Pay-for-Performance Management System (PPMS) Newsletter



May 2011

INTRODUCTION

With the approaching anniversary of the U.S. Army Medical Research and Materiel Command (USAMRMC) Personnel Demonstration Project (PDP) on June 7, 2011, it soon will be time for all civilian employees in the PDP to receive their 2011 performance rating. The end of the rating cycle for these employees is June 30, 2011. This newsletter highlights key aspects of the PPMS, addresses the major roles and responsibilities of participants in the PPMS, and provides a schedule of events to assist you through the final steps of the PPMS process.

The PPMS is designed to provide an objective, effective, efficient, and flexible way of assessing, compensating, and managing civilian employees in the PDP workforce. It provides a method for linking compensation (e.g., pay progression/adjustment and/or bonus) directly with employee performance. The system demands effective supervisor-employee communication in jointly setting performance objectives that are reflective of mission needs and consistent with the duties and responsibilities associated with the employee's occupational family and payband. Importantly, the PPMS ensures that employees have an active role in the performance appraisal process.

There are three major events associated with the performance evaluation process.

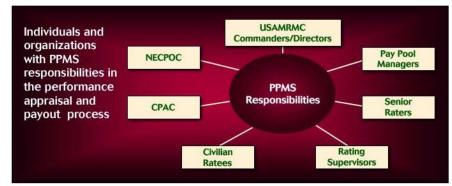
1. The first event consists of the supervisor and employee iointly setting the performance objectives and performance element weights that comprise the performance plan (USAMRMC Form 70-R-E entitled "Performance Objectives Worksheet" [see page 7]) for the new performance appraisal rating cycle. Performance objectives are statements of job responsibilities. Performance elements are generic attributes of job performance, such as technical competence, that an employee exhibits in performing job responsibilities.

Each performance element is assigned a weight, in multiples of five, between a specified range. The total weight of all elements is 100 points. The supervisor, in concert with the employee, assigns each element some portion of the 100 points in accordance with its importance for mission attainment. These weights will be developed along with performance objectives.

The performance plan, including objectives and the weight assigned to each performance element, should

- be in place within 30 days of the beginning of the rating cycle and may be modified during the cycle when significant changes occur.
- 2. The second major event in the performance evaluation process is the *mid-year review*, which normally is completed during January. During the mid-year review, the supervisor and employee meet to discuss the employee's progress in achieving the agreed-upon performance objectives and to determine if any of the objectives should be modified to reflect changes in the requirements of the job.
- 3. The third event in the PPMS entails completion of the Performance Appraisal (USAMRMC Form 71-R-E [see page 9]) and begins during the final weeks of the performance cycle. Key activities that raters must ensure occur during the PPMS cycle are provided as a "Rater's Checklist" on page 12.

The following pages focus on providing you the information needed to successfully work through the final steps of the PPMS process.



NECPOC: Northeast Civilian Personnel Operations Center; CPAC: Civilian Personnel Advisory Center

PPMS End-of-Cycle Process

There are four major steps that must occur in consonant with the end of one review cycle and the beginning of the next annual performance cycle. They are:

- 1. Employee prepares and provides supervisor with his/her list of accomplishments.
- 2. Employee and supervisor hold a performance review meeting.
- 3. Supervisor completes the employee's written performance appraisal.
- 4. Supervisor conducts an evaluation feedback meeting with employee.

Employee prepares and provides supervisor with his/her list of accomplishments.

As the end of the rating cycle approaches, supervisors will ask each employee to prepare and provide them with his/her list of accomplishments as they relate to his/her performance plan (i.e., USAMRMC Form 70-R-E). These should be provided at least 2 weeks prior to the end of the performance rating cycle. In this regard, employees may find it helpful to record key accomplishments in a log during the rating cycle.

Employee and supervisor hold a performance review meeting.

The supervisor reviews and considers the employee's input before conducting the Performance Review Meeting with the employee to discuss job performance and accomplishments. This meeting may occur anytime after receipt of the employee's accomplishments but should be completed by 1 week after the end of the rating cycle. Employees will be given an opportunity to give a personal performance assessment and to describe their accomplishments in more detail. The supervisor and employee will discuss job performance and accomplishments in relation to the performance elements, objectives, and planned activities. Supervisors never assign performance scores or ratings before or during this meeting.

