

**CREATING A FOUNDATION FOR THE  
21ST CENTURY  
FEDERAL WORKFORCE**

**AN ASSESSMENT OF THE IMPLEMENTATION OF THE  
DEPARTMENT OF HOMELAND SECURITY  
ALTERNATIVE PERSONNEL SYSTEM**

*Working for America*



**UNITED STATES OFFICE OF PERSONNEL MANAGEMENT  
MAY 2007**



The Director

UNITED STATES OFFICE OF PERSONNEL MANAGEMENT  
Washington, DC 20415

## A MESSAGE FROM THE DIRECTOR

May 1, 2007

I am pleased to provide this report of the U. S. Office of Personnel Management's (OPM) independent assessment of the Alternative Personnel Systems (APS) implemented by the Department of Homeland Security (DHS). We worked closely with the Department to fulfill the statutory obligation Congress gave to OPM to design a more contemporary and flexible human resource management system for the Department in view of its unique national security mission and we are committed to its success.

OPM is also statutorily charged with improving the strategic human capital management of the Government's civilian workforce, including associated planning and evaluation efforts. To that end, we developed a set of criteria that are essential to the successful implementation of significant human capital system reforms. These criteria were used in this assessment.

The reader should note that the results of the assessment are presented as a "snapshot" in time of the Department's efforts as of April 12, 2007. A summary of our findings can be found in the Executive Dashboards contained in the report. These dashboards provide an overview of the APS's implementation status and identify areas requiring attention.

I want to acknowledge the cooperation we received from DHS in performing this assessment. We trust that our findings will be valuable in ensuring a successful implementation of this critical personnel system.

A handwritten signature in blue ink, appearing to read "LMS", with a long, sweeping flourish extending to the right.

Linda M. Springer  
Director

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### Executive Summary

Federal agencies are accelerating their efforts to build contemporary personnel systems to enhance leadership and employee performance. These Alternative Personnel Systems (APS) have the potential to significantly improve agency performance through changes in the way civilian employees are paid and evaluated. In particular, performance-based and market-sensitive pay systems have proven successful in the private sector and are an essential element of successful APSs.

The Department of Homeland Security (DHS) was charged by Congress in the Homeland Security Act of 2002 to implement an Alternative Personnel System for its civilian workforce to provide mission-essential flexibility while preserving core civil service and merit system principles. By enacting the Homeland Security Act, Congress signaled its intent for DHS to build an effective infrastructure for aligning strategic human capital management with agency mission requirements. The Act gave the DHS Secretary joint responsibility, along with the Director of the Office of Personnel Management (OPM), for prescribing regulations to implement a new APS for the Department.

In keeping with OPM's overarching leadership role in the strategic management of the Government's employees, including assessing the management of people by Federal agencies, this report provides an expert analysis of DHS's implementation of its new authorities. It describes the assessment methodology, the framework, and the results of the analysis. We believe the report will be a valuable tool in helping DHS's ongoing implementation of its APS. Through this analysis, OPM also responds to Congress's expectations of the agency's oversight of Alternative Personnel Systems.

The results of this report demonstrate DHS effectively planned for implementing, and is making progress with, its performance management system. This APS system is the only one implemented to date. DHS indicated extensive planning was conducted in anticipation of deploying the other systems of the APS. However, the assessment tool used requires system implementation in order to assess both preparedness and progress, so classification, pay, appeals and adverse actions systems of the APS were not assessed. The labor relations system, which has been enjoined by the courts, was also not assessed. OPM recommends, and is ready to support, DHS's implementation of the remaining systems as soon as possible to take advantage of existing program momentum.

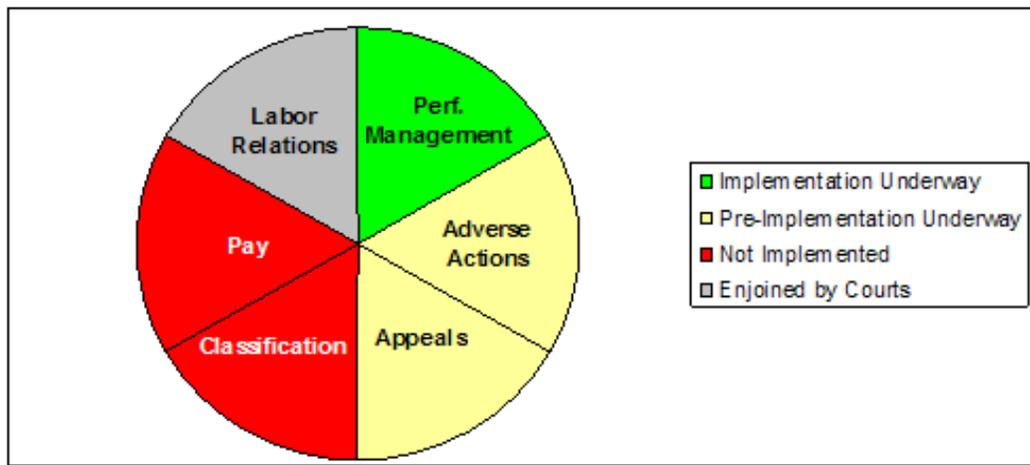
## Executive Summary

### Background

The Homeland Security Act of 2002 established DHS by combining more than 20 organizations, making this the most significant reorganization in the Executive Branch of the Federal Government in more than 50 years. DHS was assigned the overriding mission of protecting the nation against further terrorist attacks. In creating the Department, Congress provided a historic opportunity to design a mission-centered, fair, effective, and flexible 21<sup>st</sup> century human resources (HR) management system, comprising performance management, classification, pay, adverse actions, labor relations, and appeals systems, supportive of the mission. To date, DHS has implemented the performance management system for approximately 10,000 employees. Several factors have hindered implementation of the remaining systems.

DHS intended its APS to be the single human resources system to support a “one DHS” organizational culture. Each DHS component brought with it its own human resources system, reflecting individual organization-specific culture and management needs. The challenge of bringing all of these cultures together is one of many factors affecting DHS’s ongoing program implementation. DHS also faced the challenge of maintaining continuity of leadership in the midst of significant turnover in the Chief Human Capital Officer and other senior departmental leadership positions. In addition, labor organizations representing bargaining unit employees filed a lawsuit challenging various aspects of the regulations. Because of the lawsuit, the labor relations subpart of the regulations has been enjoined by the courts.

