

SENIOR EXECUTIVE SERVICE PERFORMANCE MANAGEMENT

1. Purpose

This directive establishes Department of Homeland Security (DHS) policy regarding Senior Executive Service (SES) performance management.

2. Scope

A. This directive applies to all DHS organizational elements.. Until the Departmental Chief Human Capital Officer develops and establishes a permanent, Department-wide approach to SES performance management:

1. All members of the SES who are in the Office of the Secretary, and in any DHS organizational elements not covered by an existing SES Performance Management System, are subject to the policies and procedures in this directive.
2. Organizational elements with existing SES Performance Management Systems may maintain their associated appraisal cycles, minimum appraisal periods, performance rating levels, procedures, etc. until otherwise notified by the Departmental Chief Human Capital Officer.

3. Authorities

This directive is governed by numerous Public Laws and regulations, such as:

- A. 5 U.S.C., subchapter II of chapter 43
- B. 5 CFR Part 430, Subpart C

4. Definitions

- A. **Appointing authority**: The Secretary, or other official with delegated authority to make SES appointments.
- B. **Appraisal period**: The established period of time for which a senior executive's performance will be appraised and rated.

- C. **Balanced measures**: An approach to performance measurement that considers not only organizational results, but also the perspectives of distinct groups, including customers and employees.
- D. **Critical element**: A key component of an executive's work that contributes to organizational goals and results and is so important that unsatisfactory performance of the element would make the executive's overall job performance unsatisfactory.
- E. **Other performance elements**: Components of an executive's work that do not meet the definition of a critical element, but may be important enough to factor into the executive's performance appraisal.
- F. **Performance**: The accomplishment of the work described in the senior executive's performance plan.
- G. **Performance appraisal**: The review and evaluation of a senior executive's performance against performance elements and requirements.
- H. **Performance management system**: The framework of policies and practices that an agency establishes planning, monitoring, developing, evaluating, and rewarding both individual and organizational performance and for using resulting performance information in making personnel decisions.
- I. **Performance requirement**: A statement of the performance expected for a critical element.
- J. **Progress review**: A review of the senior executive's progress in meeting the performance requirements.. A progress review is not a performance rating.
- K. **Ratings**:
1. **Initial summary rating**: An overall rating level that the supervisor derives from appraising the senior executive's performance during the appraisal period and forwards to the Performance Review Board.
 2. **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.. This is the official rating.
- L. **Senior executive performance plan**: The written summary of work that the individual 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.

M. **Strategic planning initiatives**: Agency strategic plans, annual performance plans, organizational work plans, and other related initiatives.

5. Responsibilities

A. **The Secretary** (or delegated SES appointing authority), unless otherwise specified, assigns annual summary ratings for all senior executives and make final performance award determinations for all career senior executives in direct-report organizations (except for senior executives in the Office of the Inspector General and any other organizational elements for which SES appointing authority has been delegated).

B. **Organizational elements heads with delegated SES appointing authority**, unless otherwise specified by the Secretary, assign annual summary ratings for all senior executives and make final performance award determinations for all career senior executives within their respective organizations.

C. **The Under Secretary for Management**, through the Departmental Chief Human Capital Officer, shall be responsible for all aspects of this directive.

D. **The Departmental Chief Human Capital Officer (Chief HCO)**, by the end of the first appraisal cycle, shall make recommendations to the Secretary for an optimum DHS-wide approach to SES performance management and awards that addresses DHS's continuing need to manage senior executive performance and organizational elements' needs for flexibility.. The Chief HCO shall be responsible for obtaining the Office of Personnel Management's (OPM's) approval of the SES performance management system and any subsequent significant modifications and/or changes.. Other Chief HCO responsibilities include:

1. Monitoring and evaluating the system's effectiveness and ensuring that component systems meet the requirements of law and regulation;
2. Ensuring that one or more Performance Review Boards are established to cover SES appointees and positions for which the Secretary has reserved SES appointing authority and for components within the Office of the Secretary for which the Secretary has delegated SES appointing authority;
3. Publishing members' names in the Federal Register in advance of service; and,
4. Ensuring that training on the performance management system is provided for senior executives and their supervisors.

