

U.S. Department of Energy
Washington, D.C.

ORDER

DOE O 331.1

Approved: 9-30-96
Sunset Review: 9-30-98
Expires: 9-30-00

SUBJECT: DEPARTMENTAL EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM

1. **OBJECTIVES.** To establish requirements and responsibilities for the management of employee performance, including appraisal, recognition, and reward for most employees at grades GS-15 and below (see the exclusions at paragraph 3a) and to measure employee levels of achievement against mutually agreed to performance objectives and criteria.
2. **CANCELLATIONS.**
 - a. DOE 3430.3A, DEPARTMENTAL PERFORMANCE APPRAISAL SYSTEM, dated August 14, 1986.
 - b. DOE 3450.1B, INCENTIVE AWARDS, dated June 23, 1992, except for the sections that pertain to Senior Executive Service (SES) awards.
3. **APPLICABILITY.**
 - a. Department of Energy (DOE) Elements. This Order applies to all DOE employees except as identified in paragraph 3c below.
 - b. Contractors. This Order does not apply to contractors.
 - c. Exclusions. Those DOE employees at grades GS-15 and below excluded under Title 5, United States Code, section 4301(2) [5 U.S.C. §4301(2)] and Title 5, Code of Federal Regulations, section 430.202(a)(2) [5 CFR §430.202]; experts and consultants; and members of the Board of Contract Appeals.
4. **REQUIREMENTS.**
 - a. A Departmental Employee Performance Management System shall be established consistent with 5 U.S.C. § 4302 and 5 CFR § 430.204.
 - b. Each Departmental Element shall develop an Employee Performance

DISTRIBUTION:
All Departmental Elements

INITIATED BY:
Office of Personnel Policy,
Programs and Assistance

Management Program Implementation and Evaluation Plan (hereinafter referred to as a program plan) utilizing quality management principles which satisfies the following performance management objectives:

- (1) Supports the Department's strategic plan, mission goals and planning objectives, and quality management objectives.
 - (2) Aligns individual performance expectations to specific organizational performance goals and objectives. Managerial and supervisory plans are to be closely aligned with their respective executive's plans.
 - (3) Provides for timely, fair, and accurate employee performance evaluation and performance improvement feedback, based on established elements and standards as specified by the performance appraisal plan.
 - (4) Provides for the continued performance improvement of the organization and its employees and for assistance to employees for improving unacceptable performance.
 - (5) Celebrates, recognizes, and rewards organizational/team and individual employee successes and accomplishments in a timely, fair, and consistent manner.
 - (6) Continuously improves the performance appraisal/feedback/recognition policies and process through systematic and periodic evaluations.
 - (7) Operates in a manner consistent with law and regulation.
- c. Each Departmental Element shall submit a program plan to the Deputy Assistant Secretary for Human Resources within six months which provides, or provides for, the following:
- (1) The identification of individuals (by position) responsible for program development; operation, including preparing and reviewing ratings and award nominations; and evaluation.
 - (2) The identification of employees (by pay plans and/or positions) covered by the program.

- (3) The identification of an effective date with a savings provision consistent with 5 CFR §430.201(b) for administrative actions initiated before that effective date.
- (4) The solicitation and participation of employees and, where applicable, unions and partnership councils in the development of the program.
- (5) Frequent communication with employees about, and training all employees in, the program.
- (6) Opportunity for employees to participate in developing their own performance plan.
- (7) A documented performance plan for every employee which:
 - (a) Is based on work assignments and responsibilities.
 - (b) Is results-based; i.e., tied to Departmental and organizational objectives (what is accomplished) and reflective of Departmental core values criteria (how results are accomplished).
 - (c) Contains at least one critical element that addresses individual performance (see paragraph 4c(8) below, regarding requirements for managers and supervisors).
 - (d) Contains at least at two summary levels - "meets expectations" and "unacceptable," but no more than five summary levels.
 - (e) For each critical element, has a performance standard established at least at the "meets expectations" level.
 - (f) Includes a reviewing official when the summary level is below the "meets expectations" level or when standards are written at more than one summary level.
 - (g) Is established within 30 days of the beginning of the appraisal period.
- (8) For each manager and supervisor, a performance plan must contain at least two critical elements - leadership and program accomplishment. The criteria at Attachment 1, or equivalent variation approved by the Deputy

Assistant Secretary for Human Resources, must be used to evaluate the critical element “leadership.”