Supervisor completes employee's written performance appraisal.

Following the performance review meeting, the supervisor prepares the employee's written Performance Appraisal (i.e., USAMRMC Form 71-R-E). Based on the employee's input for and information received at the performance review meeting, the employee's performance plan and position description, as well as other input the supervisor may request, the rater will determine a rating (numerical score) for each *performance element*.

The evaluation of employee performance is based on a numerical rating derived from the quality/level (expressed in percent) of achievement for each element and the corresponding score assigned for that element. Selection of the quality/level percentage and numerical performance score to assign to each of the employee's performance elements is facilitated by use of the Performance Standards Summary and/or Benchmark Performance Standards (BPS) (see pages 5-6). The resultant numerical rating for each element is recorded on the employee's Performance Appraisal Form. The overall rating equals the sum of the individual numerical scores derived for each of the corresponding elements. Employees receive an assigned rating of "Superior," "Exceptional," "Successful," or "Failure" depending upon the overall numerical score of 85-100, 70-84, 50-69, or 0-49, respectively.

If any critical element is assigned a numerical score of less than 50% of its assigned weight, then the overall rating will be "Failure" even if the cumulative score for all elements exceeds 49. When this happens, the rater must comment on the Performance Appraisal as to why the rating is Failure. The process

of evaluating and scoring a performance appraisal is explained in more detail on page 5.

The rater's completed Performance Appraisal is provided to the senior rater for review and optional input and must be completed within 30 days of the end of the rating cycle.

Supervisor conducts an evaluation feedback meeting with employee.

The supervisor holds an Evaluation Feedback Meeting with the employee following receipt of the senior rater input. The supervisor informs the employee of management's appraisal of the employee's performance, as well as the employee's numerical score, overall rating, and recommendations regarding payout shares. During this evaluation feedback meeting, the supervisor and employee will also discuss and document performance objectives and element weights for the new rating period. The employee's completed Performance Appraisal is then forwarded to the Pay Pool Manager for final processing.

PPMS Payout

SCHEDULE

The end of the PPMS process cycle requires intense management and attention to detail to ensure that performance appraisals are completed on time. This is a rater and management responsibility that is critical, as there are a number of ensuing activities that must also be completed in meeting the effective payout date for eligible PDP employees. September 11, 2011, has been established as the effective payout date for the annual performance rating cycle that ends on June 30, 2011. Table 1 provides the timelines and activities that must be completed to meet the approved effective payout date.



TABLE 1. PPMS PAYOUT TIMELINE AND ASSOCIATED EVENT

01 JUN 11	Rater requests list of employee accomplishments.
15 JUN 11	Employee provides list of accomplishments to rater.
30 JUN 11	End of the Annual Performance Rating Cycle.
14 JUL 11	Performance Review meetings completed.
29 JUL 11	Annual performance appraisals and evaluation feedback meetings completed. Supervisor completes Performance Appraisal with rating points assigned to each element, overall rating assigned, type of rating noted (e.g., annual), and number of shares recommended (Superior = 2, Exceptional = 1). <i>Total Dollar Value of Shares, Base Increase/Bonus sections of Performance Appraisal Form are left blank.</i> Senior rater reviews, initials, and may provide optional comments. Rater informs ratee of his/her appraisal during evaluation feedback meeting and forwards appraisals to Pay Pool Manager.
05 AUG 11	Pay Pool Managers verify that all appraisal forms for their pay pool have been received and review them for administrative accuracy. Pay Pool Managers send hard copy of completed Appraisal Forms to CPAC.
10 AUG 11	CPAC verifies that all performance appraisals have been received. CPAC provides a hard copy of all performance appraisals to the Evaluation Payout System (EPOS) operator.
12 AUG 11	Pay Pool Managers provide Commander/Director with memoranda certifying that all appraisals for their pay pool have been completed and reviewed for administrative accuracy.
15 AUG 11	EPOS operator calculates performance payout data and provides CPAC with a Summary Report reflecting performance payout data to include: Employee Name, SSN, Total Dollar Value of Shares, Base Increase/Bonus determinations.
19 AUG 11	The CPAC completes review of the Summary Report and provides the Summary Report for the specific pay pool to the corresponding Pay Pool Manager so that the Pay Pool Manager can review the Dollar Value of a Share, and the amount of payout designated for each employee in terms of Base Pay and/or Bonus.
23 AUG 11	Pay Pool Manager verifies the performance payout data reflected on the Summary Report, identifies any required corrections, and forwards them to the CPAC.
29 AUG 11	The Summary Report information (camera-ready copy) is finalized by the EPOS operator, and CPAC forwards the report electronically to NECPOC.
9 SEP 11	NECPOC completes quality control check on Summary Report.
11 SEP 11	Effective date of payouts.

