

# **FY 2004 Pay-for-Performance Program Administrative Rules for EAS Employees**

## **Purpose of Pay for Performance**

### **What is Pay for Performance (PFP)?**

PFP places emphasis on the organization's success through objective, measurable performance indicators. These performance indicators are measurable objectives aligned at the corporate level, functional unit, and individual level.

Key elements of the program include:

- Ensuring expectations are clearly stated
- Providing periodic feedback on actual performance compared to established targets
- Aligning objectives at the individual level through the unit and organizational structures
- Recognizing individual successes that drive unit and organizational performance upward

PFP introduces a heightened awareness of performance distinctions, and individuals are recognized for the contributions they make to increase unit and corporate performance.

PFP enables employees to concentrate on achievements within their control and based on their line of sight in the organization. Employees learn at the beginning of the evaluation period where priorities lie, what is expected of them, and how results impact the organization.

The PFP Program is designed to:

- Provide clear performance expectations
- Provide regular feedback on individual and organizational performance
- Link individual contributions to organizational success
- Reward sustained, exceptional performance
- Ensure accountability at all levels of the organization

### **What is the PFP process?**

Employees are evaluated on unit and corporate performance indicators as well as individual performance objectives (core requirements). The unit and corporate performance indicators are established and measured in the National Performance Assessment (NPA) system. Unit and corporate performance indicators are aligned to improve customer service, generate revenue, manage costs and enhance a performance-based culture.

Individual core requirements provide a mechanism for employees to identify their personal contributions to unit and corporate success. When determining core requirements, employees must define specific target outcomes.

Unit and corporate performance indicators and individual core requirements are established and communicated to all employees at the beginning of the evaluation

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period. Mid-year performance reviews offer an on-going opportunity for feedback and recommendations for continuous improvement and are required elements of the program. An end-of-year performance evaluation review pulls together contributions to unit and corporate performance indicators and individual core requirements. This performance evaluation serves as the foundation for an annual pay action for most EAS employees.

### **Who is eligible for PFP?**

Career non-bargaining unit employees, including A-E postmasters, are included in PFP.

Employees who occupy the positions and employee categories identified in Attachment A are not included in PFP. Ineligible non-bargaining unit employees who are detailed to eligible positions are excluded from PFP. Bargaining-unit employees detailed to eligible positions are also excluded from PFP.

### **Who is considered an evaluator?**

An evaluator manages or has leadership responsibility over the performance of an eligible employee. This person is responsible for the direct day-to-day performance management of employees. An evaluator monitors each employee's performance, provides appropriate resources, and is the coach and feedback provider.

An evaluator is accountable for the performance or nonperformance of the work unit. In headquarters and related units, a PCES unit manager may delegate the authority to a subordinate evaluator to oversee the work performance of employees provided there is a direct reporting relationship to the employee being evaluated. In these cases, the PCES unit manager retains the responsibility for proper implementation of PFP.

## **Administrative Process**

### **How are individual core requirements determined?**

Individual core requirements are determined through an interactive discussion between the employee and the evaluator at the beginning of the evaluation period. The employee is required to document the individual core requirements and forward them to the evaluator for approval.

Employees detailed, reassigned, promoted, or newly hired to eligible positions with an expected duration of 60 or more consecutive calendar days during the evaluation period must determine individual core requirements within 30 days of assuming the position.

### **How are behavioral objectives handled?**

For many EAS employees who are participants of PFP, core requirements may include one or more behavioral objectives that relate to specific job-related behaviors. The evaluated employee demonstrates these behaviors in the course of the duties and responsibilities of the position. These behavioral objectives were developed with pre-

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determined performance expectations and targets that form the basis upon which to measure an employee's performance.

Evaluators must not establish arbitrary targets or measurements to replace or support those that have been predefined in the objective-setting form.

The behavioral objectives provide an opportunity to emphasize how individual behavior impacts corporate and unit indicators in certain key areas. By providing distinctions between the various levels of behavior, employees will be encouraged to adopt those behavioral traits that have a positive impact on the working environment, customer and employee relationships, and the overall financial integrity of the unit.

