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1. PURPOSE

To establish the policies and procedures for the Department of Agriculture's (USDA) Senior Executive Service (SES) performance appraisal system.

2. APPLICABILITY

Applies to all USDA SES regardless of appointment type (career, non-career, limited-term, or limited-emergency) or position type occupied (general or career reserved). Members of the USDA Office of Inspector General are excluded from this directive.

3. SPECIAL INSTRUCTIONS/CANCELLATIONS

This Departmental Regulation (DR) replaces DR 4040-430-003, dated December 28, 2011. The DR format is intended to guide the reader through the performance process through the stages of performance management: planning, monitoring, developing, evaluating, and rewarding performance.

4. POLICY

It is USDA's policy to establish a SES System that promotes excellence and a results-oriented performance culture that contributes to individual and organizational effectiveness and supports the Department's mission and goals. The system integrates performance, executive development and training, pay and recognition, and links to other related personnel decisions.

To pay senior executives above Executive Level III and up to Level II and also have access to the higher aggregate pay limit, USDA must demonstrate meaningful distinctions based on performance. This is demonstrated through a certified SES performance appraisal system that meets the criteria set forth in Title 5, CFR 430.404; and that receives approval from OPM with concurrence from OMB and:

- a. Aligns individual performance expectations with organizational goals,
- b. Involves senior leaders to encourage ownership of their performance appraisal system,
- c. Links all pay decisions to individual and organizational performance,
- d. Reflects meaningful distinctions between performance rating levels, and
- e. Provides for transparency in the process for making all pay decisions.

In January 2012, a joint memorandum from the Office of Personnel Management (OPM) and the Office of Management and Budget (OMB) announced the issuance of a new Governmentwide SES performance appraisal system. The new system was developed to meet the SES performance management needs of Executive Branch agencies and the senior executives by providing a more consistent and uniform framework to communicate expectations and evaluate senior executives particularly focusing on the role and responsibility of senior executives achieving agency results through effective executive

leadership. On June 24, 2013, OPM approved USDA's basic SES appraisal system description. USDA's SES performance management policy is in compliance with the SES basic appraisal system requirements:

- f. Planning and communicating performance elements and requirements that are linked with strategic planning initiatives.
- g. Consulting with senior executives on the development of performance elements and requirements.
- h. Monitoring progress in accomplishing elements and requirements.
- i. Appraising each senior executive's performance, at least annually, against requirements using measures that balance organizational results with customer and employee perspectives.
- j. Holding senior executives with responsibility for hiring accountable for recruiting and hiring highly qualified employees and supporting their successful transition into Federal service.
- k. Using performance information to adjust pay, reward, reassign, develop, remove senior executives or make other personnel decisions.
- l. Monitoring the development of Executive Development Plans (EDPs) for each senior executive.

5. ROLES and RESPONSIBILITIES

a. The Secretary shall:

- (1) maintain oversight and approve all aspects of the performance management system;
- (2) approve all recommendations made by the PRB on annual summary ratings, performance awards, and pay adjustments; and
- (3) appoint members of the Executive Resources Board and Mission Area and Staff Office PRBs.

b. The Secretary's Executive Resources Board (ERB):

- (1) provides recommendations on SES performance management policy and compensation guidelines for the Secretary's approval.
- (2) This includes establishing the minimum weight values for the critical elements.

c. Subcabinet Officials, Agency and Staff Office Heads communicate information to senior executives throughout the performance year concerning the SES performance management system and the accountability of performance management responsibilities within their organization. Information and accountability shall include:

- (1) developing and communicating the Department and Agency or Staff Office organizational goals and priorities used in developing individual performance plans;
- (2) ensuring that senior executive performance plans reflect clear and transparent

alignment to the Department's strategic plan, organizational goals and objectives, and include the performance requirements and measures as required by this policy;

- (3) assessing organizational performance, communicating assessment results to senior executives, and providing formal guidance to rating officials and reviewing officials on how the organizational performance is considered for ratings and awards;
- (4) ensuring the required proper documentation of annual organizational and individual performance reviews; and
- (5) ensuring that appropriate performance management training and retraining in the implementation and operation of performance management occurs for all senior executives within their organization as required by 5 CFR, Section 430.209.

d. The Assistant Secretary for Administration:

- (1) serves as the Senior Performance Official and manages and implements performance management policies,
- (2) oversees the PRB process,
- (3) evaluates the SES performance management system for effectiveness and certification compliance, and
- (4) in coordination with Departmental Staff and the Office of Human Resources Management, provides oversight for conducting SES personnel and performance matters.

e. The Assistant Secretary for Civil Rights:

- (1) ensures the SES performance management system reflects the Secretary's Civil Rights Policy,
- (2) advises on all aspects for rating senior executives with regard to civil rights, and
- (3) provides guidance to Agency civil rights directors regarding their roles in the performance appraisal process.

f. The Director, Office of Human Resources Management (OHRM):

- (1) develops and administers, on behalf of the Assistant Secretary for Administration, the regulatory requirements of the SES performance management system,
- (2) evaluates the system for compliance with applicable laws and OPM regulations,
- (3) ensures that appropriate and adequate training in the implementation and policy of the performance management system occurs for all senior executives, and
- (4) Establishes Departmental SES performance management deadlines that must be met to ensure proper and timely review by the PRB's.

g. The Director, Executive Resources Management Division (ERMD):

- (1) provides technical assistance, advice, and develops policy and written guidance on the SES performance management system,

- (2) monitors the system for compliance with USDA policy and applicable laws and regulations,
 - (3) manages USDA's PRBs, and
 - (4) provides adequate training to all senior executives as applicable.
- h. The Reviewing Official is the second-level of the senior executive:
- (1) ensures the rating official carries out his/her performance management responsibilities as specified in this USDA policy,
 - (2) establishes and supports a high performing organization to ensure both individual and organizational performance meet the overall needs and goals of the organization, and
 - (3) ensures consistency, fairness, objectivity, and completeness of the senior executive's performance plan.
- i. The Rating Official is the immediate supervisor of the senior executive:
- (1) creates a performance culture and environment that fosters high performance and
 - (2) carries out his/her performance management responsibilities throughout the appraisal period. Specific responsibilities are:
 - (a) **Planning Performance:** Establishes the senior executive performance plan in accordance with USDA performance management policy, engages the senior executive in developing his/her performance requirements, clearly communicates performance expectations, and ensures performance accountability.
 - (b) **Monitoring Performance:** Monitors performance, provides ongoing feedback during the appraisal period, and conducts the required formal progress review. Takes appropriate action to address performance that does not meet expectations.
 - (c) **Developing Performance:** As an ongoing part of the performance management process, develops performance that includes holding meaningful performance-related discussions and providing developmental opportunities. Works with senior executives to develop their executive development plans.
 - (d) **Rating Performance:** Assigns the initial summary rating based on performance, informing the senior executive of his/her right to provide a written response to the initial rating, ensures completion of the performance appraisal and required documentation for performance awards and performance-based pay adjustments, and submits the appraisal package to the Executive Resources Management Division (ERMD) by the due date prescribed by the Director, OHRM.
 - (e) **Rewarding Performance:** Fosters and rewards excellent performance and takes appropriate action to address performance that does not meet expectations. The rating official **does not** discuss performance pay adjustments or awards with the senior executive until approved by the

Secretary.

- j. The Senior Executive manages his/her performance by participating in discussions with the rating official specifically to:
 - (1) ensure a clear understanding of performance expectations (individual performance) and how his/her performance contributes to the mission of the organization (organizational performance),
 - (2) continue ongoing communication of outside factors that may negatively or positively impact his/her performance,
 - (3) improve his/her performance, perform at his/her full potential, support team endeavors, and continue his/her professional development, and
 - (4) complete the progress review, identify work problems and cooperate with the rating official, and seek performance feedback from internal and external customers.

- k. The Higher Level Reviewing Official:
 - (1) reviews any written comments provided by the senior executive, rating and/or reviewing official regarding the disagreement of an initial rating,
 - (2) renders a suggested recommendation or analysis to the PRB, and
 - (3) should be an individual who was not involved in the initial summary rating process and at a higher organizational level than both the rating and reviewing officials, but not necessarily in the same organization. For example, Under/Assistant Secretary or Agency Administrator.

- l. The Performance Review Board (PRB):
 - (1) reviews the initial summary ratings of senior executives and
 - (2) makes recommendations for annual summary ratings, performance awards, performance-based pay adjustments, and other performance related matters.