**Figure E-1: DHS Alternative Personnel System Implementation Status (As of 4/12/07)  
As of February 27, 2007**



These challenges may have influenced the DHS decision to implement only its new performance management system at this time. Figure E-1 illustrates status of all DHS APS systems. DHS’s strategy has been to use the performance management system as the foundation for other changes to its human resources systems, including pay systems. Given the positive results we have seen in our analysis of the performance management system, and the extensive planning DHS has done for the other systems, DHS should begin to implement the remaining systems. While DHS

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is in the pre-implementation phase of the new adverse actions and appeals systems, implementation of the pay and classification systems has not yet begun.

### *Assessment Framework and Scope*

To answer the growing need for a single framework for evaluating human capital transformation, and to fulfill OPM's responsibilities to assess human capital management programs, OPM developed the Alternative Personnel System (APS) Assessment Framework. The APS Assessment Framework is an evaluation template for determining the extent to which an agency has adequately prepared for and is progressing on the strategic human capital transformation goals and objectives of its implemented APS. The APS Assessment Framework is built on research findings certain personnel system changes are effective for public sector organizations. The Framework assesses the extent to which these changes are being implemented and are meeting the intended goals and objectives. The APS Assessment Framework is designed to investigate preparedness and progress with respect to Alternative Personnel Systems or parts of such systems have been implemented. The Framework is not designed to evaluate systems in a pre-implementation status.

The Framework incorporates the OPM Human Capital Accountability and Assessment Framework (HCAAF). As explained in Appendix D, page 61, the HCAAF provides a single, consistent definition of human capital management across the Federal Government. It provides guidance for agency planning, implementation and evaluation of human capital management systems. The APS assessment criteria are based on the HCAAF, historical data, and best-practice knowledge of the requirements for successful human capital transformation.

The APS Assessment Framework provides a comprehensive methodology to evaluate agency preparedness for and progress on implementation of an APS. There are five Preparedness dimensions to measure effective planning and implementation of the APS, and five Progress dimensions to measure the human capital impact of the APS. The Preparedness dimensions are Leadership Commitment, Open Communication, Training, Stakeholder Involvement, and Implementation Planning. The Progress dimensions are Mission Alignment, Results-Oriented Performance Culture, Workforce Quality, Employee Perceptions, and Effective Implementation. Each dimension is comprised of a number of elements, further defined by key indicators of success.

To conduct the DHS assessment, OPM convened an expert panel to analyze data using the APS Assessment Framework. The expert panelists have demonstrated competency in design, implementation, and evaluation of demonstration projects and/or alternative personnel systems; Federal human capital leadership; program evaluation; and the design and implementation of major human capital systems.

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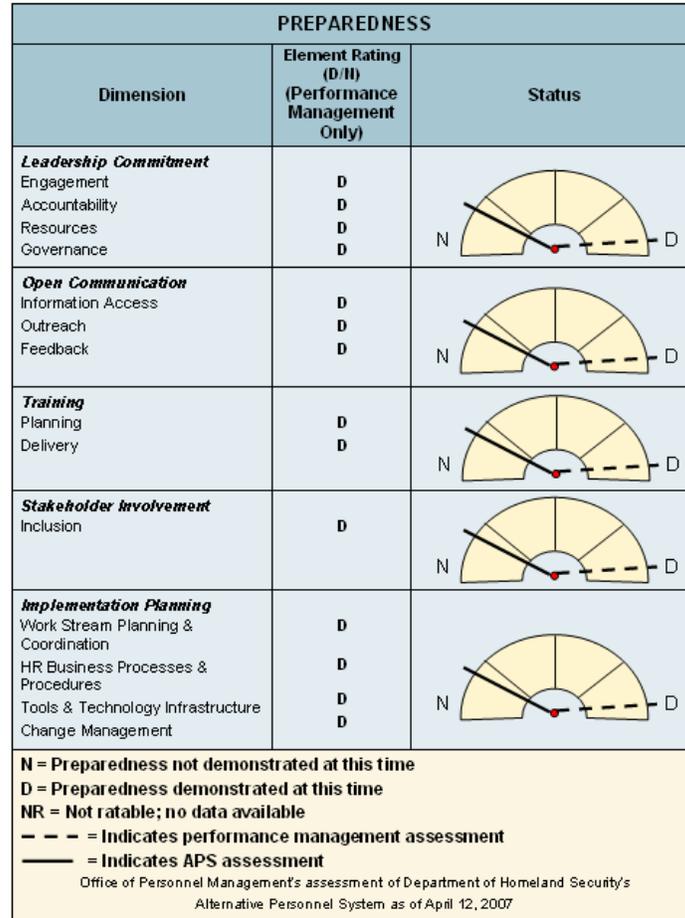
The results of the panel's analysis are presented as a "snapshot" in time of DHS implementation efforts (as of April 12, 2007). A summary of DHS's ratings on Preparedness and Progress can be found in the Executive Dashboards in the following pages. The dashboards provide senior OPM policymakers and the public with an overview of the APS's implementation status and identify areas requiring attention. Currently, DHS has implemented only the performance management component of the APS. Accordingly, in order to give a clear picture of all of the work done on the performance management system, each dashboard reflects two results – one for the performance management system alone (dotted line), and one for the APS in its entirety, including performance management (solid line).

Figures E-2 and E-3 provide a summary of the dimension ratings.

- Each dimension consists of a number of elements.
- Each element is weighted equally toward the combined dimension rating.
- The combined elements represent the total rating on any dimension.
- One dashboard needle (solid line) represents the assessment of the APS as a whole, and the other needle (dotted line) covers only the performance management portion of the APS.
- For each element, a rating of "D" indicates preparedness/progress is demonstrated at this time; a rating of "N" indicates preparedness/progress is not demonstrated at this time; and a rating of "NR" indicates the element has not been rated because data are not available at this time.
- Where no data were available for all elements in a Dimension, no rating was made.

