DEPARTMENTAL PERSONNEL MANUAL

DPM LETTER NO.   430- 4   **DATE:** OCT 1 2 1995

SUBJECT: The Department of Transportation Performance Management Framework

The Department of Transportation (DOT) Performance Management Framework sets forth performance management policy for establishing employee performance appraisal systems within the Department. Policy and instructions contained in DPM Letter No. 430-3, Department of Transportation's Performance Management System (PMS) Directive, dated April 29, 1994, are canceled. However, Operating Administrations (OA) will continue to use their current performance management systems until new performance management programs under this directive are approved for implementation by the Department Personnel Office.

A. DOT PERFORMANCE MANAGEMENT POLICY STATEMENT

Section A1–Purpose and Scope

The DOT Framework is a system which holds employees accountable for results using an objective and measurable approach to managing and improving performance. The Framework also provides the guidelines to tie individual performance to organizational performance.

Section A2–The DOT Performance Management Framework

The Framework focuses on defining, measuring, managing, and improving performance; and recognizing and rewarding results. To support this Framework, which is directly linked to the goals and objectives of the Departmental Strategic Plan, each OA is required to develop a performance management and improvement strategy which complies with Title 5, United States Code, Chapters 43 and 45; Title 5, Code of Federal Regulations, Parts 430, 432 and 451; and conforms with the following principles of the Framework by providing for:

A. A linkage between individual performance results and required outcomes of organizational performance.

B. A focus on required results and objective measures of performance based on results; not behaviors and characteristics.

C. The use of the performance management process as a tool to facilitate and enhance two-way feedback and communication of both organizational and individual performance objectives, and accomplishments on an ongoing basis.

D. Employee involvement in the development of performance objectives.

E. Management of award funding to meet organizational needs to reward results, and to make best possible use of monetary awards as incentives to achieve high levels of performance.

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F. The use of non-monetary forms of recognition as incentives to achieve high levels of performance.

G. The use of team or unit performance assessments, and team or unit recognition and awards as incentives to achieve high levels of performance.

H. The use of streamlining techniques such as automation and paperwork reduction to make the performance management, rewards and recognition processes more efficient.

I. Flexibility to use performance improvement tools and techniques to achieve required outcomes.

J. An education program for managers and employees which focuses on "managing for results." This requires using objective and measurable approaches to managing and improving performance.

K. Recognition of diversity accomplishments and the improved management of the diversity of the work force.

Section A3—Developing a Performance Strategy

Each OA is responsible for ensuring employee involvement in the development of the overall strategy through employee involvement groups and/or labor management relationships and/or partnerships.

OAs shall develop efficient performance management, rewards and recognition processes and shall ensure that their strategy is streamlined and meets the following efficiency criteria:

(1) Keeps paperwork associated with performance assessments to a minimum.

(2) Keeps levels of review and approval of performance assessments to the lowest practical organizational level. Justifications for levels of review shall be clearly documented in each organization's strategy.

(3) Is easily understandable to all employees throughout the organization.

(4) Makes use of available technologies to administer performance assessments in an efficient manner.

(5) Where practical, the strategy should emphasize the use of generic work assignments and responsibilities and performance expectations (example-supervisory/managerial elements).

Although behavior feedback may not be used solely in evaluating individual performance, OAs may supplement performance planning and assessments by using behavior feedback instruments and techniques. Multi-rater systems and other techniques may be used as a part of an organization's strategy to achieve required outcomes and high levels of performance.

B. PERFORMANCE MANAGEMENT UNDER THE DOT FRAMEWORK

Section B1—Performance Plan

Each departmental employee's performance plan shall be linked to the employee's work assignments and responsibilities as well as to annual goals, objectives, and required outcomes of the organization.

Documents which serve as a basis for linking individual and organizational performance include: organizations' strategic plans, supervisors' performance contracts or work plans; and other documents which highlight organizations' goals, objectives, and required outcomes.