6. SYSTEM PROVISIONS

- a. Ensuring that senior executives are held accountable for individual and organizational performance through an effective performance management program that should incorporate planning, monitoring, developing, evaluating, and rewarding individual performance.

- b. System Design. USDA's SES performance management system requires a performance plan for all senior executives regardless of appointment type (career, non-career, or limited-term/emergency) or position type occupied (general or career reserved).

- c. Executive Performance Agreement. All senior executives are required to use the standard Exhibit 1, USDA Executive Performance Agreement (also referred to as the

performance plan) to establish and develop their performance plans. It contains the required critical elements and performance requirements including the specific measures that the senior executive is expected to accomplish during the appraisal period.

- d. Element and Summary Rating Performance Levels. The system provides for five element and summary rating performance levels:
 - (1) Level 5 (Outstanding)
 - (2) Level 4 (Exceeds Fully Successful)
 - (3) Level 3 (Fully Successful)
 - (4) Level 2 (Minimally Satisfactory)
 - (5) Level 1 (Unsatisfactory)
- e. Appraisal Period. Senior executives must be appraised at least annually on their performance and an annual summary rating must be assigned for the relevant period of performance of each year. USDA's appraisal period begins October 1 and ends September 30 each year. Performance should be managed and rated, to the extent possible, within the official appraisal period.
- f. Minimum Appraisal Period. The minimum appraisal period is 90 days that the senior executive must have served under an approved performance plan to receive an annual summary rating. At the end of the annual appraisal period, if the senior executive has not served under an officially approved performance plan for at least 90 days, his/her appraisal period must be extended. For example, new senior executive appointments that are effective after June 30, the appraisal period will be extended to the end of the following appraisal period, e.g., July 1, 2013 to September 30, 2014. However, the rating official may end the appraisal period at any time after the completed minimum appraisal period if there is an adequate basis on which to appraise and rate the senior executive's performance (e.g., end of probationary period or poor performance).
- g. Reassignment or Transfer, Details, Changes in Supervisors, and Transition Period
 - (1) Reassignment or Transfer. When a senior executive is reassigned or transfers to a new Federal agency and had been in the former position for the 90-day minimum appraisal period, the former supervisor must appraise the senior executive's performance in writing before the senior executive leaves and the appraisal will be forwarded to the gaining agency. Senior executives who are appointed without a break in service from another USDA agency must be issued a performance rating upon leaving their position.
 - (2) Transferred Ratings. When a senior executive is transferred or reassigned before the end of the appraisal period (e.g., reassigned August 1) and will not have served in the new position for the minimum appraisal period, the rating official may close out the appraisal period as scheduled and assign the initial rating based on the interim rating(s) if received from the former position. In the case where no

interim rating(s) was provided from the former agency or position, the rating official must extend the appraisal period to the end of the following appraisal period on September 30, (e.g., August 1, 2013 to September 30, 2014).

- (3) Details. When a senior executive is detailed or temporarily assigned to another organization inside or outside of USDA of 120 days or longer, the gaining organization must set performance goals and requirements no later than 30 calendar days after the effective date of the detail. The gaining organization must also appraise the performance in writing and provide the appraisal to the senior executive's rating official of record. The senior executive's rating official of record will factor this appraisal into the initial summary rating. The USDA agency must make a reasonable effort to obtain appraisal information from the organization that the senior executive was serving the detail.
- (4) Changes in Supervisor. A departing supervisor must provide an interim appraisal for all senior executives who have been under their supervision for the minimum 90-day appraisal period. If at the end of the appraisal period, the new supervisor has served for less than the minimum appraisal period, the following options are available (See Exhibit 2, Clarification of Rating Official):
 - (a) The new supervisor may give the initial summary rating based on the senior executive's accomplishment narratives, available interim appraisals, and other measurable data;
 - (b) The next level supervisor may assign the initial summary rating, if that supervisor has been present for the minimum appraisal period; or
 - (c) The appraisal period may be extended to allow a minimum appraisal period under the new supervisor before the initial summary rating is given.
 - (d) In all cases, when deriving the initial summary rating at the end of the appraisal period, the new supervisor must take into account the interim appraisals prepared by previous supervisors.
- (5) Transition Period (Moratorium) – A career executive may not be appraised within 120 days after the beginning of a new Presidential administration (i.e., the administration of a President other than the one in office immediately before the beginning of the current administration). When the new President is inaugurated on January 20, appraisal actions may not be taken until May 20. The moratorium applies to all phases of the formal appraisal process leading to an annual summary rating as outlined in Section 10, System Procedures, of this directive. The length of the performance appraisal period is not extended by the moratorium, which merely delays the appraisal and rating actions.

The moratorium does not preclude issuing a written appraisal when the senior executive changes positions or when the supervisor leaves. A progress review is

not subject to the moratorium. Additionally, a reduction in pay based on a less than Fully Successful annual summary rating assigned prior to the beginning of a new Presidential administration is not subject to the moratorium.

7. SYSTEM PROTOCOL

- a. **Planning Performance.** Supervisors must establish and communicate, in consultation with the senior executives, performance plans on or before the beginning of the appraisal period. To ensure the plan is an accurate reflection of work, the position description, operation/work plan, or any other source that assigns responsibility should be reviewed on a regular basis.
 - (1) **Performance Plans.** The “USDA Executive Performance Agreement” establishes a senior executive’s performance expectations on an annual basis. All senior executive performance plans must align to the Department’s or Agency’s strategic goals and objectives, include balanced and credible measures of performance within the standards for the critical element, and identify the accomplishment of organizational objectives. Performance plans can be modified, as appropriate, during the appraisal period, but no later than June 30 to reflect changing priorities, programs and objectives or shifts in workload. Revisions to the plan made with less than the minimum period (i.e., 90 days) left in the official appraisal period will require an extension of the appraisal period so the rating official can take into account performance under the revised plan. Otherwise, the revised performance requirements cannot be used during the current appraisal period.
 - (2) **Formally Communicating Expectations.** The supervisor or rating official must provide each senior executive with a written performance plan at the beginning of each appraisal period or within 30 days of an appointment or when the senior executive is assigned to a different position with substantially different duties and responsibilities (e.g., reassignment or a detail or temporary position for more than 120 days).
 - (3) **Consultation.** Rating officials must involve senior executives in the development of their performance plans. Establishing meaningful performance plans requires participation of both the supervisor and the senior executive. The joint development and participation may occur in the following ways:
 - (a) Senior executive and supervisor discuss and develop the performance plan together;
 - (b) Senior executive provides supervisor with a draft performance plan;
 - (c) Senior executive comments on draft performance plan prepared by the supervisor; or
 - (d) Senior executives who occupy similar positions prepare draft performance plan(s), with the supervisor's approval.

- (e) The final authority for establishing performance plans rests with the rating official.
- (4) Certifying the Plan. The senior executive and rating official must sign and date the performance plan in Part I. Consultation to certify that it has been discussed and the senior executive participated in the development of the performance plan. **The performance plan is officially established when both signatures are completed.**
- (5) Critical Elements and Performance Requirements. All senior executive performance plans shall include, as a minimum, the following mandatory Government-wide critical elements and performance requirements as written that describe performance at the fully successful level.
 - (a) **Leading Change.** Develops and implements an organizational vision that integrates key organizational and program goals, priorities, values, and other factors. Assesses and adjusts to changing situations, implementing innovative solutions to make organizational improvements, ranging from incremental improvements to major shifts in direction or approach, as appropriate. Balances change and continuity; continually strives to improve service and program performance; creates a work environment that encourages creative thinking, collaboration, and transparency; and maintains program focus, even under adversity.
 - (b) **Leading People.** Designs and implements strategies that maximize employee potential, connects the organization horizontally and vertically, and fosters high ethical standards in meeting the organization's vision, mission, and goals. Provides an inclusive workplace that fosters the development of others to their full potential; allows for full participation by all employees; facilitates collaboration, cooperation, and teamwork, and supports constructive resolution of conflicts. Ensures employee performance plans are aligned with the organization's mission and goals, that employees receive constructive feedback, and that employees are realistically appraised against clearly defined and communicated performance standards. Holds employees accountable for appropriate levels of performance and conduct. Seeks and considers employee input. Recruits, retains, and develops the talent needed to achieve high quality, diverse workforce that reflects the nation, with the skills needed to accomplish organizational performance objectives while supporting workforce diversity, workplace inclusion, and equal employment policies and programs.
 - (c) **Business Acumen.** Assesses, analyzes, acquires, and administers human, financial, material, and information resources in a manner that instills public trust and accomplishes the organization's mission. Uses technology to enhance processes and decision making. Executes the

operating budget; prepares budget requests with justifications; and manages resources.