## Executive Summary

**Figure E-2: Alternative Personnel System (APS) Assessment: DHS Preparedness  
(As of 4/12/07)**



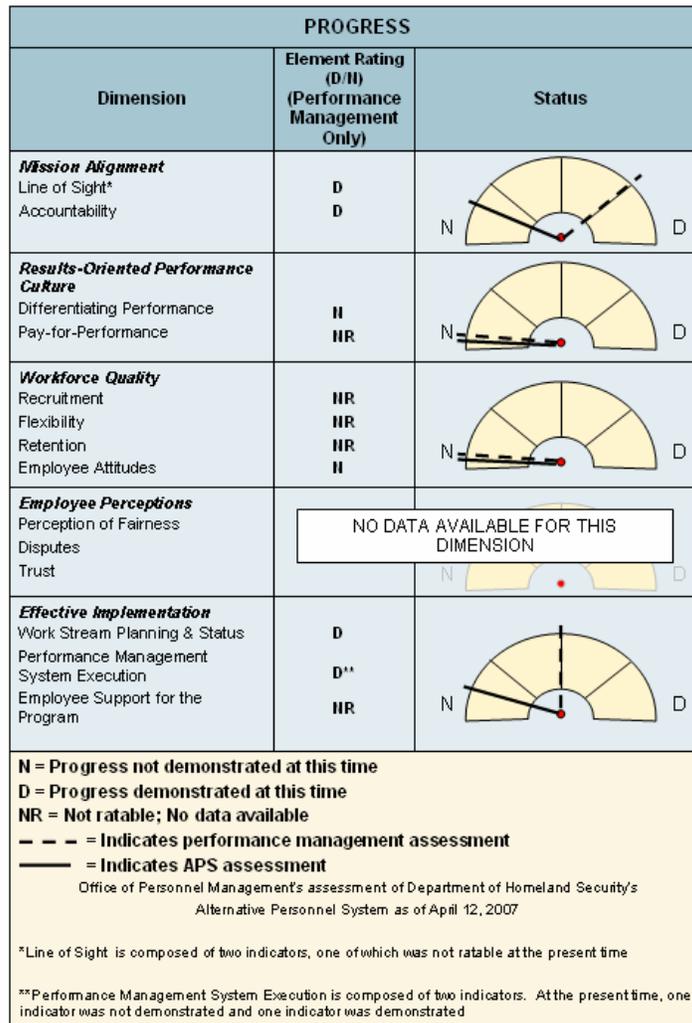
The APS assessment needle (solid line) leans toward the “not demonstrated” rating on all five of the Preparedness dimensions because DHS has implemented only one of the five proposed components (Labor Relations has been excluded) of its APS. While DHS has conducted extensive planning on provisions for classification, pay, adverse actions, and appeals, the Department has yet to make final decisions on these systems. Consequently, the panel was unable to evaluate either the Preparedness or Progress dimensions of those systems. The second needle (dotted line) indicates an assessment of the DHS performance management element only, as assessed by the expert panel. For its performance management system, DHS has demonstrated appropriate preparedness on all of the 14 elements. The Preparedness assessment showed:

- DHS initially demonstrated high levels of commitment from senior leadership.
- Accountability was established at appropriate levels throughout the Department. However, as time progressed, senior leadership engagement across DHS headquarters decreased, and it also became evident there was limited involvement of the component organizations.
- Sufficient resources were allocated to the effort.

## Executive Summary

- The DHS performance management website was comprehensive and provided extensive information regarding policy and process guidance, training information, and e-tool information. However, no rationale was presented for continuing to host the website on the DHS intranet versus the internet, where more stakeholders could have accessed information about the program.
- DHS identified stakeholders and continually sought employee and other stakeholder feedback through mechanisms such as the website and focus groups.
- As the system was scaled back, less feedback was sought, and it was difficult to see a direct link between stakeholder feedback and actual program changes.
- DHS provided evidence of a well thought-out training strategy, including a requirement employees participate in certain training classes.
- DHS provided an implementation plan for the performance management system, documented the new HR processes and procedures, and developed an automated performance management system.

**Figure E-3: Alternative Personnel System (APS) Assessment: DHS Progress (As of 4/12/07)**



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The APS assessment needle (solid line) leans toward the “not demonstrated” rating on all five of the Progress dimensions because DHS implemented only one of the five (Labor Relations has been excluded) proposed elements of its APS. The second needle (dotted line) indicates an assessment of the DHS performance management component only, as assessed by the expert panel. Since DHS is in the early stages of implementing its new performance management system, the level of progress in meeting human capital goals can be determined only to a limited extent. For example, it is too soon to see the effects of the system on Workforce Quality and Employee Perceptions. In performance management, DHS has demonstrated adequate progress on 4 elements, has not demonstrated adequate progress on 2 elements, and 8 elements cannot be rated because the relevant data are not available at this time. The Progress assessment showed:

- The Department provided evidence employee goals were aligned with the mission of the organization.
- DHS provided no evidence of a process for reviewing and assuring accuracy and consistency in performance ratings above the second-level supervisor.
- Data from the Federal Human Capital Survey show employee commitment to the organization has decreased since the performance management system was implemented.
- DHS met its program milestones for headquarters employees and is in the process of bringing other employee groups into the new system. The evidence provided showed performance appraisals were completed on time, but the evidence is insufficient to determine whether the performance plans underlying those appraisals were created in a timely manner.

### *Recommendations*

OPM’s recommendations focus on improving assessment ratings, since receiving a rating of “Demonstrated” is based on evidence of implementing program best practices. Based on the expert panel assessment, DHS provided evidence of successful preparation and some progress in implementing its new performance management system. In the future, the Department would benefit from maintaining high levels of senior leader involvement in the implementation of the performance management system. While sufficient resources were initially provided for the program, DHS would benefit from putting a program management office (PMO) in place with dedicated resources and make the program a corporate goal rather than an HR initiative. This would provide higher visibility and help keep senior leaders engaged, while sending a message about the importance of the effort. DHS should continue to provide specific budget information, by fiscal year, on the provision and allocation of resources, information on employee use of the intranet, and more specific evidence of the integration of employee feedback mechanisms into program design, development, and implementation. DHS should consider providing component-level documents in order to better demonstrate the implementation of its human capital goals. Furthermore, DHS Progress ratings would increase if the Department provided additional evidence the performance management system is being implemented as intended, including evidence of a more comprehensive process for reviewing employee performance evaluations.

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### *Conclusions and Next Steps*

We conclude:

- DHS effectively planned for implementing its performance management system.
- Joint OPM/DHS regulations called for the development and implementation of a performance-based, market-sensitive pay system, along with greater flexibility in the professional development of employees and how they are evaluated. Even though court action has enjoined the labor relations system, DHS should have taken the opportunity to implement the remaining systems, in addition to the performance management system, to meet its statutory obligation. DHS indicated extensive planning was conducted in anticipation of deploying the other systems of the APS.
- DHS should anticipate and plan for the risk of losing implementation momentum, given anticipated senior leadership turnover.

Assessments will be conducted periodically, ideally every year, to assess specific areas in which DHS should focus future efforts. In the present report, several of the Progress elements were not ratable because of lack of available data at the time of the assessment. While OPM's next assessment of the DHS performance management system will focus on the dimensions of Progress, all other systems (e.g. adverse actions, pay, etc.) of the APS will require an assessment of both the Preparedness and Progress dimensions.

