



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE DEPUTY SECRETARY
WASHINGTON, DC 20410-0050

December 5, 2006

MEMORANDUM FOR: SEE LIST ATTACHED

FROM:


Roy A. Bernardi

SUBJECT: ePerformance Roll Out

The President's Management Agenda requires federal agencies to begin implementing a results-oriented performance culture. Following the guidance from the Office of Personnel Management (OPM), new results-oriented performance plans in accordance with the S.M.A.R.T. (Specific, Measurable, Attainable, Relevant, and Time-Bound) criteria were implemented in the Office of Administration (ADMIN) and the Office of Community Planning and Development (CPD). The S.M.A.R.T. plans are currently being expanded for implementation in the Offices of Fair Housing and Equal Opportunity, Healthy Homes and Lead Hazard Control, the Chief Financial Officer, the Chief Information Officer, and the Chief Procurement Officer; and the Government National Mortgage Association.

Coming out of the initial implementation in ADMIN and CPD, there were a number of lessons learned that will strengthen the process in these new organizations. Plan to apply the following lessons learned to your own organizations during the performance management process:

- Involve employees in the development of their performance plans;
- Explain how each employee's job contributes to your organization's mission;
- Monitor and track performance carefully; and
- Provide continuous feedback throughout the cycle on employee performance.

Communication is one of the most critical stages in the performance management process and, following OPM guidance, I am hereby requiring all managers and supervisors to engage their employees in discussions regarding performance plan development for the upcoming performance appraisal cycle. During these discussions, all employees should be made aware of how their individual job contributes to the mission of the organization and the results expected of them as outlined in their critical elements and performance standards. These discussions should foster an environment of openness about the goals of the organization and performance expectations for each employee.

Attached is a summary document on creating a results-oriented performance culture. The summary document is based on OPM guidance and provides a clear description of the responsibilities of every executive, manager/supervisor, and employee during the performance management process, which will also include the management of performance plans and appraisals online (ePerformance). I appreciate your support and look forward to working with you to improve performance management at HUD. If you have any questions, please contact Pamela Taylor, Human Capital Manager, Office of Human Resources, at (202) 708-3373.

Attachment

ADDRESSES:

All Managers and Supervisors in the following offices:

Office of Administration, A

Office of Community Planning and Development, D

Office of the Chief Financial Officer, F

Office of the Chief Procurement Officer, N

Office of the Chief Information Officer, Q

Office of Healthy Homes and Lead Hazard Control, L

Office of Fair Housing and Equal Opportunity, E

Government National Mortgage Association, T

SUMMARY OF OPM REQUIREMENTS FOR RESULTS-ORIENTED PERFORMANCE CULTURE SYSTEM

RESULTS-ORIENTED PERFORMANCE SYSTEM: *One that promotes a diverse, high-performing workforce by implementing and maintaining effective performance management systems and awards programs.*

STANDARD: *The agency has a diverse, results-oriented, high-performing workforce and a performance management system that differentiates between high and low levels of performance and links individual/team/unit performance to organizational goals and desired results effectively.*

OPM COMMENT: *"By aligning employee performance appraisal plans with executive performance agreements and directly communicating agreement goals to employees, supervisors can drive home to employees just how their performance impacts organizational goals."*

ACTIONS TO BE TAKEN FOR THE PERFORMANCE ROLL-OUT						
FACTORS FOR SUCCESS	DEFINITION	REQUIREMENT	OHR/ Field HRDs	EXECUTIVES	MANAGERS/SUPERVISORS	EMPLOYEES
COMMUNICATION	<ul style="list-style-type: none"> The agency has a process for sharing information and ideas about the organization with employees. This vital process includes eliciting feedback and involvement so all employees play an appropriate role in planning and executing the mission. 	<ul style="list-style-type: none"> Make sure employees know about the HUD Strategic Plan and their role in supporting the agency's mission. Make sure employees understand the link between their performance, awards, and agency mission. 	<ul style="list-style-type: none"> Determine how to implement requirements for management. Monitor organizations in the ePerformance Roll-Out and document that these meetings were held. 	<ul style="list-style-type: none"> Hold meetings with All Hands or at least with directly reporting persons and discuss this requirement. Make attendance mandatory. Ensure that directly reporting persons hold similar meetings with entire staff. Answer employee questions. 	<ul style="list-style-type: none"> Hold meetings with all employees. Discuss the HUD Strategic Plan, Program Office Management Plan, and Annual Performance Plan. Explain how their jobs link to these plans. Insist on mandatory attendance to these meetings for each employee. 	<ul style="list-style-type: none"> Attend these meetings and ask your individual job links to the agency mission.