- (d) **Building Coalitions.** Solicits and considers feedback from internal and external stakeholders or customers. Coordinates with appropriate parties to maximize input from the widest range of appropriate stakeholders to facilitate an open exchange of opinions from diverse groups and strengthen internal and external support. Explains, advocates, and expresses facts and ideas in a convincing manner and negotiates with individuals and groups internally and externally, as appropriate. Develops a professional network with other organizations and identifies the internal and external politics that affect the work of the organization.
- (e) **Results Driven.** This critical element includes specific performance results expected from the executive during the appraisal period, focusing on measurable outcomes from the strategic plan or other measurable outputs and outcomes clearly aligned to organizational goals and objectives. At a minimum, the performance plan will include performance requirements (including measures, targets, timelines, or quality descriptors, as appropriate) describing the range of performance at Level 3 for each result specified.

The Results-Driven critical element must also identify clear, transparent alignment to relevant Agency or organizational goals/objectives, page numbers, from the Strategic Plan, Congressional Budget Justification/Annual Performance Plan, or other organizational planning document in the designated section for each performance result specified.

- (6) **Additional Performance Requirements.** Additional Agency-specific performance requirements may be included for a critical element. These may be written as competencies or specific results/commitments associated with the element(s), but must be written at the fully successful level.
 - (a) Descriptions of additional performance requirements for Levels 5 and 2 are permitted, especially when describing results. The senior executive, in collaboration with his/her supervisor, should establish and clarify thresholds or measures/targets for these levels.
 - (b) The Secretary reserves the right to establish additional USDA performance requirements that apply to all senior executives such as addressing USDA priorities for improving leadership initiatives or conducting and managing USDA programs as regulated by the EEOC, and Federal law or OPM or OMB regulations. OHRM will provide guidance on how these requirements should be incorporated into the senior executive's performance plan.

(7) Critical Element Weights.

- (a) The ERB will establish the minimum weight values for each critical element prior to the beginning of the appraisal period for the Secretary's approval. Based on Agency priorities, these weight value requirements may vary on an annual basis and will generally be consistent for all senior executives in USDA.
- (b) The OHRM will provide Agency-wide guidance on how these requirements are assigned to the critical elements.
- (c) Each critical element must be assigned a weight value, with the total weights equaling 100 percent.
- (d) The minimum weight that can be assigned to the Results Driven critical element is 20 percent; and the minimum weight that can be assigned to the other four critical elements is 5 percent. No single performance element can be assigned a greater weight than the Results Driven element.

(8) Performance Standards.

The performance standard for each critical element is specified below.

- (a) **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. Performance may be demonstrated in such ways as the following examples:
 - Overcomes unanticipated barriers or intractable problems by developing creative solutions that address program concerns that could adversely affect the organization, agency, or Government.
 - Through leadership by example, creates a work environment that fosters creative thinking and innovation; fosters core process re-engineering; and accomplishment of established organizational performance targets.
 - Takes the initiative to identify new opportunities for program and policy development and implementation or seeks more opportunities to contribute to optimizing results; takes calculated risks to accomplish organizational objectives.
 - Accomplishes objectives even under demands and time pressure

- beyond those typically found in the executive environment.
 - Achieves results of significant value to the organization, agency, or Government.
 - Achieves significant efficiencies or cost-savings in program delivery or in daily operational costs of the organization.
- (b) **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. Performance may be demonstrated in such ways as the following:
- Advances progress significantly toward achieving one or more strategic goals.
 - Demonstrates unusual resourcefulness in dealing with program operations or policy challenges.
 - Achieves unexpected results that advance the goals and objectives of the organization, agency, or Government.
- (c) **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. Performance may be demonstrated in such ways as the following:
- Seizes opportunities to address issues and effects change when needed.
 - Finds solutions to serious problems and champions their adoption.
 - Designs strategies leading to improvements.
- (d) **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.

- (e) **Level 1:** In repeated instances, the executive demonstrates performance deficiencies that detract from mission goals and objectives. The senior 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.
- b. **Monitoring Performance.** Monitoring performance includes offering regular and recurring feedback, conducting progress reviews, and providing and/or arranging for training.
 - (1) **Monitor and Provide Feedback.** A supervisor must monitor performance in accomplishing the critical elements and performance requirements in the senior executive’s performance plan. This entails providing ongoing, timely, and honest feedback, including advice and assistance on improving performance when needed, and encouragement and positive reinforcement, as appropriate. If the rating official feels that the senior executive’s performance in one or more of the critical elements is lacking, he/she should discuss possible corrective actions as well as the ramifications of unimproved performance.
 - (2) **Progress Review.** Rating officials must conduct at least one progress review during the appraisal period. At a minimum the senior executive must be informed how well he/she is performing against performance requirements. These reviews will also be used as an opportunity to give advice and assistance on how to improve performance, identify developmental needs, and/or update performance plans.

Rating officials may revise a senior executive’s performance plan whenever they determine there is a need, provided that the revision occurs at least 90 days prior to the end of the performance year, or no later than June 30. For example, plans may be revised to reflect:

- (a) New organizational goals and objectives,
- (b) Outside influences beyond a senior executive’s control that make the original goals and standards unachievable,
- (c) Changes in work assignments, and/or
- (d) New organizational or management priorities.

Approval of such modifications must be recorded on the original performance plan with the initials and dates of both the rating official and senior executive. Senior executives and rating officials must acknowledge in writing in the appropriate area on the Executive Performance Agreement that this review has occurred.

- c. **Developing Performance.** Senior executives must establish and regularly update an Executive Development Plan for continued learning and development as required by

5 CFR 412.401. Developing performance is an ongoing part of the performance management process. Developmental opportunities may include classroom training, on-the-job-training, mentoring, special assignments, and details/reassignments, participating in professional and technical organizations, group performance meetings, process improvement teams, and self-development activities. Supervisors will encourage employees to seek professional and technical development opportunities to enhance their contribution to the Department, Agency and/or Staff Office goals.

- d. Evaluating Performance. Rating officials must appraise each critical element (Leading Change, Leading People, Business Acumen, Building Coalitions, and Results Driven) by assessing the senior executive's accomplishments against the performance standards defined in the performance plan. The element ratings will determine the initial summary rating for the senior executive's performance.
 - (1) When preparing to rate senior executives, the rating official shall:
 - (a) Evaluate the senior executive's performance in comparison to the established performance plan,
 - (b) Consider both individual and organizational performance during the appraisal,
 - (c) Base the rating on actual accomplishments while the senior executive was performing the work,
 - (d) Not assign a presumptive or assumed rating (i.e., the senior executive had insufficient opportunity to demonstrate performance),
 - (e) Factor any relevant Agency-wide assessment ratings, e.g., leadership, civil rights, organizational, etc., as appropriate, into the element rating, and
 - (f) Appraise the senior executive realistically and fairly to make meaningful distinctions based on relative performance.
 - (2) Results Driven. This element holds the senior executive accountable for achieving business results. Rating officials are required to rate each performance requirement for the Results Driven element by assessing the senior executive's accomplishments for each performance requirement against the performance standards. In addition, both individual and organizational performance needs to be considered. To determine the element rating, the rating official will use the following criteria:
 - (a) Outstanding – All performance requirements for Results Driven are rated Outstanding.
 - (b) Exceeds Fully Successful – A majority of the performance requirements for Results Driven are rated at least Exceeds Fully Successful or Outstanding with none below Fully Successful.
 - (c) Fully Successful – A majority of the performance requirements for Results Driven are rated at least Fully Successful with none below Fully Successful.