An Assessment of the Implementation of the  
Department of Homeland Security  
Alternative Personnel System  
May 2007

## Executive Summary

An Assessment of the Implementation of the Department of Homeland Security  
Alternative Personnel System

## Introduction

The immense mission challenges facing Federal agencies require a transformation of how the civilian workforce is managed. Employees are being asked to assume new and different responsibilities, take more risk, and be more innovative, agile, and accountable than ever before. Furthermore, the Federal government faces significant recruiting and retention challenges in the coming years; within the next 10 years, up to 60% of the workforce will be eligible to retire, potentially leading to diluted critical competencies and institutional knowledge (OPM Director's Desk: [http://www1.opm.gov/directors\\_desk/Archive/2006/retirement.asp](http://www1.opm.gov/directors_desk/Archive/2006/retirement.asp)).

Federal agencies are recognizing the need to improve their ability to recruit and retain highly motivated and qualified employees and are transforming human capital systems by placing a greater focus on results-oriented performance management and performance-based pay. Traditionally, Federal agencies have used the General Schedule pay system, in which employee pay increases are based in large part on seniority rather than performance. Under this system, employees receive annual pay increases and periodic within-grade pay increases based on satisfactory performance over a given period of time. A number of studies have advocated replacing the traditional General Schedule pay structure with a performance-based and market-sensitive system.

Alternative Personnel Systems (APS) are designed to address longstanding issues in Federal agency performance management and compensation. Alternative Personnel System is a commonly accepted term for the host of personnel systems outside of the Competitive Civil Service. These systems may be established under discrete legislation for an agency or a community of agencies, under the demonstration project provisions of Chapter 47 of title 5 U.S.C., or under new provisions of title 5, which now allow both the Department of Homeland Security and the Department of Defense to set up contemporary human resource management systems. APSs cover various aspects of human resources management. The current emphasis of APSs is on moving away from traditional classification and pay systems toward alternative systems where market rates and performance are central drivers of pay.

### *OPM's Charge*

The Office of Personnel Management (OPM) is statutorily charged with improving the strategic human capital management of the Government's civilian workforce, including associated planning and evaluation efforts. OPM has a requirement and an obligation to support agencies' strategic human capital management efforts, including assessing agency implementation of new systems and programs. In this regard, OPM has developed an assessment framework, built on a series of preparedness and progress criteria, which are illustrative of successful Alternative Personnel System implementations. OPM uses the results of the assessments of implemented systems to improve existing human capital management policies, programs, and operations.

## An Assessment of the Implementation of the Department of Homeland Security Alternative Personnel System

### *DHS's Alternative Personnel System*

The Homeland Security Act of 2002 established DHS by combining more than 20 organizations, making this the most significant reorganization in the Executive Branch of the Federal Government in more than 50 years. DHS was assigned the overriding mission of protecting the nation against further terrorist attacks. In creating the Department, Congress provided a historic opportunity to design a 21<sup>st</sup> Century human resources (HR) management system, comprising classification, pay, performance management, labor relations, adverse actions, and appeals systems, [http://www.opm.gov/About\\_OPM/reports/aps\\_10-2005.asp](http://www.opm.gov/About_OPM/reports/aps_10-2005.asp) is mission-centered, fair, effective, and flexible. A brief description of the systems follows (note the labor relations system is enjoined and therefore not described): .

#### **Classification**

Plans for classification include grouping jobs into “occupational clusters” based on similarity of work, similarity of qualifications and competencies, career or pay progression patterns, and relevant labor-market features. Each occupational cluster will group, or band, jobs into work levels.

#### **Pay**

Under the pay initiative, DHS plans include replacing the General Schedule with broad pay bands. Performance will replace longevity as the basis for individual pay increases and employee pay ranges will be set based on an assessment of the labor market. Goals for the system include providing equal pay for work of equal value and creating a transparent and credible compensation system.

#### **Performance Management**

The performance management system is focused on results. It provides for joint employee/manager development of performance expectations tied to the DHS mission and reflecting requirements of the job, allowing for accurate measures of employee contributions.

#### **Adverse Actions and Appeals**

DHS plans for adverse actions and appeals include a streamlined, more understandable process for discipline and adverse actions. Adverse actions based on misconduct and performance will follow the same process with the same burden of proof and mitigation standards. Under the system, employee and appeal rights are preserved.

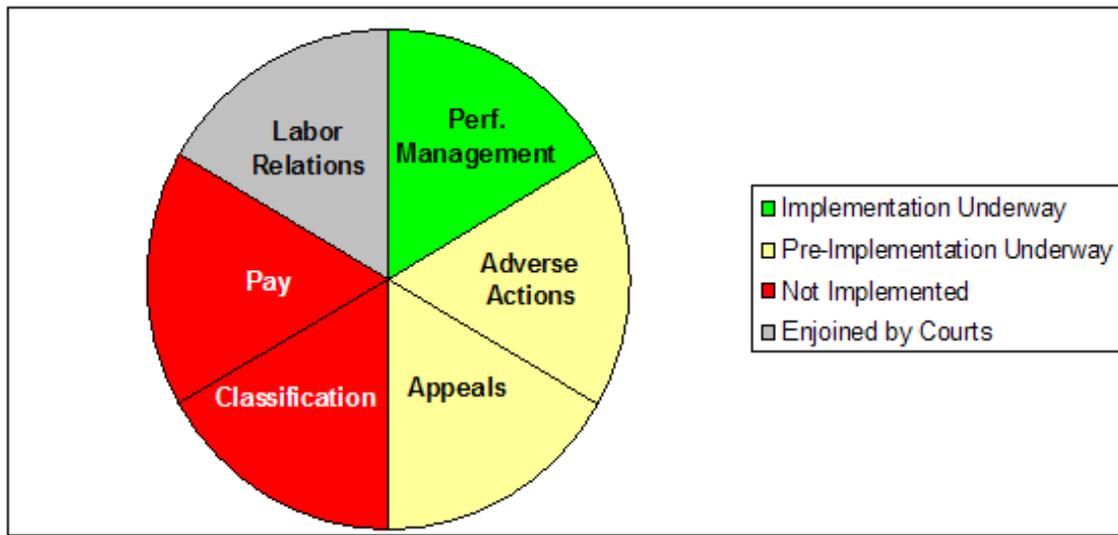
To date, DHS has implemented the performance management system for approximately 10,000 (see Table 1) employees. Several factors have hindered implementation of the remaining systems. DHS intended its APS to be the single human resources system to support a “one DHS” organizational culture. Each DHS component brought with it its own human resources system, reflecting individual organization specific culture and management needs. The challenge of bringing all of these cultures together is one of many factors affecting DHS’s ongoing program implementation. DHS has also faced the challenge of maintaining continuity of leadership in the midst of significant turnover in the Chief Human Capital Office and other senior departmental leadership positions. In addition, labor organizations representing

## An Assessment of the Implementation of the Department of Homeland Security Alternative Personnel System

bargaining unit employees filed a lawsuit challenging various aspects of the regulations. As a result of the lawsuit, the labor relations subpart of the regulations has been enjoined by the courts.