ACTIONS TO BE TAKEN FOR THE ePERFORMANCE ROLL-OUT

FACTORS FOR SUCCESS	DEFINITION	REQUIREMENT	OHR/ Field HRDs	EXECUTIVES	MANAGERS/ SUPERVISORS	EMPLOYEES
PERFORMANCE APPRAISAL	<ul style="list-style-type: none"> The agency has a process under which performance is reviewed and evaluated. 	<ul style="list-style-type: none"> HUD already has such programs in place. Minor revisions to program policies and refresher training are needed. 	<ul style="list-style-type: none"> Update the current policy issuances and provide technical guidance. Provide training on performance management, to include how to develop measurable standards. Provide training on how to address poor performance, including coaching and feedback skills. Ensure that executives, managers, and supervisors are held accountable for the appraisal of their subordinates. Monitor quality of S.M.A.R.T. standards. Evaluate system and use data to improve system. 	<ul style="list-style-type: none"> Must ensure that employee performance plans align with organizational goals, and that they include elements with measurable standards. Must be held accountable for the rigorous appraisal of their subordinates (need accountability standard). 	<ul style="list-style-type: none"> Conduct performance-planning meetings. Involve employees in the development of their plans. Focus employees on achieving results. Develop good measurable elements and standards. Monitor employee performance and provide continuous feedback. Issue plans at beginning of appraisal cycle. Make meaningful distinctions in levels of performance. Take appropriate action to address poor performance issues. Must be held accountable for the rigorous appraisal of their subordinates (need accountability standard). 	<ul style="list-style-type: none"> Seek clarification on performance expectations. Participate in performance planning meetings. Participate in workforce surveys.

ACTIONS TO BE TAKEN FOR THE PERFORMANCE ROLL-OUT

FACTORS FOR SUCCESS	DEFINITION	REQUIREMENT	OHR/Field HRDs	EXECUTIVES	MANAGERS/SUPERVISORS	EMPLOYEES
AWARDS	<ul style="list-style-type: none"> The organization takes actions to recognize and reward individual or team achievements that contribute to meeting organizational goals or improving the efficiency, effectiveness, and economy of the Government. Such awards include, but are not limited to: employee incentives, which are based on predetermined criteria, rating-based awards, or awards based on a special act or service. 	<ul style="list-style-type: none"> HUD already has such programs in place, but must ensure that employee recognition is closely linked to the accomplishment of organizational goals, i.e., specific results. Provide incentives for exemplary performance. 	<ul style="list-style-type: none"> Need to issue new guidance requiring that recognition be closely linked to the accomplishment of organizational goals, i.e., specific results. 	<ul style="list-style-type: none"> Ensure that ratings and awards for all managers and supervisors are linked to organizational results, e.g., management plan accomplishments. Ensure that awards program criterion is communicated to all employees. Recognize top performers. 	<ul style="list-style-type: none"> Ensure that ratings and awards for all subordinate employees are linked to organizational results, e.g., management plan accomplishments. Communicate awards criteria to all employees. Hold employees accountable for achieving results that support HUD's Strategic Plan and Program Office Management Plan. Recognize top performers. 	<ul style="list-style-type: none"> Seek feedback on performance, especially regarding individual actions and assignments for the management plan goals. Respond to agency surveys.
PAY FOR PERFORMANCE	<ul style="list-style-type: none"> The agency uses pay-for-performance systems, where authorized by law and regulation, to link salary levels and adjustments to an individual's overall performance and contribution to the agency's mission. Employees receive base salary adjustments within their assigned bands. 	<ul style="list-style-type: none"> System not yet authorized for non-Senior Executive Service (SES) employees. 	<ul style="list-style-type: none"> Keep abreast of forthcoming regulatory and policy guidance from OPM. 	<ul style="list-style-type: none"> Follow existing policy guidance. 	<ul style="list-style-type: none"> System not yet authorized for non-SES employees. Not applicable to Performance Accountability and Communication System (PACS) employees. 	<ul style="list-style-type: none"> System not yet authorized for non-SES employees. Not applicable to Employee Performance Planning and Evaluation System (EPPES) employees.

ACTIONS TO BE TAKEN FOR THE ePERFORMANCE ROLL-OUT

FACTORS FOR SUCCESS	DEFINITION	REQUIREMENT	OHR/ Field HRDs	EXECUTIVES	MANAGERS/ SUPERVISORS	EMPLOYEES
DIVERSITY MANAGEMENT	<ul style="list-style-type: none"> The agency maintains an environment characterized by inclusiveness of individual differences and responsiveness to the needs of diverse groups of employees. 	<ul style="list-style-type: none"> Create a positive work environment so that all employees may achieve their potential without fear or abuse. HUD already has such an environment. 	<ul style="list-style-type: none"> Implement family-friendly policies relating to work schedules and other workplace flexibilities. 	<ul style="list-style-type: none"> Ensure equal opportunities for employees without discrimination. 	<ul style="list-style-type: none"> Ensure equal opportunities for employees without discrimination. 	<ul style="list-style-type: none"> Respond to surveys regarding the agency's diversity management programs.
LABOR/ MANAGEMENT RELATIONS	<ul style="list-style-type: none"> The organization promotes cooperation among employees, unions, and managers. This cooperation enhances effectiveness and efficiency, cuts down the number of employee-related disputes, and improves working conditions, all of which contribute to improved performance and results. 	<ul style="list-style-type: none"> The agency recognizes the right of employees to organize, collectively bargain, and participate through labor organizations. HUD is already in full compliance. 				