- (d) Minimally Satisfactory – One or more performance requirements for Results Driven are rated Minimally Satisfactory.
 - (e) Unsatisfactory – One or more performance requirements for Results Driven are rated Unsatisfactory.
 - (f) When no majority exists, the rating official will use all performance information to determine the rating of the critical elements (applies to Levels 3 and 4).
- (3) Executive Accomplishment Narrative. Senior executives must provide an accomplishment report to their rating officials near the end of the appraisal period as instructed in OHRM guidance. This report will address the completion of any objectives and goals identified in the performance plan as well as the accomplishments and achievements made during the appraisal period. The senior executive may use Part 7: Executive’s Accomplishment Narrative or attach his/her accomplishments.
- (4) Rating Official Narrative. Rating officials must provide an overall narrative justification of the initial summary rating in Part 6: Summary Rating Narrative of the performance plan. A written justification is required in the senior executive’s plan for any critical element rated Level 5 or below Level 3.
- (5) Element Rating Levels and Initial Summary Rating. Once the element ratings are determined, rating officials will assign the corresponding points for the performance level to derive the initial summary rating on “Part 4. Derivation Formula and Calculation of Annual Summary Rating” of the senior executive’s performance plan.
- (a) Level 5 = 5 points
 - (b) Level 4 = 4 points
 - (c) Level 3 = 3 points
 - (d) Level 2 = 2 points
 - (e) Level 1 = 0 points

(NOTE: If any critical element is rated Level 1 (Unsatisfactory), the overall summary rating is Unsatisfactory.)

To derive the “initial point score” for each critical element, multiply the performance level point value by the assigned weight value then add the initial point scores for each of the five critical elements to derive at the total score. Use the total score to assign the initial summary rating using the ranges below and record the initial summary rating on “Part 3. Summary Rating” of the senior executive’s performance plan:

- (f) 475-500 = Level 5
- (g) 400-474 = Level 4
- (h) 300-399 = Level 3

- (i) 200-299 = Level 2
- (j) Any critical element rated Level 1 = Level 1

The table below provides an example, which derives at an initial summary rating of Level 4 (Exceeds Fully Successful): Leading Change was rated Level 4 (4 points) and weighted at 15% = 60; Leading People was rated Level 5 (5 points) and weighted at 15% = 75. Once all elements are scored, they were added together for a sum of 400. As indicated in the “Summary Level Range”, a sum of 400 falls within the Level 4 range; therefore, the initial summary rating will be Level 4.

Critical Element	Initial Element Rating Level	Weight	Initial Point Score	Summary Level Range
1. Leading Change	4	15	4 x 15 = 60	475-500 = Level 5 400-474 = Level 4 300-399 = Level 3 200-299 = Level 2 Any CE rated Level 1 = Level 1
2. Leading People	5	15	5 x 15 = 75	
3. Business Acumen	3	15	3 x 15 = 45	
4. Building Coalitions	4	15	4 x 15 = 60	
5. Results Driven	4	40	4 x 40 = 160	
Total		100%	400	

- e. Approval of Ratings. The rating official determines the initial summary rating in writing, and must also get the reviewing official’s concurrence before communicating the initial summary rating to the senior executive. The concurrence should include discussions to:
 - (a) Ensure the assessment of senior executive’s performance is consistent with the organization’s overall performance,
 - (b) Consider additional information regarding the senior executive’s performance that may further impact the rating,
 - (c) Resolve any issues regarding the senior executive’s performance, and
 - (d) Obtain the reviewing official’s signature in “Part 3. Summary Rating” of the senior executive’s performance plan.

The rating official will prepare the required documentation and informs the senior executive of his/her initial summary rating. If the senior executive disagrees with the initial rating, then the rating official must advise that he/she may respond in writing to any aspect of the initial rating within 5 calendar days after receiving the initial summary rating. The senior executive should sign his/her performance plan. Signature constitutes receipt of the initial rating, not agreement. If the discussion cannot take place or the senior executive refuses to sign, the rating official must document the reason for not having the senior executive’s signature.

The rating and reviewing officials must consider the additional information and decide whether or not it warrants changing the initial summary rating. If no agreement is reached, the senior executive may request a higher-level review of his/her initial summary rating.

- f. Opportunity for Higher-Level Review. A senior executive may request a higher-level review by indicating on the appraisal form that he/she would like the review conducted. The higher-level review will be conducted unless it is not possible (e.g., the initial rater is the head of an executive agency and there is no employee at a higher level in the agency). Upon the request of an affected senior executive, USDA must provide a complete explanation of its basis for concluding that the higher-level review, as defined by law, is not possible.
- (a) Senior Executive. The senior executive only has one opportunity for a higher-level review of his/her initial summary rating prior to commencement of the PRB. He/she must complete the “higher-level review” section of the performance plan and provide a written request via e-mail or memorandum using, Exhibit 3 - Request for a Higher-Level Review, to the rating official. ERMD in conjunction with the ASA’s office will determine the higher-level reviewer.
 - (b) Rating Official. The rating official will forward the senior executive’s performance plan, accomplishments report, written response, and any other documentation provided by the senior executive to ERMD.
 - (c) Higher-Level Reviewer. In conjunction with the ASA’s office, ERMD will determine and coordinate with the designated higher-level reviewer to conduct the review. The higher-level review will be conducted:
 - 1 At a higher organizational level than the rating official, but not necessarily within the same organization (should one exist);
 - 2 By someone who was not involved in the initial summary rating process;
 - 3 To review all documentation and present findings that may result in recommending a different rating to the PRB, but cannot change the rating official’s initial summary rating; and
 - 4 For the higher-level reviewer to provide a written recommendation to ERMD within 5 days of receiving the senior executive’s request.

The higher-level reviewer will complete the Exhibit 4, Higher-Level Reviewer Response and provide it to ERMD. ERMD will forward the entire appraisal package (performance plan, accomplishment report, senior executive’s written response, and the higher-level reviewer’s recommendation) to the PRB. ERMD

will also provide a copy of the higher-level reviewer's recommendation to the senior executive, rating official and reviewing official.

- g. Distribution of Ratings. A forced or prescribed distribution of rating levels for senior executives is prohibited. USDA administers the SES performance management system to ensure that policies and practices do not lead to pre-determined ratings.
- h. Rewarding Performance. Pay adjustments and cash awards based on the results of the appraisal process should demonstrate meaningful distinctions by accurately reflecting and recognizing individual performance and/or contributions to the Agency's performance.
 - (1) Annual compensation guidelines for performance-based pay adjustments and awards must be approved by the Secretary prior to the Performance Review Board process. These guidelines will be reviewed and recommended by the ERB.
 - (2) The "USDA Executive Performance Agreement" is the official form to document the senior executive's performance rating. The annual summary rating of a senior executive is the basis for individual performance recognition, i.e., performance-based pay adjustment or performance award.
 - (3) A written justification is required for a recommendation for performance-based pay adjustment and/or performance award. The mandatory "Summary Rating Narrative" submitted by the rating official in Part 6 of the Executive Performance Agreement in addition to the executive's accomplishment report will serve as the written justification.
 - (4) Eligibility for performance-based pay adjustments will be consistent with USDA's "SES Pay Policy" for adjusting individual pay for senior executives. Performance-based adjustments will be based on demonstrated individual performance and contributions to organizational and mission success. These adjustments should make meaningful distinctions based on relative performance. The White House Liaison must be consulted on any adjustments to basic pay for noncareer senior executives. Performance-based pay increases restart the clock under the 12-month rule.
 - (5) Eligibility for a performance award requires:
 - (a) A career SES appointee as of the end of the appraisal period with an annual summary rating of at least Level 3 (Fully Successful),
 - (b) A former SES career appointee who elected to retain award eligibility under 5 CFR 317, subpart H (e.g., political appointee),
 - (c) A reemployed annuitant with an SES career appointment, or
 - (d) An individual who is no longer in the SES at the time the performance award decision is made, but who was an SES career appointee at the end

of the appraisal period.

Receiving a performance award does not preclude the senior executive from receiving other forms of recognition provided the recognition is not for the same accomplishment.

- (6) Ineligibility for a performance award:
 - (a) Senior executives on limited term or limited emergency appointments and non-career senior executives are not eligible for performance awards, but may be eligible for performance-based salary adjustments.
 - (b) Any senior executive who is rated Level 2 (Minimally Satisfactory) or Level 1 (Unsatisfactory) and is recommended for corrective action. The rating official is required to provide a written narrative/justification.
- (7) The Senior Performance Official will review and analyze all recommendations by the PRB before it goes to the Secretary for final approval. Any issues will be resolved by the Senior Performance Official in consultation with the chair of the PRB prior to submission of recommendations to the Secretary.
- (8) ERMD initiates obtaining the Secretary's approval of the initial summary ratings, proposed performance awards, performance-based pay adjustments, and any other personnel actions, as applicable. ERMD provides copies of the final approved performance appraisals to the senior executives and the rating officials. The original appraisals will be processed and retained in the Official Personnel File (OPF) or Employee Performance File (EPF).

i. Performance Review Boards (PRB).