These challenges may have influenced DHS's decision to implement only its new performance management system at this time. DHS's stated strategy was to use the performance management system as the foundation for other changes to its human resources systems, including pay systems. Given the positive results we have seen in our analysis of the performance management system, and the extensive planning DHS has done for the other systems, DHS should begin to implement the remaining systems. While DHS is in the pre-implementation phase of the new adverse actions and appeals systems, implementation of the pay and classification systems has not yet begun. The diagram below illustrates current progress.

**Figure 1: DHS Alternative Personnel System Implementation Status  
As of April 12, 2007**



## An Assessment of the Implementation of the Department of Homeland Security Alternative Personnel System

### *OPM's Evaluation Approach*

Implementation of the new Alternative Personnel System in DHS provides an ideal opportunity for OPM to assess how well flexible, contemporary human resources systems meet human capital goals and objectives. The results of this assessment will influence whether such systems are authorized on a government-wide scale. OPM's assessment approach is based on qualitative data analysis. When used as a tool for program evaluation, qualitative data analysis can provide several advantages (Weiss, 1998):

- Greater awareness of the perspective of program participants or product users.
- Capability for understanding dynamic developments in a program (process) as it evolves.
- Awareness of time and history.
- Sensitivity to the influence of context.
- Ability to “enter the program scene” without contrived preconceptions.
- Alertness to unanticipated and unplanned events.

Research is designated as qualitative when it includes observation, analysis, and communication of the analysis of these observations to intended audiences (Bachiochi & Weiner, 2004). This type of data analysis allows researchers to gather data about programs, people who participate in them or are affected by them, and the people who develop and use them (Patton, 2002). There are several situations in which researchers should use qualitative data analysis:

- Studying process—the aim of the study is to understand the internal dynamics of program operations.
- Assessing individualized outcomes—the aim of the study is to investigate how well a program or product meets individual needs.
- Program implementation—the aim of the study is to learn how and the extent to which a product or program was actually implemented.
- Describing diversity across sites where a program or product is used.
- Quality issues.
- Legislative monitoring.

OPM is using qualitative data analysis because the present study encompasses several of the above situations in these ways:

- OPM is trying to understand the internal dynamics of Alternative Personnel Systems.
- OPM is looking to understand the effects of these programs on the employees to which they are applied.
- OPM is interested in learning about the process of program implementation for specific Alternative Personnel Systems.
- OPM has a statutory mandate to oversee Alternative Personnel Systems.

## An Assessment of the Implementation of the Department of Homeland Security Alternative Personnel System

The assessment process involved five steps:

- Develop the APS Assessment Framework, which is a structure for determining the extent to which an agency is adequately preparing for and progressing on the human capital transformation goals and objectives of its APS (see Appendix C).
- Identify assessment criteria, or indicators based on a combination of historical data, best practices, lessons learned associated with the implementation of APS programs and/or other enterprise-scale human capital systems, literature reviews, and input from subject matter experts (see Appendix E).
- Collect data retrieved from a variety of sources (see Appendix F).
- Form an expert panel and conduct the actual assessment.
- Write and publish the assessment report.

### *OPM's Alternative Personnel System Assessment Framework*

OPM developed the Alternative Personnel System Assessment Framework as a structure for determining the extent to which an agency has adequately prepared for and is progressing on the strategic human capital transformation goals and objectives of its implemented APS. The APS Assessment Framework is built on research findings that certain personnel system changes are effective for public sector organizations. The Framework assesses the extent to which these changes are being implemented and are meeting their intended goals and objectives. The APS Assessment Framework is designed to investigate preparedness and progress with respect to Alternative Personnel Systems or parts of such systems, which have been implemented. It is not designed to evaluate systems in a pre-implementation status.

The Framework incorporates the OPM Human Capital Accountability and Assessment Framework (HCAAF). As explained in Appendix D, page 61, the HCAAF provides a single, consistent definition of human capital management across the Federal Government. It provides guidance for, and requires agency planning, implementation and evaluation of, human capital management systems. The APS assessment criteria are based on the HCAAF, historical data, and best practice knowledge of the requirements for successful human capital transformation.

The APS Assessment Framework provides a comprehensive methodology to evaluate agency preparedness for and progress on implementation of an APS. There are five Preparedness dimensions measuring effective planning and implementation of the APS and five Progress dimensions that measuring the human capital impact of the APS. The Preparedness dimensions are Leadership Commitment, Open Communication, Training, Stakeholder Involvement, and Implementation Planning. The Progress dimensions are Mission Alignment, Results-Oriented Performance Culture, Workforce Quality, Employee Perceptions, and Effective Implementation. Each dimension is comprised of a number of elements that are further defined by key indicators of success.

## An Assessment of the Implementation of the Department of Homeland Security Alternative Personnel System

### *About the Report*

To conduct the DHS assessment, OPM convened an expert panel to analyze data using the APS Assessment Framework. Members of the expert panel have demonstrated competency in design, implementation, and evaluation of demonstration projects and/or Alternative Personnel Systems; Federal human capital leadership; program evaluation; and the design and implementation of major human capital systems.

Both the APS Assessment Framework and the Assessment Criteria were developed in consultation with OPM and DHS stakeholders. DHS staff provided valuable comments and suggestions – many of which were incorporated into the current framework – to OPM in the course of this consultative process.

The results of the panel’s analysis are presented as a “snapshot” in time of DHS implementation efforts (as of April 12, 2007). A summary of DHS’s ratings on Preparedness and Progress can be found in the Executive Dashboards in the following pages. The dashboards provide senior OPM policymakers and the public with an overview of the APS’s implementation status and identify areas requiring attention. DHS has implemented only the performance management component of the APS. Accordingly, in order to give a clear picture of all of the work done on the performance management system, each dashboard reflects two results – for the performance management system alone (dotted line), and for the APS in its entirety, including performance management (solid line).

DHS is currently working with OPM and collaborating with employee representatives on a Human Capital Operational Plan, which includes pursuing adjustments to the labor management program consistent with recent court rulings. Future APS Assessment Reports will focus on these programs, as well as other systems of the APS, as they are implemented.

At the current time, 9,770 DHS employees are covered by the performance management system. Conversion to the performance management system has been phased as reflected in Table 1. The number of employees who have received an annual rating under the new system is 3,070. The remaining employees who converted to the new system in October of 2006 have not yet received an annual rating. The current assessment reflects data representing Phase 1 and, to a lesser extent, Phases 2 and 3 of DHS performance management. The Progress assessment for survey-based indicators includes only those involved in Phase 1, as appropriate survey data were only available for this group.

