

Aligning Performance Plans with Organizational Goals: OPM's Eight-Step Process

INTRODUCTION

The Results-Oriented Performance Culture system focuses on aligning performance with organizational goals. For this to happen, employees must have a direct line of sight between performance expectations and recognition systems and the agency mission. These links must be communicated to and understood by employees, enabling them to focus their work effort on those activities most important to mission accomplishment. All employees should be held accountable for achieving results that support the agency's strategic plan goals and objectives.

To meet the requirements outlined in the Results-Oriented Performance Culture system, agencies can use OPM's eight-step process for developing employee performance plans aligned with organizational goals. In some organizations, performance plans have traditionally been developed by copying the activities described in an employee's position description onto the appraisal form. Even though a performance plan must reflect the type of work described in the employee's position description, the plan does not have to mirror it. Performance plans based on position descriptions generally describe activities, not accomplishments.

Instead of focusing on activities, OPM recommends developing performance plans based on established elements and standards that address accomplishments that lead to organizational goal achievement. Each step in OPM's eight-step process builds on the previous step. One cannot skip a step and end up with good results. The eight steps are:

- Step 1: Look at the overall picture
- Step 2: Determine work unit accomplishments
- Step 3: Determine individual accomplishments that support the work unit goals
- Step 4: Convert expected accomplishments into performance elements, indicating type and priority
- Step 5: Determine work unit and individual measures
- Step 6: Develop work unit and individual standards
- Step 7: Determine how to monitor performance
- Step 8: Check the performance plan against guidelines.

Aligning Performance Plans with Organizational Goals: OPM's Eight-Step Process (continued)

INTRODUCTION (CONTINUED)

The following information includes brief descriptions for each of the eight steps in OPM's process.

STEP 1: LOOK AT THE OVERALL PICTURE

Instead of beginning at the bottom of the organization with the position description to develop employee performance plans, begin the process by looking at your agency's overall picture. Review goals, objectives, and performance measures already available. Determine which ones the employee's work unit can affect. Consider the following questions:

- What are your agency's general outcome goals as outlined in its strategic plan?
- What are the specific performance goals established for your program area as outlined in your agency's annual performance plan?
- What performance measures are already in place?

STEP 2: DETERMINE WORK UNIT ACCOMPLISHMENTS

The next step in the eight-step process is to determine work unit accomplishments (i.e., products or services) using the following methods:

Method A: A Goal Cascading Method

Cascade the agency's goals to the work unit level. Determine the work unit's accomplishment(s) that directly affect the organization's goals.

Method B: A Customer-Focused Method

Determine the product(s) or service(s) the work unit provides to its customers.

Method C: A Work Flow Charting Method

Develop a work flow chart for the work unit, establishing key step(s) in the work process.

Aligning Performance Plans with Organizational Goals: OPM's Eight-Step Process (continued)

STEP 2: DETERMINE WORK UNIT ACCOMPLISHMENTS (CONTINUED)

Because not all work situations and structures are the same, three different methods are provided. Keep in mind, however, that cascading the agency goals to the work unit level will help align employee performance with organizational objectives and mission accomplishment.

STEP 3: DETERMINE INDIVIDUAL ACCOMPLISHMENTS THAT SUPPORT THE WORK UNIT GOALS

The performance elements that will be measured in the overall employee performance plan can include both individual and group assignments and responsibilities. The most important, results-oriented aspects of a unit's performance (which are its products or services) were identified in Step 2. (Other types of processes work units may want to measure and include as elements in their plans—but which are not products or services and would not be identified through Step 2—include internal group dynamics processes, such as decision-making or problem-solving processes, or group/team development.)

Elements that address individual performance can be identified using a role-results matrix. List the work unit accomplishments across the top of the matrix. List each member of the work unit or each job position down the left side of the matrix. In each cell, list the accomplishment (i.e., performance element) the member must produce or perform to support the work unit accomplishment. All performance elements should be either quantifiable or verifiable.

STEP 4: CONVERT EXPECTED ACCOMPLISHMENTS INTO PERFORMANCE ELEMENTS, INDICATING TYPE AND PRIORITY

All employees must have at least one critical element. Critical elements must address individual performance only. Work unit performance can be addressed through non-critical elements. (In those agencies currently retaining two-level ratings, all elements must be deemed critical.) In Step 4 you will:

- Identify which accomplishment(s) should be included as elements in the performance plan
- Select which type of element to use
- Assign weights or priorities.