Each departmental employee's performance plan shall specifically identify and include the following:

(1) **Performance Outcomes and Outputs (The Results).** Performance outcomes and outputs link the work of the employee to the organization's outcomes. Very often several employees or an entire organization will have the same outcomes and outputs. Some examples include: quality improved, product developed, productivity increased, waste eliminated, processing time reduced, lives saved, program developed, or program implemented.

(2) **Performance Expectations**. Performance expectations are those base levels of performance by the employee which are acceptable to the organization. Performance expectations should be expressed as quality, quantity, and timeliness, whenever possible. Numerical and non-numerical expectations are permitted, however, performance expectations should be as specific as possible--so specific that both the supervisor and the employee can easily determine when a performance expectation is met.

Obtaining input for plans which cover more than one employee can be accomplished through the use of employee groups or other methods to ensure that all employees are included.

OAs shall use performance management as a tool to facilitate and enhance two-way feedback and communication of both organizations' and individuals' required outcomes and outputs on an ongoing basis. While one performance discussion is required, each strategy shall identify a process which facilitates two-way feedback and communications between supervisor and employee on a continuing basis.

Section B2—Performance Assessment Process

Each departmental employee is entitled to an annual performance assessment of his/her success in accomplishing performance outcomes/outputs and performance expectations. Each employee is also entitled to ongoing assessments throughout the year which measure the employee's progress in meeting performance outcomes/outputs and performance expectations.

When assessing performance, each employee's work shall be measured in an objective manner. Measures of performance should address the variance in meeting the performance expectations. Supervisors have an obligation to monitor performance and communicate with their employees throughout the performance year.

As a part of the strategy, each OA may determine the number of levels appropriate to assess the performance of its employees. However, no organization shall have more than five levels of assessment or less than two levels of assessment. One level of assessment must be identified as the "Unacceptable" level, and one level must be designated as "Meets Expectations" or equivalent. Situations concerning "unacceptable performance" by employees must be handled in accordance with 5 CFR 432.

Each employee is entitled to an individual performance assessment. However, some work assignments are more typically performed as a part of a team or unit. As appropriate, each OA may

supplement individual performance plans, with team or unit plans and performance contracts, which may be used as a part of the overall assessment of an individual's performance.

Section B3—The Employee Recognition Process

Each OA shall manage award funds to reward employees, teams, and units based on results, and to provide incentives to achieve high levels of performance. This includes provisions to recognize and reward teams for high performance using team based systems such as group awards and gainsharing.

The Framework does not require that specific performance ratings equate to award amounts or percentages. However, OAs may link specific performance ratings to award amounts/percentages if such a strategy will result in the overall improvement of the organizations performance. Each OA may further delegate this authority within the guidelines of the Department's Framework.

OAs shall establish informal recognition programs, and encourage the use of non-monetary forms of recognition in its overall strategy to manage and improve levels of performance. Each OA's strategy shall include a plan to increase managers' awareness of the various forms of meaningful employee recognition available under the strategy.

C. GENERAL PROGRAM ADMINISTRATION UNDER THE DOT FRAMEWORK

Section C1—Training

As a part of the strategy, each OA shall include a significant module on performance management and improvement in supervisory training. This module shall focus on "managing for results" by addressing the following: linking individual performance and organizational performance, using the performance management processes as tools, defining and establishing outcomes, establishing and applying objective measures of performance, and using various forms of rewards and recognition to improve performance.

Section C2—Evaluation

Each OA has the responsibility to establish such means and methods as necessary to evaluate the effectiveness of its strategy.

Section C3—Reports

Each OA shall provide upon request to the Department information and reports concerning the operation of its strategy.

Section C4—Approvals

OA's strategy must be submitted to the Departmental Personnel Office for review and approval prior to implementation. OAs may make modifications without prior approval of the Department to its strategy and performance appraisal program as long as such modifications are still within the basic Framework, and do not result in the establishment of another appraisal program by changing the program's coverage, appraisal period, or summary rating pattern. A copy of any modification shall be provided to the Departmental Personnel Office.

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