### **How do individual core requirements apply to detail assignments?**

Employees on detail assignments are required to establish individual core requirements related to the detail assignment. If individual core requirements cannot be established based on the employee's line of sight, individual core requirements for the employee's position of record must be used.

### **What recourse is available during the objective-setting process?**

While the intention of the process is to have the employee and evaluator engage in an interactive dialogue during objective setting, the evaluator has the responsibility to establish the indicators and targets. An employee who has concerns with the individual core requirements set during the interactive discussion with the evaluator must document the concerns and rationale on a separate piece of paper and attach it to the Objective-Setting Acknowledgement Form. Then the employee must discuss these concerns with the evaluator.

If the evaluator and employee cannot reach agreement, the next higher level reviews the individual core requirements and documented concerns and makes a final determination. This information is considered by the evaluator when determining the end-of-year performance rating.

### **What occurs during the mid-year performance review?**

Employees document their contributions toward achieving the targets set in the individual core requirements. To prepare for this review, both the evaluator and the employee should obtain the NPA Report Card for the unit as well as reports that reference actual performance against targets set in the individual core requirements. Evaluators review employees' contributions and perform mid-year performance review discussions during which employees receive feedback concerning their performance. Evaluators should help employees focus on performance and strategies to achieve desired outcomes. After evaluators perform mid-year performance reviews, they document discussion dates.

### **Are mid-year performance reviews required?**

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Evaluators are required to perform and document the dates that mid-year performance reviews were conducted for all eligible employees.

### **What is the difference between an interim performance evaluation and an interim rating?**

An interim performance evaluation is a narrative description by the evaluator specifically describing an employee's achieved performance compared to established individual core requirements and targets during that assignment. An interim rating is the individual core requirements rating given by the evaluator to the employee on the employee's performance achieved against individual core requirements targets during that assignment. At the end of the evaluation period, the interim rating consists of the individual core requirements rating provided by the evaluator and the end-of-the-year NPA composite summary, if applicable.

### **When are interim performance evaluations required?**

Employees detailed, reassigned, promoted or newly hired to eligible positions for more than 60 consecutive calendar days but less than 180 consecutive calendar days during the evaluation period must receive an interim performance evaluation on individual core requirements from the evaluator of that position. Interim performance evaluations must be completed by the evaluator within 30 days following the end of the employee's assignment to the eligible position.

All interim performance evaluations performed on the employee during the evaluation period must be taken into consideration at the end of the year.

### **Who has the responsibility of completing the interim performance evaluation?**

The evaluator who manages the employee's day-to-day performance during the assignment is responsible for completing the interim performance evaluation.

### **When are interim ratings required?**

Employees detailed, reassigned, or promoted to eligible positions for 180 or more consecutive calendar days during the evaluation period must receive an interim rating on individual core requirements from the evaluator of that position. Interim ratings must be completed by the evaluator within 30 days following the end of the employee's assignment to the eligible position.

### **Who has the responsibility of completing the interim rating?**

The evaluator who manages the employee's day-to-day performance during the assignment is responsible for completing the interim rating.

### **How are interim ratings treated at the end of the evaluation period?**

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Interim ratings are pro-rated based on the number of consecutive calendar days an employee occupied the eligible position upon which the interim rating is based. The interim rating consists of the individual core requirements rating provided by the evaluator and the end-of-year NPA composite summary, if applicable.

The employee is responsible to ensure that his/her work assignment profile is kept up to date for the entire evaluation year, including the dates of interim assignments held for 60 days or more.

### **Who performs the individual core requirements rating at the end of the evaluation period?**

- The evaluator of an employee who occupied an eligible position, including detail assignments, for more than 305 consecutive calendar days during the evaluation period performs the individual core requirements rating.
- The evaluator of the employee's position of record performs the individual core requirements rating for an employee detailed, reassigned, or promoted to an eligible position for 60 or more consecutive calendar days but less than 306 consecutive calendar days during the evaluation period. The evaluator must also take into consideration any interim evaluation.

### **What is included in the overall performance rating?**

The overall performance rating includes the end-of-year individual core requirements rating and the end-of-year NPA composite summary, if applicable. Any interim ratings will be combined with end-of-year individual core requirements rating and NPA composite summary, if applicable, to complete the evaluation year.