An Assessment of the Implementation of the Department of Homeland Security  
Alternative Personnel System

**Table 1: Phased Implementation of the DHS performance management system.**

<b>Component</b>	<b>Performance Management Conversion</b>	<b>End of Rating Cycle</b>	<b># Managers and Supervisors</b>
<b>Phase 1</b>			
Headquarters	October 2005	October 2006	1,930
<b>Phase 2</b>			
US Coast Guard	April 2006	October 2006	800
US Immigration and Customs Enforcement (ICE)	April 2006	October 2006	200
Federal Law Enforcement Training Center (FLETC)	July 2006	October 2006	140
Total number of employees who have received an annual rating			3,070
<b>Phase 3</b>			
US Customs and Border Patrol (CBP)	October 2006	October 2007	5,700
US Citizenship and Immigration Services (CIS)	October 2006	October 2007	1,000
Total number of employees under the new performance management system			9,770

[d](#)

An Assessment of the Implementation of the Department of Homeland Security  
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## Results

A summary of DHS's ratings on Preparedness and Progress can be found in the Executive Dashboards (Figures 2 and 3) with detailed discussions of each dimension following. These dashboards show the level of preparedness and progress DHS has demonstrated. The Dashboards provide senior OPM policymakers and the public with an overview of APS status and readily identify areas requiring special emphasis.

Figures 2 and 3 provide a summary of the dimension ratings.

- Each dimension consists of a number of elements.
- Each element is weighted equally toward the combined dimension rating.
- The combined elements represent the total rating on any dimension.
- One dashboard needle (solid line) represents the assessment of the APS as a whole, and the other needle (dotted line) covers only the performance management portion of the APS.
- For each element, a rating of "D" indicates preparedness/progress is demonstrated at this time; a rating of "N" indicates preparedness/progress is not demonstrated at this time; and a rating of "NR" indicates the element has not been rated because data are not available at this time.
- Where no data were available for all elements in a Dimension, no rating was made.

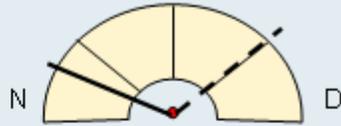
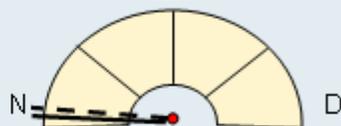
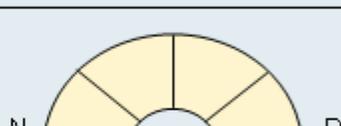
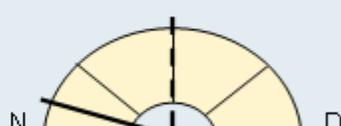
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Alternative Personnel System

**Figure 2: Alternative Personnel System (APS) Assessment:  
DHS Preparedness Component  
As of April 12, 2007**

PREPAREDNESS		
Dimension	Element Rating (D/II) (Performance Management Only)	Status
<b>Leadership Commitment</b> Engagement Accountability Resources Governance	D D D D	
<b>Open Communication</b> Information Access Outreach Feedback	D D D	
<b>Training</b> Planning Delivery	D D	
<b>Stakeholder Involvement</b> Inclusion	D	
<b>Implementation Planning</b> Work Stream Planning & Coordination HR Business Processes & Procedures Tools & Technology Infrastructure Change Management	D D D D	
<b>N = Preparedness not demonstrated at this time</b> <b>D = Preparedness demonstrated at this time</b> <b>NR = Not ratable; no data available</b> <b>- - - = Indicates performance management assessment</b> <b>— = Indicates APS assessment</b> Office of Personnel Management's assessment of Department of Homeland Security's Alternative Personnel System as of April 12, 2007		

An Assessment of the Implementation of the Department of Homeland Security  
Alternative Personnel System

**Figure 3: Alternative Personnel System (APS) Assessment:  
DHS Progress Component  
As of April 12, 2007**

PROGRESS		
Dimension	Element Rating (D/H) (Performance Management Only)	Status
<b>Mission Alignment</b> Line of Sight* Accountability	D D	
<b>Results-Oriented Performance Culture</b> Differentiating Performance Pay-for-Performance	H HR	
<b>Workforce Quality</b> Recruitment Flexibility Retention Employee Attitudes	HR HR HR H	
<b>Employee Perceptions</b> Perception of Fairness Disputes Trust	NO DATA AVAILABLE FOR THIS DIMENSION	
<b>Effective Implementation</b> Work Stream Planning & Status Performance Management System Execution Employee Support for the Program	D D** HR	
<p><b>N = Progress not demonstrated at this time</b>  <b>D = Progress demonstrated at this time</b>  <b>NR = Not ratable; No data available</b>  <b>- - - = Indicates performance management assessment</b>  <b>— = Indicates APS assessment</b></p> <p style="text-align: center;">Office of Personnel Management's assessment of Department of Homeland Security's Alternative Personnel System as of April 12, 2007</p> <p>*Line of Sight is composed of two indicators, one of which was not ratable at the present time</p> <p>**Performance Management System Execution is composed of two indicators. At the present time, one indicator was not demonstrated and one indicator was demonstrated</p>		

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## Implementation Assessment: Preparedness

### Leadership Commitment

*Definition:* Agency leaders are actively engaged in promoting and gaining workforce acceptance of the program, as well as prioritizing program implementation. Agency leaders provide appropriate resources for program implementation and are held accountable for effective execution.

PREPAREDNESS		
Dimension	Element Rating (D/N) (Performance Management Only)	Status
<b>Leadership Commitment</b> Engagement Accountability Resources Governance	D D D D	
<b>N = Preparedness not demonstrated at this time</b> <b>D = Preparedness demonstrated at this time</b> <b>NR = Not ratable; no data available</b> <b>- - - = Indicates performance management assessment</b> <b>— = Indicates APS assessment</b> Office of Personnel Management's assessment of Department of Homeland Security's Alternative Personnel System as of April 12, 2007		

Based on the expert panel assessment, DHS received a rating of “demonstrated” on all four elements of Leadership Commitment.

- DHS provided evidence of engaging senior leaders in the initial roll-out of DHS performance management and further showed evidence of a senior leadership team and detailed communication plans, Congressional briefings, an executive toolkit, and conference information.
- DHS demonstrated senior leader accountability for DHS performance management in strategic and human capital plans and appropriately cascaded accountability throughout the Department.
- In terms of governance, the Department established and utilized an effective mechanism for identifying and resolving critical issues associated with DHS performance management design, development, and implementation.
- DHS provided evidence of a comprehensive risk management plan, chartered an advisory committee to serve as the governing body for DHS performance management, and established a process to share lessons learned across the Department.