6. Policy & Procedures

A. **Policy:** DHS will hold its senior executives accountable for their individual and organizational performance in order to improve the overall performance of the DHS and the Government by:

1. Expecting excellence in senior executive performance;
2. Linking performance management with the results-oriented goals of the Government Performance and Results Act of 1993;
3. Setting and communicating individual and organizational goals and expectations;
4. Systematically appraising senior executive performance using measures that balance organizational results with customer, employee, or other perspectives; and,
5. Using performance results as a basis for pay, awards, development, retention, removal, and other personnel decisions.

B. **Procedures:**

1. **Performance Appraisal Period.** The annual SES performance appraisal period will be October 1 to September 30.. However, for 2003, the appraisal period will be February 1, 2003, to September 30, 2003.. Senior executives' written performance plans will be provided to executives and put into effect at the beginning of the rating period or on appointment to a specific SES position.

The minimum SES appraisal period is 90 days.. Performance ratings may be given after the minimum appraisal period, if there is enough information on which to base a rating.

Appraisals will not be prepared for executives who have not served under a performance plan for at least 90 days.. If an executive cannot be rated for this reason and has no other rating of record for the current performance appraisal period, the performance appraisal period will be extended to meet the minimum appraisal period, at which time a rating will be prepared unless there is not enough information on which to appraise and rate the executive's performance.

Appraisals will not be prepared within 120 days following the appointment of a new political supervisor.. This moratorium applies to all phases of the formal appraisal process leading to an Annual Summary Rating.. The moratorium delays the appraisal and rating actions, but it does not extend the length of the performance appraisal period.

2. **Planning and Communicating Performance.** Supervisors will develop a performance plan for each senior executive on or before the beginning of the

appraisal period.. Each plan will describe the individual and organizational expectations for the appraisal period and set the requirements against which performance will be evaluated. Supervisors will develop performance plans in consultation with the senior executive and communicate the plans to them on or before the beginning of the appraisal period.

Each performance plan will describe the critical elements of the senior executive's work and any other relevant performance elements.. Elements will reflect individual and organizational performance and be consistent with the goals and performance expectations in the DHS's strategic planning initiatives.. In the absence of written strategic plans, the elements will be developed consistent with the statutory objectives of the DHS.. Plans will describe the level of performance expected for fully successful performance of the executive's work.

The standards against which performance will be appraised are as follows:

(a) **Monitoring Performance.** Supervisors will monitor senior executives' performance on an ongoing basis and conduct at least one progress review with each executive during the appraisal period, providing feedback about how well the executive is performing against performance requirements... Frequent informal discussions of performance are strongly encouraged. If progress on an element is less than fully successful, the supervisor will specifically describe deficiencies and steps needed to bring performance to fully successful.

(b) **Appraising Performance:**

(1) **Annual appraisals:** Supervisors shall appraise each senior executive's performance, at least annually based on comparison of performance with the written performance requirements established for the appraisal period.. The performance rating level assigned to each critical element will be based on the extent to which the executive's actual performance met the performance rating level definitions.. Appraisals will be based on individual and organizational performance, taking into account such factors as results achieved in accordance with the goals of the Government Performance and Results Act of 1993; customer satisfaction and employee perspectives; the effectiveness, productivity, and performance quality of assigned employees; and meeting affirmative action, equal employment opportunity, and diversity goals and complying with merit system principles.

(2) **Summary performance levels:** The interim DHS performance system will have five summary performance levels, which are:

(a) **Outstanding (O):** Performance exceeds expectations in all respects.

- (b) Exceeds Fully Successful (EFS): Performance frequently exceeds expectations.
- (c) Fully Successful (FS): Performance fully meets expectations.
- (d) Minimally Satisfactory (MS): Performance is marginally acceptable and reflects significant deficiencies.
- (e) Unsatisfactory (U): Performance is unacceptable and falls substantially below the fully successful level; corrective action is required.

If any critical element is rated Unsatisfactory, then the initial summary rating must be unsatisfactory.

- (3) **Details and Job Changes:** When a senior executive is detailed or temporarily reassigned for 120 days or longer, the gaining organization must set performance goals and requirements for the detail or temporary assignment. The gaining organization must appraise the senior executive's performance in writing, and this appraisal must be factored into the initial summary rating.

When a senior executive changes jobs or transfers to another agency after completing the minimum appraisal period, the supervisor must appraise the executive's performance in writing before the executive leaves.. The annual summary rating and any subsequent appraisals must be transferred to the gaining agency.. The gaining supervisor must consider the rating and appraisals when developing the initial summary rating at the end of the appraisal period.