SPECIAL NOTE: Specific requirements reflected above must be completed. The schedule dates are NLT dates that must be met to ensure timely processing utilizing FY11 monies.

Key Features of PPMS

There are a number of additional key features of the PPMS that raters and ratees should keep in mind.

Annual Rating Period

- 1. The performance period for the next rating cycle for the USAMRMC PDP is July 1, 2011 through June 30, 2012.
- 2. Employees who move into a different position within 60 days or less to the end of the rating period will be rated at the time of their move based upon their performance in the old position. Employees who leave their positions to accept other Federal positions after completing at least 60 days under approved objectives and performance elements will receive special appraisals to provide their gaining supervisors.
- 3. Newly hired employees with less than 60 days remaining to the end of the rating period will not be rated that year but will receive the full amount of any General Increase and locality payment. No percentage of their base pay will be put into the pay pool for that year.
- 4. Raters who leave their position will prepare special ratings for all employees under their supervision who have been under approved objectives and performance elements for a minimum of 60 days. The rater will prepare an annual rating when the employee has been covered by approved objectives for 60 days, and 59 days or less remain in the current rating cycle.

Minimum Rating Period

The minimum rating period is 60 days. Employees cannot be rated until they perform under approved performance objectives and weighted performance elements for a minimum of 60 days.

Official Rating Chain

Each employee will have an identified rating chain consisting of at least a rater and a senior rater.

Pay Pool Manager

Pay Pool Managers are appointed by each Commander/Director and are responsible for managing the allocated pay pool. They also ensure timely completion of performance appraisals and must certify in writing to the Commander/ Director no later than 45 days following the end of the rating period that all performance appraisals have been completed.

A Pay Pool Manager is accountable for staying within pay pool limits. The Pay Pool Manager assigns performance pay increases and/or performance bonuses to individuals on the basis of a rating, the value of the performance pay pool resources available, and the individual's current basic rate of pay within a given payband.

The payout calculations are currently done under the direction of the USAMRMC PDP CPAC Team, using EPOS software that generates a Summary Report for each pay pool that CPAC provides the Pay Pool Manager. The Pay Pool Manager verifies the performance payout data on the Summary Report, identifies any required changes, and forwards them to the CPAC.

Performance payouts are calculated for each individual and the total pay pool payout cannot exceed the resources that are available for payout. Pay adjustments for the rating cycle will be effective not later than the end of the current fiscal year. The Commanding General, USAMRMC, will reassess

the payout factor at the end of the annual rating and payout process to determine if an adjustment is warranted for the upcoming rating cycle.

Pay Pool Composition

The value of a given pay pool is derived from the payout factor (percentage) and the sum of the basic rate of pay (not locality) for all individuals in a pay pool. The Commanding General, USAMRMC, established a pay pool factor of 2.5% for the current performance appraisal rating cycle. The payouts made to employees from the performance pay pool will be a mix of base pay increases and/or bonus payments. Some portion of the activity's budget will be reserved for special ad hoc awards (e.g., suggestion awards, on-thespot awards, and special act awards) and will not be included as part of the pay pool.



BENCHMARK PERFORMANCE STANDARDS

The Benchmark Performance Standards were developed to guide raters in evaluating (i.e., selecting the generic level of achievement expressed in percent) and scoring (numerical rating) an employee's performance for each of the weighted performance elements.

As can be seen in Tables 2 and 3, there are four generic levels available for expressing employee achievement for each performance element: 100%, 70%, 50%, and "unsatisfactory" (<50%). In scoring, the rater first determines the employee's generic level of achievement for a performance element, uses the BPS (Table 3) to locate

the column corresponding to the weight assigned to that element, and then selects a numerical score from the range of points available within the column that is bounded by the generic level of achievement selected.