*Taken together, the evidence suggests DHS leadership actively promoted DHS performance management throughout the workforce, prioritized implementation of DHS performance management, and took accountability for effective execution of the program.*

For further information about Leadership Commitment, including assessment criteria and the rationale for the ratings, please refer to Appendix E.

An Assessment of the Implementation of the Department of Homeland Security  
Alternative Personnel System

*Open Communication*

*Definition:* Agency provides accurate, up-to-date information on system features and implementation plans. Active outreach efforts are undertaken to provide information to employees and to address questions and concerns. Effective mechanisms are in place for gathering and considering feedback.

PREPAREDNESS		
Dimension	Element Rating (D/N) (Performance Management Only)	Status
<b>Open Communication</b> Information Access Outreach Feedback	D D D	
<p><b>N = Preparedness not demonstrated at this time</b>  <b>D = Preparedness demonstrated at this time</b>  <b>NR = Not ratable; no data available</b>                      - - - = Indicates performance management assessment                      ——— = Indicates APS assessment</p> <p style="text-align: center; font-size: small;">Office of Personnel Management's assessment of Department of Homeland Security's Alternative Personnel System as of April 12, 2007</p>		

Based on the expert panel assessment, DHS received a rating of “demonstrated” on all three elements of Open Communication.

- The DHS performance management intranet website offers detailed and comprehensive information about the DHS performance management program including virtually every policy and process guidance available.
- The website is easily navigable and provides information about availability of training and automated training registration, as well as articles, fact sheets, FAQs, town hall meeting information, and user guides.
- DHS has established an effective communication strategy to support frequent, varied, and high quality employee outreach efforts related to DHS performance management including Employee Desk Guides, implementing instructions, and a publication called *DHS Today*.
- DHS sought feedback through employee briefing evaluations, employee surveys, and focus group sessions, as well as through the DHS performance management website and a 1-800 number.
- DHS provided some evidence of employee feedback being used to shape program design, development, and implementation, although direct evidence of the link between feedback and program changes was limited.

*Taken together, the evidence suggests DHS has provided accurate, up-to-date information regarding DHS performance management features and implementation plans and has actively gathered and considered employee feedback.*

For further information about Open Communication, including assessment criteria and the rationale for the ratings, please refer to Appendix E.

An Assessment of the Implementation of the Department of Homeland Security  
Alternative Personnel System

*Training*

*Definition:* Agency develops and executes a comprehensive training strategy for effective training on relevant components of the program to users via a range of delivery methods.

PREPAREDNESS		
Dimension	Element Rating (D/N) (Performance Management Only)	Status
<b>Training</b> Planning Delivery	<b>D</b> <b>D</b>	
<p><b>N = Preparedness not demonstrated at this time</b>  <b>D = Preparedness demonstrated at this time</b>  <b>NR = Not ratable; no data available</b>  <b>- - - = Indicates performance management assessment</b>  <b>———— = Indicates APS assessment</b></p> <p align="center">Office of Personnel Management's assessment of Department of Homeland Security's Alternative Personnel System as of April 12, 2007</p>		

[d](#)

Based on the expert panel assessment, DHS received a rating of “demonstrated” on both elements of Training.

- DHS established a comprehensive training strategy, as evidenced by a training model, which provided training objectives, schedules, and course descriptions and several training delivery options with multiple learning tools tailored to each population of users.
- The training strategy provided a plan for ongoing training for employees new to the DHS performance management system.
- DHS demonstrated senior leaders, supervisors, and staff received timely high-quality training by requiring certain classes.
- Training evaluation reports and training spreadsheets further demonstrated the success of DHS performance management training delivery.
- The DHS performance management system website provided employees with a clear training process and instructions for registering for training.

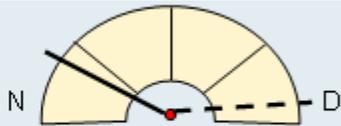
*Taken together, the evidence suggests DHS has developed and executed a comprehensive training strategy to users via a range of delivery methods.*

For further information about Training, including assessment criteria and the rationale for the ratings, please refer to Appendix E.

## An Assessment of the Implementation of the Department of Homeland Security Alternative Personnel System

### Stakeholder Involvement

*Definition:* Stakeholders are actively involved in the design, development, and implementation of the program.

PREPAREDNESS		
Dimension	Element Rating (D/N) (Performance Management Only)	Status
<b>Stakeholder Involvement</b> Inclusion	<b>D</b>	
<p><b>N = Preparedness not demonstrated at this time</b>  <b>D = Preparedness demonstrated at this time</b>  <b>NR = Not ratable; no data available</b>  <b>- - - = Indicates performance management assessment</b>  <b>— = Indicates APS assessment</b></p> <p style="text-align: center;">Office of Personnel Management's assessment of Department of Homeland Security's Alternative Personnel System as of April 12, 2007</p>		

Based on the expert panel assessment, DHS received a rating of “demonstrated” on the inclusion element of Stakeholder Involvement.

- DHS provided evidence stakeholder groups were engaged in the design, development, and implementation of DHS performance management through communication plans, focus group reports, and letters sent to the unions.
- DHS identified key stakeholders in their communication plans and sought input from stakeholders through focus groups and other meetings.

*The evidence suggests DHS has actively involved stakeholders in the program design, development, and implementation process. However, the stakeholder processes and procedures DHS has put in place have not always achieved their intended results, particularly with the unions.*

For further information about Stakeholder Involvement, including assessment criteria and the rationale for the ratings, please refer to Appendix E.

## An Assessment of the Implementation of the Department of Homeland Security Alternative Personnel System

### Implementation Planning

*Definition:* Agency establishes and implements a comprehensive planning process, which coordinates activities across key work streams, such as HR business processes and procedures, tools and technology infrastructure, and change management, while providing mechanisms for assessing status, and managing risk.

PREPAREDNESS		
Dimension	Element Rating (D/N) (Performance Management Only)	Status
<b>Implementation Planning</b> Work Stream Planning & Coordination HR Business Processes & Procedures Tools & Technology Infrastructure Change Management	D  D  D  D	
<p><b>N = Preparedness not demonstrated at this time</b>  <b>D = Preparedness demonstrated at this time</b>  <b>NR = Not ratable; no data available</b>                      - - - = Indicates performance management assessment                      ——— = Indicates APS assessment</p> <p style="text-align: center; font-size: small;">Office of Personnel Management's assessment of Department of Homeland Security's Alternative Personnel System as of April 12, 2007</p>		

Based on the expert panel assessment, DHS received a rating of “demonstrated” on all four elements of Implementation Planning.

