

Action Required - Due Date March 3, 2008

December 13, 2007

SUBJECT: Performance Guidance for Change in Cycle and Appraisal Processing

TO: All ERS Employees

FROM: Katherine Smith
Administrator

This memorandum includes annual guidance issued by the Human Resources Division (HRD) for completing annual performance ratings. This guidance is provided below. In addition, we are also including information for managing the performance cycle that begins January 1, 2008. This will be a shorter, transitional cycle in order to accomplish USDA's requirement that all agencies appraise employees on a fiscal year rating cycle. The cycle will end September 30, 2008. This information immediately follows.

Information for Managing the January 1, 2008 – September 30, 2008 Rating Cycle

Performance Plans: The first step of any performance cycle is to establish expectations for employees in the form of a performance plan. Plans should be established as early in the rating cycle as possible to ensure that employees are clear about expectations. The upcoming year is no exception. In fact, plans should be established as early as possible to account for the shortened period. We recommend that plans be established and communicated to employees no later than January 31, 2008. NOTE: Many supervisors prepare annual performance ratings and new performance plans, get them approved, and deliver them to employees at the same time. This is generally efficient for both first line supervisors and higher level approving officials, particularly where they are not co-located. To the extent that both efforts can be completed by the end of January, no adjustment to your activities should be necessary. However, if you anticipate that completing and finalizing 2007 performance appraisals will take longer than the end of January, we recommend that performance plans for the new cycle be developed, approved and delivered to employees as a separate, more-timely activity. We understand that some efficiency may be lost by handling these two activities separately. As a result, it will be a judgment call for each Area and headquarters Staff to make.

Performance Expectations: In establishing expectations, consideration should be given to pro-rating annual performance measures for the shortened, 9-month period. Expectations related to 'quantity', in particular, should be adjusted for the shorter cycle. Supervisors may decide to use milestone indicators instead. For example, supervisors may set date or time-line milestones as indicators that appropriate progress on expectations is being made.

Mid-year Reviews: Mid-year reviews should be scheduled earlier than previous years. Supervisors should aim to hold mid-years reviews between late April and early June, 2008.

Performance Ratings: The abbreviated rating cycle will end September 30, 2008. Performance ratings will need to be prepared and finalized during late October and November, 2008.

Performance Awards: Each Area and headquarters Staff should revisit its performance award policy to see if temporary changes should be made for the transition cycle. Specifically, policies that grant a specific award amount or choice of award to employees based on the ratings they receive should be reviewed. Since the rating cycle will be 9 months rather than 12, and performance expectations will have been adjusted for the shorter cycle, it may be appropriate to pro-rate award amounts accordingly. In addition, we recommend consideration of ‘suspending’ (not offering) Quality Step Increases (QSIs) for the shortened rating cycle for the following reasons. First, as stated above, a shorter cycle will almost certainly require an adjustment of performance expectations. QSI’s are the highest form of recognition allowed. Each office should consider whether QSIs are appropriate where performance expectations have been adjusted. Second, Outstanding employees who receive a Quality Step Increase (QSI) for the 2007 rating cycle WILL NOT be eligible for another QSI if rated Outstanding for the shortened cycle. One of the Federal government’s criteria for QSI’s is that an employee may not receive two within a 52-week period. Since QSI’s for the 2007 cycle will be processed as soon as possible after HRD receives them (generally in March, 2008), 52 weeks will not have elapsed by late October or November, 2008 when the ratings and awards for the shortened cycle will be processed. In addition, HRD will not ‘hold’ QSI’s for several months, waiting for 52 weeks to pass as this will only compound delays in future years. Third, the rating cycle for 1-grade interval employees (Biological Science Technicians and program and administrative support personnel) will be shortened as well. Their cycle will be 6 months; one-half of a normal cycle. QSIs for these employees will be impacted as well. In the interests of preserving the intent and high status of QSIs, a 6 month rating period does not seem an adequate amount of time or performance on which to base a QSI. For equity, we recommend that decisions regarding the use of QSIs for the 2008 rating periods be the same for both shorter cycles. We also recommend that Areas and Staff Offices not already incorporating a ‘time-off’ award option in their policies consider doing so beginning with the upcoming, shorter cycle. As we move forward through the cycle, HRD will issue reminders and additional guidance for managing performance during the shortened period.

Processing Performance Appraisals for Rating Cycle Ending 12/31/07

Upon receipt of this memo, rating officials should develop reasonable due dates for receipt of employee accomplishment reports and should prepare to schedule performance reviews. Planning for this process in advance facilitates the timely initiation and processing of performance appraisals and awards.

Completion of Performance Appraisal Forms (AD-435P)

The Performance Appraisal form (AD-435P) is located on the HRD Home Page at: www.afm.ars.usda.gov/divisions/hrd/hrdhomepage/webforms/wpforms.htm. Please save the form in Word before using. It is also available as e-Forms. Attached are listings that identify those employees who require ratings this cycle and provide the employee information necessary to complete the upper section of each AD-435P.

After the rating and reviewing official have signed the AD-435P, the performance discussion has taken place, and the employee have signed their AD-435P, a copy of the form should be made for the employee and a copy should be retained in the supervisor’s records. Required documentation to be sent to HRD is discussed later in this memo.