If, for example, a performance element (e.g., Technical Competence) with an assigned weight of 40 was evaluated at the full 100% level, the numerical score for the employee would be 40—the full value of the element's assigned weight. If a score of 36 (corresponds to 90% achievement level) was selected, the rater is indicating that the performance was evaluated as less

than the full 100% level for that element but well above the 70% generic level of achievement.

The BPS is used to evaluate and score each of the performance elements. The sum of the numerical rating score for each performance element is used to determine the employee's overall rating for the performance appraisal. For example, an appraisal with a numerical sum of 86 would be assigned an overall rating of "Superior." If any performance element were assigned a numerical score of less than 50% of its assigned weight, however, the assigned overall rating would be "Failure."

TABLE 2. PERFORMANCE STANDARDS SUMMARY

GENERIC LEVELS OF ACHIEVEMENT

CHARACTERISTICS OF ACHIEVEMENT LEVELS

100%	 Exceptional Initiative Versatility Originality Creativity Convey Complex Issues Minimal Supervision Cooperative Responsive 	Resolves Conflict Leadership Integrity Competency Commitment Candor Sense of Duty
70%	 Elements Attained Effectively and Efficiently High-Quality Work High Quantity of Work Orderly Timely Correct Thorough 	 Cost-Effective Consistently above Average Reliability Resourceful Productive Cooperative Efforts Clear, Precise, Convincing Communications
50%	 Elements Accomplished Mostly Reliable No Unacceptable Delays 	 Minimally Correct Reasonable Cooperation Clear and Concise Communications
UNSATISFACTORY* (below 50%)	 ✓ Failure in Quality ✓ Failure in Completeness ✓ Failure in Quantity ✓ Failure in Timeliness ✓ Products Were Deficient 	 Contrary to Direction Did Not Meet Minimum Specs Inconsistent Incomplete Flawed/Substandard

^{*} If any performance element is assessed at the unsatisfactory level of achievement (numerical score <50% of assigned weight), the overall rating will be "Failure" for the Performance Appraisal.

TABLE 3. BENCHMARK PERFORMANCE STANDARDS

These Benchmark Performance Standards Are Used to Evaluate and Score Performance against the Weighted Performance Elements. This Sheet Must Be Used in Conjunction with Benchmark Job Description and Performance Objectives.

GENERIC LEVELS OF ACHIEVEMENT AND CORRESPONDING PERFORMANCE STANDARDS

ASSIGNED ELEMENT WEIGHT AND SCORE

100% Performance elements were attained demonstrating exceptional	50	45	40	35	30	25	20	15	10	5	17
initiative, versatility, originality, and creativity. This individual demonstrates the ability to grasp, understand, organize, and convey complex issues to others and carry the job assignment to successful	49 48	44	39 38	34	29	24	19				
completion with minimum direct supervision. Performance elements were effectively achieved utilizing cooperation, responsiveness, conflict avoidance, or conflict resolution. Written and oral communications were	47 46	42	37	33 32	28	23	1)	14			
appropriately demonstrated effectively and efficiently. Performance elements were achieved with demonstrated leadership, integrity, competency, commitment, candor, and sense of duty.	45 44	40	36 35	31	27	22	18		9		
	43	39 38	34	30 29	26 25	21	17				I U N
	41 40 39	37 36 35	33 32 31	28	24 23	20	16	12	8	4]
	38	34	30	27 26	22	19	15	11			A
	36	32	29	25	22	18		11]
70% Performance elements were attained effectively and efficiently with consistently high quality and quantity of work. This individual has demonstrated the ability to complete the job assignments in an efficient, orderly	35 34	31	28 27	24	21	17	14		7]]]
sequence that culminated in results that were timely, correct, thorough, and cost-effective. Performance elements were attained with consistently	33	30 29	26	23 22	20	16	13	10			9
above-average quality and reliability while effectively utilizing accepted procedures and resolving problems with skill and resourcefulness. Performance elements were attained with consistently productive	31 30	28 27	25 24	21	19 18	15	12	9	6	3	
cooperative efforts and with clear, precise, and convincing written and oral communication.	29 28	26	23	20	17	14					ı ا
	27 26	25 24	22 21	19	16		11				
	20	23	21	18		13					
50% Performance elements were accomplished, were mostly reliable, and delivered without unacceptable delays. Procedures were minimally correct and problems were dealt with satisfactorily. Attained performance elements, using work methodology that demonstrated a reasonable degree of cooperation with others with clear and concise written and oral communications.	25		20		15		10		5		
UNSATISFACTORY. Performance elements were not successfully completed because of failure in quality, quantity, completeness, responsiveness, or timeliness of work. Performance elements products were deficient because they were contrary to direction or guidelines; did not meet minimum specifications; were inconsistent with organizational procedures; were significantly flawed or substandard in quality; demonstrated insufficient technical knowledge or skill; were incomplete; were unacceptably late; lacked essential cooperative involvement or support; or problems that arose during performance of performance elements	24	22	19	17	14	12	9	7	4	2	