- (1) Eligibility for PRB review. To be eligible for PRB evaluation, a senior executive should be on Agency rolls as of September 30, and have been on an established plan for the minimum appraisal period, and received a performance rating. This includes a senior executive serving their 1-year probationary period.

A senior executive, who is newly appointed to their position after June 30, will not be eligible for PRB evaluation, since he/she will not have an established plan for the minimum appraisal period at the end of the appraisal period.

- (2) PRB. USDA shall establish one or more PRBs to make written recommendations on annual summary ratings and performance compensation to the appointing authority on the performance of senior executives. Members shall be appointed in accordance with 5 CFR 430.310.
- (3) Membership Number. Each PRB must have 3 or more members selected by the agency head or designee(s) in a manner that ensures consistency, stability, and

objectivity in SES performance appraisal. Members will be appointed by the PRB Chair(s) and approved by the Secretary. PRB appointments shall be published in the Federal Register before service begins.

- (4) Career Membership. More than one-half of the PRB members shall be career appointees when considering a career appointee's appraisal or performance award. PRB members must not be engaged in deliberations involving their own appraisals.
 - (5) Review Ratings. The PRB shall review and evaluate the initial appraisal and summary rating, the senior executive's response, any recommendation by a higher-level reviewer, and conduct any additional review necessary to make written recommendations to the Secretary of Agriculture on annual summary ratings, performance awards and, as applicable, performance-based pay adjustments for each senior executive. The Secretary makes the final decision with regard to the annual ratings to be assigned and related personnel actions after considering PRB recommendations. The annual summary rating approved by the Secretary becomes the senior executive's official rating of record.
 - (6) Executive Response. The PRB shall not be provided a proposed initial summary rating to which the senior executive has not been given an opportunity to respond in writing.
 - (7) Agency/Organizational Performance. The PRB must be provided and take into account appropriate assessments of the Agency/organization's performance when making recommendations.
- j. Authority for Annual Summary Rating. The annual summary rating shall be assigned by the appointing authority, i.e., the Secretary of Agriculture and may not be delegated to an official who does not have authority to make SES appointments, and only after considering the recommendations of the PRB.
- k. Processing and Retention of Performance Ratings.
- (1) Due dates established by Departmental guidance must be adhered to ensure proper and timely review by PRBs.
 - (2) Performance records must be maintained in accordance with the procedures set forth in 5 CFR 293, Personnel Records; 5 CFR 297, Privacy Act Procedures for Personnel Records; and any Departmental Directives and Regulations concerning the Privacy Act and Freedom of Information Act. Annual summary ratings and the supporting performance plans must be maintained for 5 years from the date the annual summary rating is issued. Rating officials must comply with the above authorities in their maintenance and distribution of performance records.

- (3) When a senior executive's OPF is sent to another Federal Department, or the National Personnel Records Center, ERMD must include the last five annual summary ratings and performance plans, including the most recent rating and the interim appraisal rating prepared when the senior executive changes positions. The ERMD Performance Management Branch will purge all performance ratings, performance plans, and the supporting performance-related documents that are more than 5 years old from the eOPF or EPF.

I. Other System Requirements.

- (1) **Appraisal Results.** Results of performance appraisal will be used as a basis for adjusting pay, granting awards, determining training needs and making other personnel decisions. The appraisal results of the average rating, pay, and awards of the previous appraisal period are communicated to all senior executive members.
- (2) **Organizational Assessment and Guidelines.** USDA must assess organizational performance (overall and with respect to each of the particular missions, components, programs, policy areas, and support functions). USDA agencies must also ensure the assessment results and evaluation guidelines based upon them are communicated by the agency head (or another official designated by the agency head) to senior executives, rating officials, higher level review officials and PRBs so that they may be considered in preparing performance appraisals, ratings and recommendations.
- (3) **Oversight.** The Secretary, or his/her designee, provides organizational assessments and evaluation guidelines and is responsible to oversee the system and to certify: 1) the appraisal process makes meaningful distinctions based on relative performance; 2) executive ratings take into account assessments of organizational performance; and 3) pay adjustments, awards and pay levels accurately reflect individual and organizational performance. The responsible official designated to provide evaluation guidelines and oversee the appraisal system must do so for the entire USDA agency.
- (4) **Performance Distinctions.** Rating officials and PRBs must make meaningful distinctions based on relative performance that take into account assessment of the Agency's performance against relevant program performance measures.
- (5) **Differences in Pay Based on Performance.** Senior executives who have demonstrated the highest levels of performance must receive the highest annual summary ratings and the largest corresponding pay adjustments, cash awards and levels of pay, and be appropriately positioned in the pay range.
- (6) **Savings Provision.** Administrative actions initiated against employees whose performance is "Unsatisfactory" under 5 U.S.C. 4303 and the USDA

Performance Management Plan or another program in existence prior to the effective date of this Program, shall continue to be processed consistent with that pre-established set of procedures and requirements.

8. DEALING WITH POOR PERFORMANCE

- a. During the appraisal period, if the rating official determines a senior executive's performance to be less than fully successful in one or more of the established elements, the rating official must discuss possible corrective actions as well as the ramifications for unimproved performance. Senior executives with an annual summary rating of "Minimally Satisfactory" or "Unsatisfactory" may have their base salary decreased by a percentage, as determined by the Secretary. Written notice of at least 15 days in advance of the reduction in pay is required by law.
- b. Contact Human Resources. Supervisors and managers are strongly encouraged to contact OHRM for additional advice and guidance when addressing less than fully successful performance.
- c. Minimally Satisfactory Performance. If a senior executive receives a "Minimally Satisfactory" rating of record, the rating official must provide advice and assistance to improve his/her performance before the next annual summary rating. Minimally satisfactory performance permits a 1 year period to show improvement.
- d. Addressing Unacceptable Performance. At any time during the performance appraisal period where a senior executive's performance is determined to be unacceptable in one or more critical elements, the rating official must:
 - (1) Notify the senior executive, in writing, of the critical element(s) for which performance is unacceptable,
 - (2) Inform the senior executive of the performance requirement(s) that must be attained to demonstrate acceptable performance, and
 - (3) Inform the senior executive that unless his/her performance in the critical element(s) improves to and is sustained at an acceptable level, the senior executive may be reassigned, reduced in pay or removed.
- e. Performance or Misconduct. When deciding whether the actions of a senior executive are misconduct or performance related, the following laws shall be reviewed: 5 U.S.C. 3592 (Removal from the Senior Executive Service) and 5 U.S.C. 7543 (Cause and Procedure).
- f. Performance Actions. The Agency shall:
 - (1) Optional Removal – One Unsatisfactory rating: Reassign, transfer or remove a senior executive from the SES who has been assigned an "Unsatisfactory" final rating of record. The senior executive must be placed in a position outside the

SES or in another position in the SES for which he/she is qualified.

- (2) Mandatory Removal – Two Less-than-Fully Successful Ratings: Remove a career senior executive from the SES when he/she receives the final ratings of record:
 - (a) Two ratings of “Unsatisfactory” within 5 consecutive years,
 - (b) Two ratings of “Minimally Satisfactory” within 3 consecutive years, or
 - (c) One rating of “Unsatisfactory” and one rating of “Minimally Satisfactory” within 3 consecutive years.
- (3) The final ratings of record used to support the removal action may have been assigned under two different SES performance appraisal systems, or by two different agencies.
- (4) A career appointee who has completed his/her probationary period and who is being removed from the SES for less than fully successful performance is entitled to a 30-day advance written notice of such action. A career appointee who is removed from SES for less than fully successful performance is entitled to be placed in a civil service position (other than a SES position) at the GS-15 or above, or equivalent.
- (5) The removal of a career senior executive for performance reasons is subject to the 120-day moratorium, except for a removal based on an “Unsatisfactory” rating given before the appointment of a new agency head or non-career supervisor that initiated the action. This covers:
 - (a) An optional removal based on one “Unsatisfactory” rating,
 - (b) A mandatory removal based on two “Unsatisfactory” ratings in 5 years, and
 - (c) A mandatory removal based on two less than fully successful ratings in 3 years.
- (6) Senior executives that are noncareer, limited emergency or limited term, and reemployed annuitants holding any type of appointment under the SES may be reassigned or removed at any time. However, limited emergency or limited term senior executives removed for disciplinary reasons are covered under 5 CFR 752.601(c)(2). Regulations require that non-career and limited term SES receive notice in writing at least one day before the effective date of a removal.
- (7) Probationary career appointees are removed under procedures in 5 CFR 359 subpart D. (Nothing here shall be interpreted to limit removal of probationary senior executives as permitted by current regulations.) Non-probationary career appointees are removed under procedures in 5 CFR 359 subpart E. Guaranteed placement in a non-SES position will be provided under 5 CFR 359 subpart G when applicable.