Aligning Performance Plans with Organizational Goals: OPM's Eight-Step Process (continued)

STEP 5: DETERMINE WORK UNIT AND INDIVIDUAL MEASURES

In Step 5, you will determine how to measure performance on those elements designated in Step 4.

To develop specific measures, you first must determine the general measure(s) important for each element (i.e., quantity, quality, timeliness, or cost-effectiveness). Then, determine how to measure the quantity, quality, timeliness, or cost-effectiveness for the element. If you can measure an accomplishment with numbers, record the form of measurement. If you can only describe performance (i.e., observe and verify), clarify who will appraise the performance and the factors they will appraise.

STEP 6: DEVELOP WORK UNIT AND INDIVIDUAL STANDARDS

The next step is to establish standards for the elements. A *Fully Successful* or equivalent standard must be established for each critical element. If the measure for the element is numeric, determine the range of numbers that would represent *Fully Successful* performance. For critical elements appraised at two levels, the *Fully Successful* standard identifies the level of performance below which performance is *Unacceptable*. For critical elements appraised at more than two levels, establish a range of performance above which special recognition may be warranted and below which a performance problem exists.

If the measure of the element is descriptive, determine what the appraiser would see or report that would verify performance is *Fully Successful*. For critical elements appraised at two levels, describe performance for that element below which lies *Unacceptable* performance. For elements appraised at more than two levels, and for elements for which stretch goals are desired, determine what performance exceeding expectations would look like. Describe what the appraiser would see happening when expectations are exceeded.

Aligning Performance Plans with Organizational Goals: OPM's Eight-Step Process (continued)

STEP 7: DETERMINE HOW TO MONITOR PERFORMANCE

Monitoring performance means measuring performance and providing feedback to employees. Agency appraisal programs are required to provide ongoing appraisal, which includes, but is not limited to, conducting one or more progress reviews during each appraisal period. In addition to a once- or twice-a-year progress review, which is sometimes a formal part of the appraisal process, supervisors and employees are encouraged to discuss performance informally and often.

Determine what data to collect for each performance element, which source the data should come from, and whether to collect all the data or just a sample. Determine when to collect the data, as well as who should collect and who should receive the data. Review the existing reports for possible use as feedback reports. Create feedback tables or graphs where appropriate or necessary. Try to design feedback processes that give employees feedback automatically.

STEP 8: CHECK THE PERFORMANCE PLAN AGAINST GUIDELINES

The first seven steps of this process address the guidelines agencies should follow in aligning performance plans with organizational goals. The Results-Oriented Performance Culture system includes a key indicator agencies can use to verify they are following the guidelines. The key indicator states performance expectations for employees should be:

- Aligned with organizational goals
- Clear, specific, and understandable
- Reasonable and attainable
- Measurable, observable, or verifiable, and results oriented
- Communicated in a timely fashion
- Key in fostering continual improvement in productivity.

Step 8 allows you to check for such aspects by answering the following questions regarding the performance plan:

- Is each of the critical elements truly critical? Does failure on one of these critical elements mean the employee's overall performance is *Unacceptable*?

Aligning Performance Plans with Organizational Goals: OPM's Eight-Step Process (continued)

STEP 8: CHECK THE PERFORMANCE PLAN AGAINST GUIDELINES (CONTINUED)

- Is the range of acceptable performance clear? Are the performance expectations quantifiable, observable, and/or verifiable?
- Are the standards attainable? Are expectations reasonable?
- Are the standards challenging? Does the work unit or employee need to exert a reasonable amount of effort to reach a *Fully Successful* performance level?
- Are the standards fair? Are they comparable to expectations for other employees in similar positions? Do they allow for some margin of error?
- Are the standards applicable? Can the appraiser(s) use the standards to appraise performance? Can the appraiser(s) manage the data collected through the measurement process?
- Will work units and employees understand what is required?
- Are the elements and standards flexible? Can they be adapted readily to changes in resources or objectives?
- If your program permits appraising elements at levels above the *Fully Successful* or equivalent level, is the *Fully Successful* or equivalent standard surpassable? Is it possible for a work unit's or an employee's performance to exceed it?



For additional information, refer to "A Handbook for Measuring Employee Performance: Aligning Employee Performance Plans With Organizational Goals." Chapter 3 of this handbook details OPM's eight-step process. The following Web address is the link to this publication:

<http://www.opm.gov/perform/wppdf/2002/handbook.pdf>