance awards to the ERB for final determination. The Chair of the ERB documents the Board's final decisions regarding performance awards by recording the decision, signing and dating in Part IV of the SES Performance Plan form (Form DI-2011, Appendix A).

E. SES Performance Bonuses

(1) The law allows the amount of an SES performance bonus to vary between a minimum of 5% and a maximum of 20% of the executive's basic pay. Basic pay does not include locality rate adjustments.

(2) The ERB will give unsuccessful Presidential Rank Award nominees priority consideration for performance bonuses.

(3) Each Assistant Secretary's bonus pool may equal up to 10 percent of the aggregate basic pay of Career SES members within his/her organization as of September 30 (the last day of the fiscal year). The actual percentage is established annually by the Department's Executive Resources Board. Basic pay does not include locality rate adjustments.

(4) Only Career executives receiving a final rating of Fully Successful are eligible to receive a performance bonus.

(5) The ERB will approve bonuses only for those Career executives recommended by their Assistant Secretaries/equivalent officials. The ERB reserves the right to raise or lower bonus amounts, or to disapprove the bonus, based upon its determination of the executive's degree of accomplishment of the performance elements.

(6) Usually the ERB will not approve bonuses for executives who have not yet completed their one-year probationary period.

(7) Special Act or Special Service Awards are not to be used as a substitute for SES performance bonuses. Special Act and Special Service Awards are to recognize non-recurring contributions either within or outside of job responsibilities, a scientific achievement, or an act of heroism.

(8) Secretary's Executive Leadership Award

(a) The Department ERB created this category of SES performance award to recognize superior accomplishment of performance objectives and excellence in leadership. The award includes the following three levels:

[1] Gold - 17% of basic pay

[2] Silver - 14% of basic pay

[3] Bronze - 12% of basic pay

(b) Criteria:

[1] Extraordinary accomplishment of the performance elements comprising the SES member's annual performance plan.

[2] Demonstration of excellence in the 5 Executive Core Qualifications (ECQ's). Benchmarks of excellence in the 5 ECQ's include:

[a] Leading Change: Displayed the highest level of creativity, initiative, flexibility and innovation to produce results critical to the mission of the Department.

[b] Results Driven: Has an exceptional record of achieving important program results.

[c] Leading People: Demonstrated unusual success in building and maintaining a workforce that is diverse, well-trained, highly motivated, and productive.

[d] Business Acumen: Managed the programs' human, fiscal, material, and information resources in a manner which instilled the utmost trust by higher management and advanced the Department's mission.

[e] Building Coalitions/Communication: Showed an unusual level of cooperative effort with others, including those in other Federal agencies, state/local governments, and private and non-profit sectors.

F. SES Pay Rate Adjustments

(1) Career, Noncareer, and Limited appointees to the SES are eligible for pay rate adjustments.

(2) Pay adjustments may be made only once in a 12-month period. Setting pay upon initial appointment to the SES is considered a pay adjustment.

(3) With the approval of the ERB, upward pay rate adjustments of one or more levels may be made for SES members with a final summary rating of Fully Successful.

(4) With the approval of the ERB, a downward pay rate adjustment of one level may be made for executives receiving a final summary rating of Minimally Satisfactory or Unsatisfactory.

16. **Interim Summary Rating.**

A. Upon reassignment or transfer to another position during the appraisal period, executives are entitled to an interim summary rating if they have served the minimum appraisal period of 90 days under an officially established performance plan.

(1) The rating official for the position from which the executive is being reassigned/transferred provides the interim summary rating by following the procedures in appraising performance (Section 11).

B. When an executive is detailed or temporarily reassigned within the Department for 90 days or more, the gaining supervisor will provide a written performance plan covering the duties of the position. At the end of the detail/temporary reassignment, the supervisor of the detail/temporary reassignment will provide an interim summary rating which the rating official will consider in determining his/her recommendation for a rating of record and any performance award.

C. When executives are detailed outside the Department, the rating official for the executive's position of record must make a reasonable effort to obtain appraisal information from the outside agency and consider that information in determining the initial summary rating and award recommendations.

(1) If the executive detailed outside the Department has already served the minimum 90 days under an officially approved performance plan, then the rating official must provide a recommended rating of record.

(2) If the executive detailed outside the Department did not complete the minimum 90 days under the performance plan for his/her position of record, but does serve the minimum appraisal period in the borrowing agency, then the rating official must make a reasonable effort to provide a recommended rating of record, using appraisal information obtained from the borrowing agency.

D. In the event supervisors of SES members leave their positions during the rating year, they should provide an interim summary rating to each subordinate executive who has served the minimum 90 days under a written performance plan .

17. **Distribution of Ratings.** The Department's SES performance appraisal policy prohibits any prescribed distribution of rating levels for executives.

18. **Appeals.**

A. An executive may not appeal either the final summary rating or the lack (or amount) of a performance award.

B. Executives have the right to respond in writing to the initial performance appraisal and award recommendations made by the rating official. This response becomes a part of the appraisal document and is reviewed by the optional reviewing official, the PRB, the Assistant Secretary/equivalent official, and the ERB, as appropriate.

C. 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.

D. A Career SES appointee who is removed from the SES as a result of performance ratings may request an informal hearing before the Merit Systems Protection Board on the removal.