



MAR 15 2016

MEMORANDUM FOR Secretarial Officers
Operating Unit Heads

FROM: Ellen Herbst 
Chief Financial Officer and
Assistant Secretary for Administration

SUBJECT: Senior Executive Service and Senior Professional
Performance Progress Reviews for Fiscal Year 2016

Providing effective monitoring and regular feedback on employee performance are critical to ensuring that the Department of Commerce's (Department) mission-critical objectives are being met. The Department's Senior Executive Service (SES) and Senior Professional (ST/SL) performance cycle is concurrent with the fiscal year, from October 1 through September 30. Regulations require that at least one performance progress review be conducted during the appraisal cycle. The month of April marks the approximate point in the performance management cycle at which midpoint performance reviews are generally conducted.

The progress reviews must include discussion of:

1. The executive/senior professional's progress toward meeting the objectives of the elements of his/her performance agreement;
2. The need for changes in the plan based on changes in mission and administrative requirements and responsibilities; and
3. Any performance deficiencies and the rating official's recommendations on how to improve performance.

You may also discuss development opportunities with each of your senior executives. When conducting SES progress reviews, you are encouraged to direct executives' attention to the SES Performance Standards for Critical Elements, contained on page 2 of the Executive Performance Agreement, which are the standards by which their performance will be appraised at the conclusion of the performance-management cycle. A copy of the Performance Standards for Critical Elements is attached for your reference.

Additionally, in accordance with guidance from the Office of Management and Budget and the Office of Personnel Management, you should ensure your organization is continuing its efforts to strengthen its culture of employee engagement. As part of the progress review, you should review each executive's plan to ensure that it includes some measurable component related to action planning based on employee feedback and/or results for improving employee engagement. The measurable item should be included in critical element 2, Leading People, and should reflect an active feedback loop. Plans lacking this type of measurable item should be updated in the Agency-Specific Performance Requirement block of critical element 2, Leading People. Sample requirements addressing employee engagement are attached.

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The progress reviews must be formally documented on the Executive Performance Agreement in Part 2, Progress Review, with both the rating official and the employee signing and dating the form. The reviewing official may sign the progress review as well. Rating officials must also ensure that progress reviews are scheduled and conducted for executives who entered SES positions after the beginning of the performance cycle. These progress reviews should be conducted near the midpoint of the abbreviated appraisal period. The same requirements apply for ST/SL employees; however, the progress review must be documented on Form CD-518, Senior Professional Performance Agreement.

If you have any questions concerning the progress review process, please feel free to contact Nancy Osborn, Acting Director, Office of Executive Resources, at (202) 482-5815.

Attachments:

1. Performance Standards for Critical Elements
2. Sample Employee Engagement Requirements

cc: Principal Human Resources Managers

Part 5. Critical Elements

Performance Standards for Critical Elements (The performance standard for each critical element is specified below; examples for the top three performance levels can be found in the system description)

- **Level 5:** The executive demonstrates exceptional performance, fostering a climate that sustains excellence and optimizes results in the executive's organization, agency, department or government-wide. This represents the highest level of executive performance, as evidenced by the extraordinary impact on the achievement of the organization's mission. The executive is an inspirational leader and is considered a role model by agency leadership, peers, and employees. The executive continually contributes materially to or spearheads agency efforts that address or accomplish important agency goals, consistently achieves expectations at the highest level of quality possible, and consistently handles challenges, exceeds targets, and completes assignments ahead of schedule at every step along the way.
- **Level 4:** The executive demonstrates a very high level of performance beyond that required for successful performance in the executive's position and scope of responsibilities. The executive is a proven, highly effective leader who builds trust and instills confidence in agency leadership, peers, and employees. The executive consistently exceeds established performance expectations, timelines, or targets, as applicable.
- **Level 3:** The executive demonstrates the high level of performance expected and the executive's actions and leadership contribute positively toward the achievement of strategic goals and meaningful results. The executive is an effective, solid, and dependable leader who delivers high-quality results based on measures of quality, quantity, efficiency, and/or effectiveness within agreed upon timelines. The executive meets and often exceeds challenging performance expectations established for the position.
- **Level 2:** The executive's contributions to the organization are acceptable in the short term but do not appreciably advance the organization towards achievement of its goals and objectives. While the executive generally meets established performance expectations, timelines and targets, there are occasional lapses that impair operations and/or cause concern from management. While showing basic ability to accomplish work through others, the executive may demonstrate limited ability to inspire subordinates to give their best efforts or to marshal those efforts effectively to address problems characteristic of the organization and its work.
- **Level 1:** In repeated instances, the executive demonstrates performance deficiencies that detract from mission goals and objectives. The executive generally is viewed as ineffectual by agency leadership, peers, or employees. The executive does not meet established performance expectations/timelines/targets and fails to produce – or produces unacceptable – work products, services, or outcomes.

Element Rating Level Points

Level 5 = 5 points
Level 4 = 4 points
Level 3 = 3 points
Level 2 = 2 points
Level 1 = 0 points

Department of Commerce
Senior Executive Service Performance Plans
Fiscal Year 2016
Sample Employee Engagement Requirements

In accordance with guidance issued by the Office of Management and Budget and the Office of Personnel Management, agencies are to ensure Senior Executive Service performance plans include some measurable component related to action planning based on employee feedback and/or results to improve employee engagement.

The following are sample employee engagement requirements for Critical Element 2, Leading People:

1. Connect employees to Commerce's and the bureau's mission and priorities through consistent, effective, and timely communication. As appropriate to one's position, use the Employee Viewpoint Survey and other available data to analyze issues related to employee engagement, development, and satisfaction, and implement strategies to improve where necessary. Analysis of issues completed by the end of 3rd quarter and at least one strategy for implementation is identified.
2. Promote a learning organization through performance management (feedback and coaching), individual development plans, and training. 80-85% of identified necessary training is completed by initial deadline.
3. Workforce engagement is enhanced by 75 - 85% of employees completing a bureau-specific survey or participating in focus groups addressing areas for improving organizational culture or other target improvement areas.
4. Consistently solicits input from employees on policies, procedures, and administrative matters. Provides timely feedback to employees on input received. Implements at least one change to policies, procedures, or administrative matters attributed to employee input.
5. Communicate organizational issues and information to staff on a regular basis in a frequency and manner that staff deem optimal. Ensure staff provides sufficient input into any determination of optimal communications practices. Participate in fora at least semi-annually through which staff input can be heard. As appropriate, response to staff input is provided to staff before the next forum is conducted.
6. Organize at least one team including employees as team members to develop and implement innovative policy or procedure recommendations with impacts on fostering innovations and strengthening organizational performance.