Employees who have been in their positions and under performance standards for 90 calendar days or more are ratable and must receive an appraisal using the AD-435P. If an employee has not been covered under standards for the minimum appraisal period of 90 calendar days, the appraisal period for that employee should be extended to meet the 90 day requirement, at which time the employee must receive a rating of record. For questions about unusual circumstances, please contact this office for guidance.

Please remember that the rating official should discuss the tentative rating with the reviewing official and receive approval **before** discussing it with the employee, and that the rating supervisor and the reviewing official cannot be the same person.

Also remember that an employee's signature on the AD-435P only constitutes receipt of the appraisal. An employee's signature on the form does not mean the employee agrees with the rating given. If an employee chooses not to sign their AD-435P, a note should be written in the employee signature box stating, "Performance review was held on (date) and the employee refused to sign."

Employees who retire or separate after the end of the rating cycle and were covered under a performance plan for at least 90 days in the rating cycle should be appraised and receive a performance award if their rating warrants. Employees should submit an accomplishment report, preferably before their departure.

In order to effectively assist an employee who receives a less than fully successful summary rating within established time frames, supervisors should contact their servicing Employee Relations Specialist immediately upon making that determination.

An additional written justification providing details concerning the employee's performance must accompany the AD-435P to HRD if:

- 1) The rating of record is **Outstanding** or **Unacceptable**.

The employee's accomplishment report may serve as written narrative for all other ratings of record and awards (i.e., ratings of record of superior or fully successful, performance bonuses and time off awards).

Completion of Award Forms (AD-287-2)

A Recommendation and Approval of Awards form (Form AD-287-2) must be prepared for each award nomination. Employees rated Fully Successful or above are eligible for performance awards.

- All Cash awards and Time Off awards require a written justification. If you provide a written justification for the performance rating as indicated above, you need not provide one for the award. HRD is requiring one justification for the performance rating/award package as indicated in "Documentation to HRD" below. An award justification may be a narrative description (achievement, role, and impact), or an employee's accomplishment report.
- A QSI may be recommended only for those employees who receive an Outstanding rating, who have not received a QSI within the last 52 weeks, and who have not been promoted or reassigned to a different position near the end of the performance cycle. QSIs are given in the position and at the grade level for which performance was assessed. A copy of the justification provided for the Outstanding rating will be sufficient documentation for the QSI. QSIs to the 4th and 7th steps of a grade extend the employee's current within-grade waiting period by one year. For specific questions regarding QSIs, refer to your servicing Human Resources Specialist or to this office.

Since performance awards, time off awards, and QSIs are based upon the annual performance rating, an employee may not be recommended for more than one award in this category. Recognizing specific accomplishments or achievements during this time period with other awards such as extra effort or non-monetary, is permitted.

A citation must be provided in Block 11 of AD-287-2 for performance awards and QSIs. The following citation is recommended:

"This award is based upon an official performance appraisal rating of (*Fully Successful, Superior, or Outstanding*) for the rating period January 1, 2007 through December 31, 2007."

Documentation to HRD

One package, to include the appraisal and award, is to be sent to HRD for each employee. Each should contain the following and be stapled together in the following order:

- 1) Original AD-287-2
- 2) Original AD-435P
- 3) Accomplishment Report/Award Justification (for Outstanding or Unacceptable Rating)
- 4) Performance Plan Cover Sheet, if used
- 5) AD-435A/B or Performance Plan

NOTE: The Employee list must be submitted with organization's appraisal/award packages. Upon completion of appraisals, supervisors must document the list (in space provided) indicating the date the appraisal was issued or a reason must be given as to why it wasn't, i.e., employee's cycle was extended through (date) or employee reported (date) and will be rated next cycle, etc.

Please do not send Individual Development Plans (IDPs), training forms, lists of publications, or other management documents to HRD in this package. These are not required documents in the Employee Performance File and will not be filed if received.

Please send employee listings and all appraisal/award packages are to the following address:

Theresa Bailey
USDA/ARS/Human Resources Division
Performance Recognition Staff
5601 Sunnyside Avenue, Room 3-1282D
Beltsville, MD 20705-5107

Due Date/Processing

Performance appraisals and award recognition should be timely if they are to be meaningful to employees. Timely appraisal and recognition of employees are also Human Capital initiatives of which USDA agencies will be held accountable through the scorecard process. As a result, HRD will be monitoring the appraisal of employees closely. HRD requests your assistance in meeting the following due date by preparing early for the appraisal process.

- Appraisal/Award packages are to be received in HRD **no later than March 3, 2008**.
- **The latest date a QSI will be made effective is March 30, 2008.** A QSI will not be held for a Within Grade Increase (WGI) to be effective.
- In cases where an employee's QSI will affect their next WGI, HRD will contact Location/Area administrative staff to discuss whether a QSI or performance award would be beneficial to the employee.

Therefore, supervisors should consult with employees regarding recognition choices, especially in view of cutoff dates for QSIs. Once an AD-287-2 has been submitted and processed in the National Finance Center system, HR Assistants will not be able to cancel the award to process another.

Supervisors should consult applicable union agreements and comply with any time frames for the submission of performance appraisals and awards for bargaining unit employees.

Contacts

Questions may be referred to Theresa Bailey on 301-504-1452 or to your servicing Human Resources Assistant. Performance problems which may result in a less than fully successful rating should be referred to your servicing Employee Relations Specialist.

cc:

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K. Hoyle, HRD

Metropolitan Services Branch, HRD

Employee Relations Branch, HRD

Employee Development, Performance Recognition and Staff, HRD