### **What happens when an evaluator changes?**

When an evaluator changes assignments during the evaluation period, the evaluator is required to perform one of the following tasks:

- An evaluator who manages or had leadership responsibility of the performance of an employee for less than 60 consecutive calendar days during the evaluation period is not required to perform an interim evaluation or interim rating.
- An evaluator who manages or has leadership responsibility over the performance of an employee for 60 or more consecutive calendar days but less than 180 consecutive calendar days during the evaluation period must complete an **interim evaluation**.
- An evaluator who manages or has leadership responsibility over the performance of an employee for 180 or more consecutive calendar days during the evaluation period must complete an **interim rating**.

### **Are end-of-year performance evaluations required?**

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Evaluators are required to perform and document the dates that end-of-year performance evaluations were conducted for all eligible employees.

### **When is an overall performance rating not performed?**

Under certain conditions, it may not be possible to derive an overall performance rating for an employee's contributions. If an evaluator determines that such conditions apply to an employee, concurrence from the next higher level PCES executive and the Area Human Resources Manager (or Corporate Personnel for Headquarters and Headquarters-Related Unit employees) must be obtained.

Conditions when an overall performance rating is not performed include:

- Employees occupying eligible positions for less than 60 consecutive calendar days during the evaluation period, or
- Employees who are in a paid leave and/or leave without pay (LWOP) status for the entire evaluation period, except for active Military LWOP.

### **When can employees be excluded from PFP?**

The evaluator may exclude an employee from PFP when documented action is pending or has been taken for conduct clearly unacceptable to the organization. Such determinations by the evaluator must be supported by appropriate documentation and have concurrence from the next higher level PCES executive and the Area Human Resources Manager (or Corporate Personnel for Headquarters and Headquarters-Related Unit employees).

### **When can evaluators discuss overall performance ratings?**

Evaluators can discuss overall performance ratings after they have been notified through the Performance Evaluation System (PES) that all overall performance ratings are finalized. Following this notification, evaluators may begin discussions with employees on their overall performance ratings.

### **What happens during active Military LWOP?**

Employees who are on LWOP because of active military service must be treated like they are in their current position as if they never left for military duty. An evaluator must rate an employee for all periods of active military LWOP, regardless of any work performed during the evaluation period.

- For employees who are on active military LWOP during the entire evaluation period or in a duty status for less than 60 consecutive calendar days during the evaluation period, the following occurs:

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- A field or area employee receives an individual core requirements rating of 6 (contributor) and the end-of-year NPA composite summary of his/her unit to calculate the employee's overall performance rating.
- A headquarters or headquarters-related employee receives an overall performance rating that equals the organizational target rating given to the Executive Committee Member of that unit.
- Employees who are in a duty status for 60 or more consecutive calendar days during the evaluation period receive an interim evaluation from their evaluator. All interim evaluations conducted during the evaluation period must be taken into consideration when deriving the employee's individual core requirements rating at the end of the evaluation period. Employees receive an overall performance rating based on their individual core requirements rating and the end-of-year NPA composite summary, if applicable.
- Under no circumstances can an employee's individual core requirements rating and/or overall performance rating be adjusted based on periods of active military LWOP.

### **What happens if an employee separates after the evaluation period?**

Employees who separate for reasons other than cause or misconduct after the evaluation period and before the effective date of the pay action must be evaluated. Nature of Action (NOA) Codes that would not require evaluations include, but are not limited to, the following: 310: Resignation-Charges Pending; 328: Termination During Probation (Pre-appointment Condition); 329: Termination During Probation; or 346: Removal.

### **Can mitigating factors affect an overall performance rating?**

Unusual or unplanned events or conditions beyond the employee's control may be taken into consideration towards achieving his/her overall performance rating. The evaluator must document an employee's inability to achieve the targets that impact the overall performance rating and link the actual performance to the negative impact of the unusual or unplanned events or conditions. The evaluator must provide an alternative overall performance rating recommendation.

Such exceptions must be reviewed and concurred by next higher level PCES executive and the Area Human Resources Manager (or Corporate Personnel for Headquarters and Headquarters-Related Unit employees).