- (8) Appeal Rights. Senior executive performance appraisals and ratings may not be appealed. The senior executive may file a complaint about any aspect of the rating process the senior executive believes to involve unlawful discrimination (EEOC) or a prohibited personnel practice (Office of Special Counsel). A career appointee being removed from the SES under 5 U.S.C. 3592(a)(2) shall, at least 15 days preceding the date of removal, be entitled upon request to an informal hearing before an official designated by the Merit Systems Protection Board (MSPB).
- (9) A removal for performance is not appealable to the MSPB. However, a career senior executive may request an informal hearing before MSPB at least 15 days before the effective date of removal. A career senior executive and/or a representative may appear and present arguments. The conduct of an informal hearing does not delay the effective date of the removal. MSPB has indicated that it lacks authority to change a performance rating or to order a specific remedy, however, it can comment on the senior executive's arguments and recommend appropriate action if a serious defect in the personnel action is manifest (e.g., misapplication of relevant statutory provisions, departure from important procedural rights).

9. LINKING PERFORMANCE TO OTHER PERSONNEL ACTIONS

- a. Annual Summary Rating. The rating of record has a bearing on various other personnel actions, such as probationary periods, promotions, training and development, pay adjustments, performance awards, and determining additional retention service credit in a reduction in force. A summary rating of at least "Fully Successful" will provide the basis for a senior executive's retention in the SES pay system and will establish the senior executive's eligibility for consideration for performance awards and performance-based pay increases.
- b. Probationary Period. An assessment of the appointee's performance during the probationary period by the appointing authority is required to make an official determination that the appointee is performing at the level of excellence expected of a senior executive. The probationary period provides a method by which supervisors should initiate action to remove the executive from the SES if it becomes apparent, after full and fair consideration, that the executive's performance is not suitable for satisfactory work.
 - (1) New career SES must serve a 1-year probationary period. Satisfactory completion of the probationary period is a pre-requisite for retention in the SES. The probationary period begins on the effective date of the initial SES career appointment and ends one calendar year later.
 - (2) The supervisor of the new career SES has the following responsibilities during the probationary period:

- (a) Must follow through on Agency initiated or Qualifications Review Board recommended training,
- (b) Observe the employee's performance and conduct,
- (c) Hold periodic, documented discussions of progress with the employee clearly outlining strengths and weaknesses of the employee in relation to the performance requirements,
- (d) Complete Form AD-3073, Senior Executive Service Probationary Period Certification, and an interim rating on the SES Appraisal Record, and submit to OHRM at least 60 days prior to completion of the employee's probationary period. If the employee's performance is evaluated as less than fully successful, appropriate supporting documentation must be submitted with the probationary period package, and
- (e) If the probationer's managerial or professional/technical performance is unacceptable, consider whether remedial action (such as specialized training or assignment to other SES duties) or removal action, is appropriate.

10. PERFORMANCE MANAGEMENT TRAINING REQUIREMENTS

- a. ERMD will provide annual training to rating and reviewing officials and senior executives on performance management, including the process and procedures for planning and appraising performance. Once the rating process is completed, information will be communicated on the overall rating distributions and average performance awards and pay adjustments that were approved.
- b. ERMD is responsible for training new senior executives upon entering SES; for including content on SES performance management in supervisory training sessions; and for providing refresher training, briefings, and information on all aspects of the performance management system on a regular recurring basis for all senior executives.
- c. Performance management training must include the following components:
 - (1) The concepts and practical use of performance management,
 - (2) Managing performance for results,
 - (3) Linking individual performance to organizational goals,
 - (4) The performance appraisal process,
 - (5) Establishing and applying objective measures of performance,
 - (6) Using rewards and recognition to achieve and sustain higher levels of performance,
 - (7) Addressing performance deficiencies,

- (8) Developing competencies,
- (9) Giving and receiving feedback, and
- (10) Communicating organizational performance with employees.

e. Methodologies used to train senior executives may include:

- (1) Classroom;
- (2) Automated or online training modules such as AgLearn;
- (3) Distance learning programs;
- (4) Formal and informal discussions between supervisors and employees;
- (5) Senior executive briefings;
- (6) Supervisory and leadership training;
- (7) Webcast training; and
- (8) Senior executive orientation materials.

11. PERFORMANCE APPRAISAL SYSTEM EVALUATION

- a. The Senior Performance Official is responsible for evaluating data and feedback from the PRBs and advising the Secretary and the Secretary's ERB along with other key officials of any changes or corrective actions associated with the performance management system. Changes and corrective action are taken in collaboration with the Office of Human Resources Management.
- b. USDA shall evaluate its SES performance appraisal system as required for OPM and OMB system certification.

-END-

Exhibit 1

**SES Performance Management System
Executive Performance Agreement**



Part 1. Consultation. <i>I have reviewed this plan and have been consulted on its development.</i>						
Executive's Name (<i>Last, First, MI</i>):			Appraisal Pd:			
Executive's Signature:			Date:			
Title:			Organization:			
Rating Official's Name (<i>Last, First, MI</i>):			CA <input type="checkbox"/> NC <input type="checkbox"/> LT/LE <input type="checkbox"/>			
Rating Official's Signature:			Date:			
Part 2. Progress Review						
Executive's Signature:			Date:			
Rating Official's Signature:			Date:			
Reviewing Official's Signature (<i>Optional</i>):			Date:			
Part 3. Summary Rating						
Initial Summary Rating	<input type="checkbox"/> Level 5 Outstanding	<input type="checkbox"/> Level 4 Exceeds Fully Successful	<input type="checkbox"/> Level 3 Fully Successful	<input type="checkbox"/> Level 2 Minimally Satisfactory	<input type="checkbox"/> Level 1 Unsatisfactory	
Rating Official's Name (<i>Last, First, MI</i>):						
Rating Official's Signature:			Date:			
Reviewing Official's Signature (second-level official's concurrence):			Date:			
Executive's Signature:			Date:			
Higher Level Review (if applicable)						
<input type="checkbox"/> I request a higher level review. Executive's Initials:			Date:			
Higher Level Review Completed <input type="checkbox"/>			Date:			
Higher Level Reviewer Signature:						
Performance Review Board Recommendation		<input type="checkbox"/> Level 5	<input type="checkbox"/> Level 4	<input type="checkbox"/> Level 3	<input type="checkbox"/> Level 2	<input type="checkbox"/> Level 1
PRB Chair Signature:				Date:		
Annual Summary Rating		<input type="checkbox"/> Level 5	<input type="checkbox"/> Level 4	<input type="checkbox"/> Level 3	<input type="checkbox"/> Level 2	<input type="checkbox"/> Level 1
Appointing Authority Signature:				Date:		

Part 4. Derivation Formula and Calculation of Annual Summary Rating

Critical Element	Element Rating		Weight	Score		Summary Level Ranges
	Initial	Final (if changed)		Initial	Final (if changed)	
1. Leading Change			x			475-500 = Level 5 400-474 = Level 4 300-399 = Level 3 200-299 = Level 2 Any CE rated Level 1 = Level 1
2. Leading People			x			
3. Business Acumen			x			
4. Building Coalitions			x			
5. Results Driven			x			
Total			100%			

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

<p>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.</p> <ul style="list-style-type: none"> ▪ 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	<p>Level 5 = 5 points Level 4 = 4 points Level 3 = 3 points Level 2 = 2 points Level 1 = 0 points</p>

Critical Element 1. Leading Change
<p>Develops and implements an organizational vision that integrates key organizational and program goals, priorities, values, and other factors. Assesses and adjusts to changing situations, implementing innovative solutions to make organizational improvements, ranging from incremental improvements to major shifts in direction or approach, as appropriate. Balances change and continuity; continually strives to improve service and program performance; creates a work environment that encourages creative thinking, collaboration, and transparency; and maintains program focus, even under adversity.</p>