- (9) An annual performance rating cycle which provides that employees be in positions for which they are rated a minimum of 90 calendar days. The managerial and supervisory rating cycle shall be tied to their respective organizational time frames for strategic/operating plans and executive rating cycle.
- (10) Criteria and procedures to address employee performance for those who are on detail or are transferred.
- (11) A rating of record procedure, including a method for deriving and assigning a summary rating level, as specified in 5 CFR § 430.208(d).
- (12) An employee assistance process to improve performance, including the use of performance improvement plans (PIP).
- (13) When performance remains “unacceptable,” taking appropriate performance-based action, including reassignment, reduction-in-grade, or removal, but only after the employee has had an opportunity to demonstrate acceptable performance.
- (14) Recognition and rewards criteria and procedures which reward individuals and/or teams in monetary and nonmonetary ways based on results and noteworthy achievements.
 - (a) An award must be documented with a description of the employee or group contribution and the approving official’s signature and date.
 - (b) Approval of awards must be at a level above the initiator, except for the immediate staff of the Secretary or Head of a Departmental Element, unless otherwise precluded because of the amount of the award.
 - (c) The minimum amount of a monetary award is \$50 based on a benefit, either tangible or intangible, of at least \$500. (There is no maximum amount for an individual or group award.)
 - (d) The criteria must:

- 1 Be publicized regularly.
 - 2 Reflect that awards are based on measurable improvements to organizational systems and processes and/or attainment of organizational missions and goals.
 - 3 Reflect managerial core competencies for managers and supervisors.
 - 4 Ensure that employees have the opportunity to receive the full range of incentive and performance awards, including Quality Step Increases and beneficial suggestion awards.
 - 5 Include award scales for tangible and intangible benefits and special monetary awards.
- (15) The establishment and maintenance of records and other data to document performance appraisals, performance-based actions, awards, etc., for reporting purposes.
- (16) Procedures to evaluate the effectiveness of program policies and processes.

5. RESPONSIBILITIES.

- a. Secretary. Approves the following:
 - (1) Major DOE honorary awards, i.e., The Secretary's Award, Award for Valor, and Meritorious Service Award.
 - (2) Monetary awards to an employee in excess of \$7,500, but not more than \$10,000.
 - (3) Recommendations to the Office of Personnel Management (OPM) for cash awards to an employee in excess of \$10,000.
- b. Assistant Secretary for Human Resources and Administration approves travel expenses for guests to attend awards ceremonies.
- c. Deputy Assistant Secretary for Human Resources.
 - (1) Develops the Departmental Employee Performance Management

System and obtains OPM approval of the system.

- (2) Approves program plans for each Departmental Element.
- (3) Ensures that there are adequate funds and award materials for Departmental awards.
- (4) Publicizes and coordinates Secretarial awards ceremonies.
- (5) Reviews nominations for such awards.
- (6) Coordinates beneficial suggestions which apply to more than one Departmental Element or affect another agency.
- (7) Coordinates and provides applicable reports to OPM.

d. Heads of Departmental Elements.

- (1) Develop program plans based on the requirements in this Order.
- (2) Approve monetary awards up to \$7,500 for an employee and on-the-spot awards up to \$300 for an employee.
- (3) Approve Exceptional Service Awards
- (4) Ensure that adequate funds are available for payment of monetary awards.
- (5) Provide staffing and support services sufficient to ensure prompt action on awards recommendations and beneficial suggestions.
- (6) Ensure that any reporting requirement is satisfied.

6. REFERENCES.

- a. Title 5, United States Code (U.S.C.), Chapters 43 (Performance Appraisal) and 45 (Incentive Awards).
- b. Title 5, Code of Federal Regulations (CFR) Parts 293 (Personnel Records, Subpart D - Employee Performance File System Records), 430 (Performance Management) and 451 (Awards).

- c. OPM letter to Timothy M. Dirks, Deputy Assistant Secretary for Human Resources, dated September 22, 1995, which contains the approval of the Departmental Employee Performance Management System.