### **Is higher level concurrence required for overall performance ratings?**

- **Field and Area EAS Employees**

Overall performance ratings three or more ratings higher or lower than the employee's NPA composite summary rating must be reviewed and approved by the PCES cluster executive or Area Vice President, as appropriate.

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Core requirements ratings that are five or more higher or lower than the employees' NPA composite summary rating must be reviewed and approved by the PCES cluster executive or the Area Vice President, as appropriate.

Exceptional or Non-Contributor overall performance ratings must be reviewed and approved by the Area Vice President.

- **Headquarters and Headquarters-Related EAS Employees**

Overall performance ratings three or more ratings higher or lower than the organizational target rating must be reviewed and approved by the functional unit officer.

Exceptional or Non-Contributor overall performance ratings must be reviewed and approved by the functional unit officer.

### **What recourse is available for overall performance rating?**

An employee who believes the overall performance rating does not substantively reflect a fair assessment of his/her contribution to the work unit must document the concerns and rationale on a separate piece of paper and submit it to the evaluator. The employee then requests a follow-up discussion with the evaluator.

If no agreement on the overall performance rating is reached during this follow-up discussion, the employee may request a review by the next higher-level evaluator. The next higher level evaluator reviews the employee's documented concerns and rationale and makes a final determination. Normally, these reviews do not extend beyond the unit PCES manager.

### **What are the penalties for failure to conduct evaluations?**

An evaluator who fails to perform all mid-year performance reviews, end-of-year performance evaluations, and core requirements ratings for all eligible employees will be subject to a reduction of 1 point within the 15-point matrix to his/her overall performance rating at the end of the evaluation period. Such reductions must be reviewed and approved by the Area Vice President (or the functional Vice President for Headquarters and Headquarters-Related Unit employees).

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Attachment A

### Position/Employee Categories Excluded From PFP

Position/Employee Group	Occupation Code
Bargaining-Unit Employees	All
Postal Rate Commission Positions	All
Contract Employees	All
Office of the Inspector General Positions	All
Administrative Judge	0935-4003
Administrative Law Judge	0935-4004
Management Intern	0301-0237
Management Intern	0301-0238
Professional Specialist Intern	0301-0241
Professional Specialist Intern	0301-0242
Professional Specialist Intern	0301-0243
Professional Specialist Intern	0301-0244
Professional Specialist Intern	0301-0245
Professional Specialist Intern	0301-0246
Professional Specialist Intern	0301-0247
Professional Specialist Intern	0301-0248
Program Director	1150-0002
Program Director	0343-0022
Program Director	0343-0023
Program Director	0343-0024
Program Director	0343-0025
Attorney (Temp)	0905-0037
Attorney (Honor Program)	0905-0038
Staff Counsel/Hearing Officer	0905-4038
Forensic Latent Print Analyst	0072-0001
Forensic Latent Print Analyst, Sr	0072-0002
Fingerprint Technician	0072-0003
Firearms & Toolmark Examiner	1397-0003
Firearms & Toolmark Examiner, Sr	1397-0004
Forensic Analyst	1320-0001
Forensic Analyst, Sr	1320-0002
Forensic Chemist	1320-0005
Forensic Computer Analyst	0334-0081
Forensic Computer Analyst, Senior	0334-0080
Forensic Document Examiner	1397-0002
Forensic Document Examiner, Sr	1397-0001
Forensic Photographer	1060-0002
Forensic Photographer, Sr (IS)	1060-0003
Laboratory Unit Manager	1320-0011
Assistant Laboratory Director	1320-0014
Laboratory Technician (IS)	2335-0019
Forensic Chemist, Sr	1320-0006
Chief Postal Inspector	0301-7036
Deputy Chief Inspector	2335-7040
Inspector in Charge	2335-7007
Assistant Inspector in Charge (Field)	2335-7032
Assistant Inspector in Charge (HQ)	2335-7041
Postal Inspector (A1)	2335-2002

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Postal Inspector (B)	2335-3003
<b>Position/Employee Group</b>	<b>Occupation Code</b>
Postal Inspector (C)	2335-3006
Postal Inspector (D)	2335-3002
Postal Inspector Program Manager	2335-5018
Postal Inspector (Team Leader)	2335-3004