Agency-Specific Performance Requirements					
Rating Official Narrative: <i>(Mandatory for Level 5 and below Level 3 Element Ratings)</i>					
<i>Critical Element Rating – Leading Change</i>	<input type="checkbox"/> Level 5	<input type="checkbox"/> Level 4	<input type="checkbox"/> Level 3	<input type="checkbox"/> Level 2	<input type="checkbox"/> Level 1

Critical Element 2. Leading People	Weight
<p>Designs and implements strategies that maximize employee potential, connects the organization horizontally and vertically, and fosters high ethical standards in meeting the organization's vision, mission, and goals. Provides an inclusive workplace that fosters the development of others to their full potential; allows for full participation by all employees; facilitates collaboration, cooperation, and teamwork, and supports constructive resolution of conflicts. Ensures employee performance plans are aligned with the organization's mission and goals, that employees receive constructive feedback, and that employees are realistically appraised against clearly defined and communicated performance standards. Holds employees accountable for appropriate levels of performance and conduct. Seeks and considers employee input. Recruits, retains, and develops the talent needed to achieve a high quality, diverse workforce that reflects the nation, with the skills needed to accomplish organizational performance objectives while supporting workforce diversity, workplace inclusion, and equal employment policies and programs.</p>	
Agency-Specific Performance Requirements	
Rating Official Narrative: <i>(Mandatory for Level 5 and below Level 3 Element Ratings)</i>	

<i>Critical Element Rating – Leading People</i>	<input type="checkbox"/> Level 5	<input type="checkbox"/> Level 4	<input type="checkbox"/> Level 3	<input type="checkbox"/> Level 2	<input type="checkbox"/> Level 1

Critical Element 3. Business Acumen	Weight				
Assesses, analyzes, acquires, and administers human, financial, material, and information resources in a manner that instills public trust and accomplishes the organization's mission. Uses technology to enhance processes and decision making. Executes the operating budget; prepares budget requests with justifications; and manages resources.					
Agency-Specific Performance Requirements					
Rating Official Narrative: <i>(Mandatory for Level 5 and below Level 3 Element Ratings)</i>					
<i>Critical Element Rating – Business Acumen</i>	<input type="checkbox"/> Level 5	<input type="checkbox"/> Level 4	<input type="checkbox"/> Level 3	<input type="checkbox"/> Level 2	<input type="checkbox"/> Level 1

Critical Element 4. Building Coalitions	Weight
Solicits and considers feedback from internal and external stakeholders or customers. Coordinates with appropriate parties to maximize input from the widest range of appropriate stakeholders to facilitate an open exchange of opinion from diverse groups and strengthen internal and external support. Explains, advocates, and expresses facts and ideas in a convincing manner and negotiates with individuals and groups internally and externally, as appropriate. Develops a professional network with other organizations and identifies the internal and external politics that affect the work of the organization.	
Agency-Specific Performance Requirements	

Rating Official Narrative: <i>(Mandatory for Level 5 and below Level 3 Element Ratings)</i>					
<i>Critical Element Rating – Building Coalitions</i>	<input type="checkbox"/> Level 5	<input type="checkbox"/> Level 4	<input type="checkbox"/> Level 3	<input type="checkbox"/> Level 2	<input type="checkbox"/> Level 1

Critical Element 5. Results Driven					Weight
Agency Goals/Objectives for current FY: Must have at least 1 result (may have more than 5)					
<p>This critical element includes specific performance requirements expected of the executive during the appraisal period, focusing on measurable outcomes from the strategic plan or other measurable outputs and outcomes clearly aligned to organizational goals and objectives. At a minimum, the performance plan will include performance requirements (including measures, targets, timelines, or quality descriptors, as appropriate) describing the range of performance at Level 3 for each result specified. It is recommended to also establish the threshold measures/targets for Levels 5 and 2.</p> <p>Alignment--cite relevant goals/objectives, page numbers, from the Strategic Plan, Congressional Budget Justification/Annual Performance Plan, or other organizational planning document in the designated section for each performance requirement specified.</p>					
Performance Requirement 1:			Strategic Alignment:		
<i>Performance Requirement 1 Rating</i>	<input type="checkbox"/> Level 5	<input type="checkbox"/> Level 4	<input type="checkbox"/> Level 3	<input type="checkbox"/> Level 2	<input type="checkbox"/> Level 1
Performance Requirement 2:			Strategic Alignment:		
<i>Performance Requirement 2 Rating</i>	<input type="checkbox"/> Level 5	<input type="checkbox"/> Level 4	<input type="checkbox"/> Level 3	<input type="checkbox"/> Level 2	<input type="checkbox"/> Level 1

Performance Requirement 3:		Strategic Alignment:			
<i>Performance Requirement 3 Rating</i>	<input type="checkbox"/> Level 5	<input type="checkbox"/> Level 4	<input type="checkbox"/> Level 3	<input type="checkbox"/> Level 2	<input type="checkbox"/> Level 1
Performance Requirement 4:		Strategic Alignment:			
<i>Performance Requirement 4 Rating</i>	<input type="checkbox"/> Level 5	<input type="checkbox"/> Level 4	<input type="checkbox"/> Level 3	<input type="checkbox"/> Level 2	<input type="checkbox"/> Level 1
Performance Requirement 5:		Strategic Alignment:			
<i>Performance Requirement 5 Rating</i>	<input type="checkbox"/> Level 5	<input type="checkbox"/> Level 4	<input type="checkbox"/> Level 3	<input type="checkbox"/> Level 2	<input type="checkbox"/> Level 1
Rating Official Narrative: <i>(Mandatory for Level 5 and below Level 3 Element Ratings)</i>					
<i>Critical Element Rating – Results Driven</i>	<input type="checkbox"/> Level 5	<input type="checkbox"/> Level 4	<input type="checkbox"/> Level 3	<input type="checkbox"/> Level 2	<input type="checkbox"/> Level 1

Part 6: Summary Rating Narrative <i>(Mandatory)</i>					
Part 7: Executive’s Accomplishment Narrative <i>(Mandatory)</i>					

Part 8: Agency Use

Exhibit 2

Clarification of Rating Official

Purpose: To clarify/specify appropriate rating officials when executives have worked on various assignments during the performance cycle (e.g., details, reassignment to different position, new position for less than 90 days; new supervisor for less than 90 days; transfer from different Federal agency, etc.)

Universal Factors:

- The executive is rated for all service in the SES during the performance cycle, including all SES positions held and details that were for 120 days or more. However, there will be one official appraisal for the performance cycle. Due weight should be given to the interim ratings, based on the time spent in the various assignments.
- Executives who have performance plans in place 90 days prior to the end of the performance cycle (September 30) will be reviewed by a Performance Review Board (PRB). Extensions beyond September 30 to meet the 90-day minimum requirement may be granted for a short period of time if the extension does not delay the PRB process.
- Executives who do not meet the 90-day minimum appraisal period will be rated at the end of the following appraisal period.
- Only performance as a SES member would be considered for the SES appraisal. (If an employee entered the SES in February, the executive would be rated on accomplishments made since entry into the SES. Accomplishments as a GS-15, prior to entry into the SES are not considered in the SES appraisal.)

Performance Cycle Scenario	Rating Official
Reassigned or transferred to new position less than 90 days prior to end of performance cycle.	<p>If reassignment does not result in change in supervisor, the current supervisor rates.</p> <p>If reassignment results in a new supervisor, new supervisor rates employee based on interim rating from previous supervisor.</p> <p>If transferred to USDA and there is no interim rating, the executive would be rated the next performance cycle.</p>
Detailed to different position or assignment for 120 days or more.	Executive would be rated by supervisor of position of record with input from interim rating from the detail.

Performance Cycle Scenario	Rating Official
Detailed for most of the performance appraisal period and remains on that detail as of the end of the performance cycle.	Executive would be rated by supervisor of record to include accomplishments for entire performance period, including detail. Performance during detail would be given the most weight since most of the performance period was spent on detail. In some instances, the interim rating from the detail may become initial rating.
Detailed for entire rating cycle.	The supervisor for the detail would appraise the executive and that appraisal would become the initial rating.
New supervisor for less than 90 days.	New supervisor may complete the appraisal based on the interim rating from previous supervisor; or Appraisal may be completed by higher level supervisor.
Extended details (during transition) to positions that are usually held by SES noncareer appointees.	Executives in this situation would be reviewed by the PRB that covers the executive's position of record.
If detailed for most of the appraisal period to a position that is above the position held by the supervisor of record (exception to #3).	Executive should be appraised (interim) by the supervisor of record up to the time of the detail. The supervisor of the detailed position would consider the interim rating along with the detail and provide one initial rating for the appraisal period.
For any other situation that is not covered by the above.	A higher level official should do the appraisal to prevent any perception of conflict of interest.