Supervisors who leave their positions before the end of the appraisal cycle will prepare an interim initial summary rating for all senior executives who have been under their supervision for the minimum appraisal period.

3. **Rating Performance.**

- (a) **Initial Summary Rating:** The supervisor will develop an initial summary rating, in writing, and share that rating with the senior executive.. The senior executive may respond and/or provide comments to the supervisor in writing.
- (b) **Higher Level Review:** A senior executive may ask an official at a higher level than the supervisor to review the initial summary rating and any response by the senior executive before the rating is given to the Performance Review Board (PRB).. The higher level official cannot change the supervisor's initial summary rating, but may recommend an alternate rating to the PRB and the appointing authority.. Copies of the reviewer's findings will be given to the senior executive, the supervisor, and the PRB.

(c) **Performance Review Board Review:** The PRB will consider the initial summary rating, the senior executive's comments to the supervisor and the higher level official, the higher level official's comments, and any other information the PRB believes would be beneficial to full understanding of relevant issues.. The PRB will provide written recommendations to the appointing authority on the Annual Summary Rating for each executive.

(d) **Annual Summary Rating:** The appointing authority will assign an Annual Summary Rating for each senior executive, in writing, after considering the PRB recommendations.

(e) **Extending the Appraisal Period:** When DHS cannot prepare an annual summary rating at the end of the appraisal period because the senior executive has not completed the minimum appraisal period or for other reasons, DHS will extend the appraisal period for the time needed to complete the minimum period.. The annual summary rating will then be prepared.

(f) **Appeals:** Senior executive performance appraisals and ratings are not appealable.

4. **Using Performance Results.**

(a) Results of performance appraisals and ratings will be used as a basis for adjusting pay, granting awards, and making other personnel decisions. Performance information will also be a factor in assessing a senior executive's continuing development needs.

(b) Fully Successful Performance: An SES career appointee whose Annual Summary Rating is at least fully successful as of the end of the performance cycle is eligible to be considered for an SES performance award (bonus).. The extent of the executive's contributions to meeting goals and targeted results will be the primary factor considered by the supervisor and the PRB when recommending performance awards.. A senior executive's pay level may be adjusted upward or downward, as a result of with the annual summary performance rating.

(c) Less than Fully Successful Performance:

(1) A senior executive who receives an unsatisfactory annual summary rating must be reassigned or transferred to another SES position, or removed from the SES.

(2) A senior executive who receives less than a fully successful annual summary rating twice in any 3-year period must be removed from the SES.

(3) A senior executive who receives two unsatisfactory annual summary ratings in any 5-year period must be removed from the SES.

5. **Performance Review Boards (PRBs).**

(a) One or more Performance Review Boards will be established to cover SES appointees and positions for which the Secretary has reserved SES appointing authority and for components within the Office of the Secretary for which the Secretary has delegated SES appointing authority.

(b) **Membership:** Each PRB will have at least three members appointed by the Secretary or by the component head with delegated SES appointing authority.. PRB members will be appointed in a way that ensures consistency, stability, and objectivity in SES performance appraisal.. When appraising an SES career appointee's performance or recommending an SES career appointee for a performance award, more than one-half of the PRB's members must be SES career appointees.. PRB members' names will be published in the Federal Register in advance of service.

(c) **Functions:** Each PRB will review and evaluate the initial summary rating, the senior executive's response, and the higher level official's comments on the initial summary rating, and conduct any further review needed to make its recommendations.. The PRB will make a written recommendation to the appointing authority about each senior executive's annual summary rating.. PRB members may not take part in any PRB deliberations involving their own appraisals.

6. **Training and Information.** To ensure that DHS performance management systems are effectively implemented, the Departmental Chief Human Capital Officer will provide training and information to supervisors and senior executives on developing performance plans, conducting progress reviews, appraising and rating performance, and using performance results.

7. **Recordkeeping.** The retention, maintenance, accessibility, and disposal of performance records as well as supervisors' copies will be in accordance with regulations... Performance records must be retained for 5 years from the date the Annual Summary Rating is issued.. If/when a senior executive transfers to another agency, performance records are transferred with the Official Personnel Folder.

C. **Questions or Concerns Regarding the Process.** Any questions or concerns regarding this directive should be addressed to the Office of the Departmental Chief Human Capital Officer.