7. **DEFINITIONS.**

- a. Employee Performance Management Program Implementation and Evaluation Plan. A document, such as a local directive, which contains the same information as an *appraisal program*, as defined in 5 CFR §430.203. It is also referred to as a program plan.
- b. Performance appraisal plan. This is the same as a *performance plan*, as defined in 5 CFR §430.203. This is often referred to as an employee's standards. It does not include the appraisal or rating form based on the standards.

8. **CONTACT.** Questions concerning this Order should be addressed to the Office of Personnel Policy, Programs and Assistance at (202) 586-8695.

BY ORDER OF THE SECRETARY OF ENERGY:



ARCHER L. DURHAM
Assistant Secretary for
Human Resources and Administration

Criteria For Evaluating
The Critical Element “ Leadership”

Sub-critical element: Communication/Trust

1. Definition: The manager/supervisor communicates information and builds trust within the organization and with stakeholders and customers.
2. Standards:
 - a. Quality Advocacy - Incorporates quality management principles and programs as tools for improving the organization. Is accountable and holds process owners accountable for systematically and continuously examining and improving processes and programs. Implements appropriate process improvements in a timely manner. Ensures that subordinate staff are trained in quality principles and techniques.
 - b. Customer Orientation - Establishes methods to identify customers, their needs, and expectations. Continuously fosters their participation, feedback, and satisfaction. Ensures that work decisions account for and reflect customers' needs. Initiates changes based on customer input/needs.
 - c. Communications - Is an active listener and fosters open, two-way information exchange. Provides written and oral information in a clear, concise, and timely manner. Promotes communications within the organization and with the organization's customers.
 - d. External Relationships/Networking - Effectively articulates and promotes the organization's purposes and programs to outside groups. Meets regularly with clients, institutionalizes relationships with them as needed, and engenders their cooperation and support.
 - e. Negotiating/Influence - Language and behavior promote “win-win” solutions when differences or opportunities between groups or individuals arise. Makes timely, thoughtful and practical proposals to resolve impasses or reach consensus, taking shareholders' interests into account.
 - f. Interpersonal Relationships - Conveys respect for clients and employees. Takes positive steps to build trust, morale, and esprit de corps within the organization. Creates solid working relationships with others.

Sub-critical element: Human Resources

1. Definition: The manager/supervisor recruits, trains, develops and motivates employees, rewards performance, and promotes diversity within his/her organization.
2. Standards:
 - a. Human Resource Management - Takes timely action to acquire, restructure, and reallocate staff as priorities shift. Promotes human resources programs that enhance organizational and employee well-being.
 - b. Managing Diversity - Creates a work environment of inclusion, fairness, and equity. Proposes actions to, and works toward, achieving workforce diversity (e.g., use minority, women, small businesses and colleges for contracting/recruiting purposes).
 - c. Team Building/Teamwork - Values and fosters teamwork, cooperation, and trust in day-to-day program operations and in pursuing solutions to cross-cutting organizational issues. Establishes, actively participates, champions, and/or makes constructive contributions to teams established to improve programs and operations.
 - d. Developing Talent/Managing Performance - Provides staff timely and well-targeted opportunities to develop/enhance skills. Serves as an effective coach/mentor. Provides continuous, honest, timely performance feedback to staff. Takes timely action to establish performance expectations; celebrate, recognize, and/or reward performance successes and accomplishments; and deal with performance deficiencies.

Sub-critical element: Management/Business Practices

1. Definition: The manager/supervisor allocates, spends, and accounts for resources and procures, produces, and contracts for goods and services with his/her organization.
2. Standards:
 - a. Strategic Planning - Provides value-added input to strategic planning process. Reflects strategic plan, key initiatives, and organizational goals in all work plans for which he/she is responsible. Communicates organizational goals and performance expectations in a timely, clear, and consistent manner. Holds self and others accountable for achieving program goals consistent with the plan.

- b. Vision/Change Agent - Works collegially with others to realize a shared vision of the organization aligned with DOE's mission, vision, and values. Champions change by proposing and regularly encouraging ideas from stakeholders/customers on new ways of doing/improving business.
- c. Financial Management - Takes timely action to identify, request, monitor, and reallocate financial and material resources. Identifies ways and takes action to streamline business practices. Acts decisively and timely to avoid or correct instances of potential fraud, waste, and abuse.

CANCELED