[SAMPLE]

PERFORMANCE OBJECTIVES WORKSHEET — Page 1 (For MRMC Demonstration Project Use Only. For use of this form, see Federal Register Vol.63, #41, 3 Mar 98, and MRMC Internal Operating Procedures.) PERIOD COVERED (YYMMDD) **FROM** TO **NAME SOCIAL SECURITY** OCCUPATIONAL (Last, First, MI) NUMBER FAMILY/SERIES/BAND RATER (Type or Print): SENIOR RATER (Type or Print): MUTUALLY DEVELOPED PERFORMANCE OBJECTIVES:

USAMRMC FORM 70-R-E, 1 May 1998

[SAMPLE]

PERFORMANCE OBJECTIVES WORKSHEET — Page 2 **PERFORMANCE CONFERENCE** TOTAL POINTS Communications Mgt/Leadership (All Elements Are Critical and b. WorkingRelationship Management Competence **Elements a-e Are Mandatory)** Supv./EEO Customer Relations Technical Resource **CRITICAL** c a, **ELEMENTS** 5-15 10-50 15-50 5-15 15-50 0-50 15-50 TOTAL **WEIGHT RANGE** WEIGHT ASSIGNED PERIOD COVERED (YYMMDD) RATEE'S NAME (Last, First, MI) SSN AGREEMENT ON ASSIGNED WEIGHTS VERIFICATION OF PERFORMANCE CONFERENCE INITIAL DATE **DATES** RATEE'S RATER'S **INITIALS INITIALS** SENIOR RATER **INITIAL RATER MIDPOINT RATEE** RATEE Signature Date **RATER** Signature Date

USAMRMC FORM 70-R-E, 1 May 1998

	PERFORMANCE API	PRAISAL	Page 1	
(For MRMC Demonstration Project use of Procedures.)	nly. For use of this form, use Fede	eral Registo	er Vol 63, #41, 3 Mar 98	, and MRMC Internal Operating
PERIOD COVERED (YYMMDD)	FROM:		TO:	
NAME (Last, First, MI)	SOCIAL SECURITY NUMB	SOCIAL SECURITY NUMBER		CUPATIONAL Y/SERIES/BAND
Date Initial Employee/Rater Meeting	Date W	ritten Acc	complishments to Rate	or
Date Mid-Year Review			ce Review Meeting	nance only)
	CRITICAL EL	EMENTS		
	Weight Range		Weight Assigned	Management's Numerical Rating
Technical Competence	15–50			
Working Relationships	5–15			
Communications	5–15			
Resource Management	15–50			
Customer Relations	10–50			
Management/Leadership	0–50			
Supervisory/EEO	15–50			
TOTAL	100			
	TYPED NAME		SIGNATURE	DATE
Rater				
Senior Rater				
Review Board (optional)				
OVERALL RATING	TYPE OF RATING		CPA	AC
(85-100) □ Superior – A	☐ Special	Num	ber of Shares Recomm	mended
(70-84)	☐ Annual	Total	Dollar Value of Share	es
(50-69) □ Successful – C	☐ Corrected	Bonu	us (Lump Sum)	
(0-49) □ Failure – F		Base	Pay Increase	
Date Evaluation Feedback Meeting_ (Employee notified of Management's rational control of Management is retired.)				
EMPLOYEE SIGNATURE*D				
* Signature does not constitute agreement data receipt.	or disagreement with the evaluati	on of the R	Later and Senior Rater bu	at merely verifies administrative

USAMRMC FORM 71-R-E, 1 July 2000

PERFORMANCE APPRAISAL F	Page 2	
Rater Comments (Mandatory for F Appraisal, Optional for all other Ratings)		
Senior Rater Comments (Optional)		
Review Board Comments (Optional)		

INSTRUCTIONS FOR COMPLETION OF PERFORMANCE APPRAISAL FORM

PERIOD COVERED: Date of rating period or date employee entered on duty. Employee must have a minimum of 60 days under approved objectives in order to receive an annual appraisal.