Exhibit 3
Request for a Higher-Level Review

To: Rating Official's Name
 Position Title
 Agency

Departmental Regulation 4040-430-004 permits one higher level review of my initial summary rating prior to review by the Performance Review Board (PRB). The [Agency] PRB is scheduled for [Date]. Based on the initial summary rating of [List the rating] that was issued to me on [Date], I am requesting a higher-level review of my rating based on the following reasons:

[Provide a bulleted list or a statement summarizing the reasons you do not agree with the initial rating. Additional evidence or accomplishments may be included as attachments to this request.]

Signature and Date
Employee's Name
Position Title
Agency

Acknowledgement of Request:

Signature and Date
Supervisor's Name
Position Title
Agency

This request will be forwarded to [Position Title/Agency] to conduct the higher-level review and will be completed by [Date]. This request will be included with your performance plan to the PRB.

Exhibit 4
Higher-Level Reviewer Response

To: Rating Official's Name
 Position Title
 Agency

In response to the request to review [Name]'s appraisal on [Date], my review resulted in the following findings:

[Provide a bulleted list of findings or a statement summarizing the findings.]

Based on the above information, I recommend a change/no change to the initial summary of [List the rating].

Signature and Date
Higher-Level Reviewer's Name
Position Title
Agency

This written response will be provided to the PRB as part of the senior executive's performance appraisal package.

Appendix A
Authorities, References, and Abbreviations

This directive must be used within the context of the following authorities:

- a. [Title 5, United States Code \(U.S.C.\), Chapter 43 – Performance Appraisal](#);
- b. [Title 5, Code of Federal Regulations \(CFR\), Part 430-C, Managing Senior Executive Performance](#);
- c. SES Pay and Performance Awards - [5 U.S.C. Chapter 45 \(Incentive Awards\)](#); [5 CFR Part 451, Subpart A \(Agency Awards\)](#); [5 CFR 534, Subpart D \(Pay and Performance Awards\)](#) and
- d. [The National Defense Authorization Act for Fiscal Year 2004 \(Public Law 108-136, November 24, 2003\)](#).

The following related resources provide additional guidance on performance management:

- e. [5 CFR, Part 293 – Personnel Records](#);
- f. [5 CFR, Part 297 - Privacy Act Procedures for Personnel Records](#);
- g. [5 CFR, Part 359 – Removal from the Senior Executive Service](#);
- h. [5 CFR, Part 412 – Supervisory, Management, and Executive Development](#);
- i. [5 CFR, Part 430-D, Performance Appraisal Certification for Pay Purposes](#);
- j. [5 CFR, Part 752-F – Adverse Actions](#);
- k. [DR 1061-003, USDA Executive Resources Board](#); and
- l. OPM Senior Executive Service Desk Guide

Abbreviations

CFR	Code of Federal Regulations
DR	Departmental Regulation
EPF	Employee Performance File
ERB	Executive Resources Board
ERMD	Executive Resources Management Division
GPRA	Government Performance and Results Act
OHRM	Office of Human Resources Management
OPF	Official Personnel Folder
OMB	Office of Management and Budget
OPM	Office of Personnel Management
PRB	Performance Review Board
PII	Personally Identifiable Information
PIO	Performance Improvement Officer
SES	Senior Executive Service
SPO	Senior Performance Official
USC	United States Code
USDA	U.S. Department of Agriculture

Appendix B Definitions

- a. Agency – An organizational unit of the Department, other than a staff office, whose Agency Administrator reports to an Under Secretary.
- b. Annual summary rating - The final overall rating level that the appointing authority assigns at the end of the appraisal period after considering a Performance Review Board's recommendation. This is the official rating of record.
- c. Appraisal period – The established period of time for which a senior executive's performance will be appraised and rated. In USDA, the appraisal period is October 1 to September 30.
- d. Appointing authority – The agency head or designee with authority to make appointments in the Senior Executive Service. In USDA, the Secretary of Agriculture is the appointing authority.
- e. Balanced measures – An approach to performance measurement that balances organizational results with the perspectives of distinct groups, including customers and employees.
- f. Critical element – A key component of a senior executive's work that contributes to organizational goals and results and is so important that unsatisfactory performance of the element would make the senior executive's overall job performance unsatisfactory. Such elements must only be used to measure individual performance.
- g. Element rating – The level of performance assigned to a specific critical element that will be used to derive the initial summary rating. These are Level 5 (Outstanding), Level 4 (Exceeds Fully Successful), Level 3 (Fully Successful), Level 2 (Minimally Satisfactory), and Level 1 (Unsatisfactory).
- h. Executive Resources Board (ERB) – A group comprised of USDA career and non-career senior executives who review and provide recommendations to the Secretary or designee on various Senior Executive Service policies and programs. Pertinent to this DR are performance and compensation management.
- i. Higher-level review – A review conducted at a higher-level organizational level than the rating and reviewing officials, but not necessarily within the same organization. This review must precede action by the Performance Review Board.
- j. Initial summary rating - An overall rating level the supervisor derives from appraising the senior executive's performance during the appraisal period and forwards to the Performance Review Board.

- k. Interim appraisal - An appraisal of performance by the rating official during a detail or temporary assignment of 120 days or more or a change in position during the appraisal period.
- l. Performance – The accomplishment of the work described in the senior executive’s performance plan.
- m. Mission Area – A Mission Area is a USDA agency or group of USDA agencies with related functions that report to the same Under or Assistant Secretary.
- n. Performance appraisal - The review and evaluation of a senior executive’s performance against performance elements and requirements.
- o. Performance award – A lump-sum cash payment granted to a career senior executive on the basis of a current rating of record, which recognizes and rewards excellent performance over a one year appraisal period. Non-career, limited-term, and emergency limited-term senior executives are not eligible for performance awards.
- p. Performance-based pay adjustment – A salary increase or decrease resulting from a senior executive’s annual summary rating approved by the appointing authority. Pay may be adjusted once in any 12-month period.
- q. Performance Improvement Officer (PIO) – A senior executive designated to advise and assist the agency head and the Chief Operating Officer in the development and use within the agency on performance measures in personnel performance appraisals, and, as appropriate, other agency personnel and planning processes and assessments. The PIO also assists and supports achieving the mission and goals through strategic and performance planning, measurement, analysis, regular assessment of progress, and use of performance information to improve the results achieved as well as to provide support in the conduct of regular reviews of agency performance.
- r. Performance management system – The framework of policies and practices that an agency establishes under subchapter II of chapter 43 of title 5, United States Code, for planning, monitoring, developing, evaluating, and rewarding both individual and organizational performance and for using resulting performance information in making personnel decisions.
- s. Performance requirement – A statement of the performance expected for a critical element.
- t. Performance Review Board (PRB) – A group of career and non-career senior executives appointed by the Secretary responsible for the oversight of the performance management and compensation processes for senior executives. The PRB also provides recommendations to the Secretary regarding senior executive performance ratings, awards, pay adjustments, and other performance-related matters for the senior executives. More

than half of the members must be career senior executives when evaluating career senior executives.

- u. Progress review – A review of the senior executive’s progress in meeting the performance requirements. A progress review is not a performance rating.
- v. Rating official – The senior executive’s immediate supervisor who is responsible for carrying out the performance management responsibilities throughout the appraisal period. Also referred to as the “supervisor” in this regulation.
- w. Reviewing official - The senior executive’s second level supervisor who is responsible for ensuring the rating official carries out his/her performance management responsibilities.
- x. Senior Performance Official (SPO) - Senior Agency Official who evaluates and analyzes the PRB recommendations for ratings, performance awards and base salary increases, and submits recommendations to the Secretary. The SPO is the Assistant Secretary of Administration.
- y. Senior executive performance plan – The written summary of work the 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 established for the senior executive.
- z. Staff Office – A Departmental administrative office whose head reports to the Secretary or Assistant Secretary, e.g., the Office of the Chief Financial Officer and Office of Human Resources Management.
- aa. Strategic planning initiatives - Agency strategic plans, annual performance plans, organizational work plans, and other related initiatives.