NAME: Name of employee

SOCIAL SECURITY NUMBER: Social Security Number of employee

OCCUPATIONAL FAMILY/SERIES/PAYBAND: Enter Employee's Occupational Family, Occupational Series, Lab Demo Pay Band (Example: DJ-343-III).

DATE INITIAL EMPLOYEE/RATER MEETING: Enter date employee and rater met to discuss performance objectives for rating period. This date must be NLT 30 days from beginning of rating period or 30 days from EOD date of a new employee.

DATE MID-YEAR REVIEW: Enter date Mid-Year Review conducted.

DATE WRITTEN ACCOMPLISHMENTS TO RATER: Enter date employee provided written accomplishments to rater.

DATE PERFORMANCE REVIEW MEETING: Enter date employee/rater discussed accomplishments. This meeting is to discuss employee's accomplishments and performance. Under no circumstances is the proposed rating to be discussed with the employee at this time.

WEIGHT ASSIGNED: Enter the weight assigned for each element being rated. The first five elements are mandatory and must be weighted for each employee being rated. Supervisor employees must also be rated on the Management/Leadership and/or Supervisory/EEO elements. The assigned weight of each element must be in multiples of five, between the specified weight range. The total assigned weights must equate to 100.

MANAGEMENT'S NUMERICAL RATING: Before completing the numerical and overall rating sections on page 1, the Rater must consult with the Senior Rater, and the Senior Rater must consult with the appropriate Review Board (if one exists for the Pay Pool). After these management officials have determined the appropriate characterization for the annual rating, the Rater will insert the official management rating (numerical and overall) scores on page 1. The scores on page 1 are the rating of management and may not necessarily coincide with the opinion of the Rater. (e.g., If a Senior Rater nonconcurs with a Rater's proposed score, and the Review Board agrees with the Senior Rater, the Rater will record the Senior Rater's numerical and overall ratings on page 1 of the evaluation form.) Management must be prepared to substantiate the propriety of its evaluation in the event of a grievance. Enter numeric rating for each element rated, and the total. Total may not exceed 100. An element rating of less than 50% of the weight assigned will result in an overall "F" rating.

RATER/SENIOR RATER/REVIEW BOARD: Sign and date.

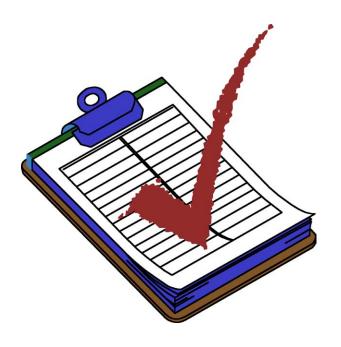
OVERALL RATING: Check the block that corresponds to the total numeric rating.

TYPE OF RATING: Check the block that corresponds to the type of rating being prepared.

CPAC: The number of shares, total dollar value of shares, bonus, and base pay increase sections will be completed by the CPAC.

DATE EVALUATION FEEDBACK MEETING: Enter date final evaluation is discussed with employee. At this meeting, the supervisor actually provides the employee with the appraisal of the employee's performance on the performance objectives, and the scores and ratings on the performance elements.

EMPLOYEE SIGNATURE: Employee signs and dates appraisal at the conclusion of the evaluation feedback meeting.



RATER'S CHECKLIST

1.	Performance Objectives and Performance Element Weights Documented (USAMRMC Form 70-R-E)
2.	Mid-Year Review Conducted and Documented
3.	Written Accomplishments Requested
4.	Written Accomplishments Received and Reviewed
5.	Performance Review Meeting Held
6.	Rater Completes Performance Appraisal (USAMRMC Form 71-R-E) and Assigns Rating
7.	Senior Rater Reviews and Initials Appraisal, and May Provide Comments
8.	Performance Evaluation Feedback Meeting Held
9.	Document Performance Objectives and Element Weights for Next Rating Cycle
10.	Forward Completed Appraisal to Pay Pool Manager