- DHS established an effective work stream planning and coordination process as evidenced in communication plans, performance management plans, and integrated master schedules.
- DHS provided program deployment team members with detailed checklists and identified key parties, roles, and responsibilities for program deployment.
- In terms of HR Business Processes and Procedures, DHS identified and communicated the roles, responsibilities, policies and procedures for major program elements through management directives and employee desk guides.
- DHS developed tools and technology infrastructure plans and requirements and provided evidence the IT system is capable of generating reports and tools to help enable program implementation.
- DHS provided evidence of establishing, maintaining, and executing a change management strategy addressing areas such as: leadership commitment, communications, stakeholder management, governance and conflict management, employee training and development, change readiness, and transition issues.

*Taken together, the evidence suggests DHS has established and implemented a comprehensive planning process, which coordinates activities across key work streams including business processes and procedures, tools and technology infrastructure, and change management. However, evidence is lacking to indicate employee acceptance of the change management strategy.*

For further information about Implementation Planning, including assessment criteria and the rationale for the ratings, please refer to Appendix E.

### Implementation Assessment: Progress

*Mission Alignment*

*Definition:* The program effectively links individual, team, and unit performance to organizational goals and desired results.

PROGRESS		
Dimension	Element Rating (D/N) (Performance Management Only)	Status
<i>Mission Alignment</i> Line of Sight* Accountability	D D	
<p><b>N = Progress not demonstrated at this time</b>  <b>D = Progress demonstrated at this time</b>  <b>NR = Not ratable; No data available</b></p> <p><b>- - - = Indicates performance management assessment</b>  <b>———— = Indicates APS assessment</b></p> <p>Office of Personnel Management's assessment of Department of Homeland Security's Alternative Personnel System as of April 12, 2007</p> <p>*Line of Sight is composed of two indicators, one of which was not ratable at the present time.</p>		

Based on the expert panel assessment, DHS received a rating of “demonstrated” on both elements of Mission Alignment.

- DHS developed and implemented a process for aligning employee goals with the organizational mission.
- Sampled individual performance plans indicated employee goals were aligned with identified organizational, team, and/or supervisor goals.
- In terms of accountability, DHS provided evidence employees are held accountable for the achievement of individual goals, which are linked to overall organizational mission and goals.

*Taken together, the evidence suggests DHS performance management effectively links individual, team, and unit performance to organizational goals and desired results.*

For further information about Mission Alignment, including assessment criteria and the rationale for the ratings, please refer to Appendix E. See Appendix H for a summary of the response history for employee survey items.

## An Assessment of the Implementation of the Department of Homeland Security Alternative Personnel System

### *Results-Oriented Performance Culture*

*Definition:* The program promotes a high performance workforce by differentiating between high and low performers and by rewarding employees on the basis of performance.

PROGRESS		
Dimension	Element Rating (D/I) (Performance Management Only)	Status
<b>Results-Oriented Performance Culture</b> Differentiating Performance Pay-for-Performance	II NR	
<b>N = Progress not demonstrated at this time</b> <b>D = Progress demonstrated at this time</b> <b>NR = Not ratable; No data available</b> <b>- - - = Indicates performance management assessment</b> <b>———— = Indicates APS assessment</b> <small>Office of Personnel Management's assessment of Department of Homeland Security's Alternative Personnel System as of April 12, 2007</small>		

Based on the expert panel assessment, DHS received a rating of “not demonstrated” on one element of Results-Oriented Performance Culture, and the second element could not be rated at the present time.

- In terms of differentiating performance, DHS did not provide evidence performance ratings were reviewed by appropriate leadership to ensure accuracy and consistency in ratings.
- Although DHS does have a process to hold officials responsible for reviewing performance ratings, there is no evidence this review extends above second level supervisors.
- The association between performance ratings and financial rewards could not be rated at the present time, as pay-for-performance is not currently part of DHS’s APS.

*At this time, the evidence suggests DHS Performance management does not differentiate between high and low performers, and thus does not promote a high performance workforce.*

For further information about Results-Oriented Performance Culture, including assessment criteria and the rationale for the ratings, please refer to Appendix E. See Appendix H for a summary of the response history for employee survey items.

## An Assessment of the Implementation of the Department of Homeland Security Alternative Personnel System

### *Workforce Quality*

*Definition:* Agency retains its high performers, keeps employees satisfied and committed, attracts high-quality new hires, and transitions its low performers out of the organization.

PROGRESS		
Dimension	Element Rating (D/H) (Performance Management Only)	Status
<b><i>Workforce Quality</i></b> Recruitment Flexibility Retention Employee Attitudes	HR HR HR H	
<b>N = Progress not demonstrated at this time</b> <b>D = Progress demonstrated at this time</b> <b>NR = Not ratable; No data available</b> <b>- - - = Indicates performance management assessment</b> <b>— = Indicates APS assessment</b> Office of Personnel Management's assessment of Department of Homeland Security's Alternative Personnel System as of April 12, 2007		

[d](#)

Based on the expert panel assessment, DHS received a rating of “not demonstrated” on one element of Workforce Quality, and the other three elements (recruitment, flexibility, and retention) could not be rated at the present time, as data were not available.

- In terms of employee attitudes, DHS HQ employee agreement they would recommend their organization as a good place to work declined between the 2004 Federal Human Capital Survey (FHCS) and the 2006 FHCS.
- Employee agreement leaders generate high levels of motivation and commitment also decreased between the two surveys. This evidence suggests employees who are currently under DHS performance management are less committed to DHS now than they were before the DHS performance management system was implemented.

*At the present time, the evidence suggests DHS is not keeping employees committed to the organization.*

For information about Workforce Quality, including assessment criteria, please refer to Appendix E. See Appendix H for a summary of the response history for employee survey items.

An Assessment of the Implementation of the Department of Homeland Security  
Alternative Personnel System

*Employee Perceptions*

*Definition:* The program promotes an environment of fairness and trust for employees, consistent with the Merit System Principles and free of Prohibited Personnel Practices.

PROGRESS		
Dimension	Element Rating (D/N) (Performance Management Only)	Status
<b>Employee Perceptions</b> Perception of Fairness Disputes Trust	NO DATA AVAILABLE FOR THIS DIMENSION	
<b>N = Progress not demonstrated at this time</b> <b>D = Progress demonstrated at this time</b> <b>NR = Not ratable; No data available</b> - - - = Indicates performance management assessment — = Indicates APS assessment Office of Personnel Management's assessment of Department of Homeland Security's Alternative Personnel System as of April 12, 2007		

[d](#)

None of the elements of Employee Perceptions could be rated at the present time because the specific data needed to evaluate these indicators are not yet available. Therefore, DHS did not receive a rating on this dimension.

For information about Employee Perceptions, including assessment criteria, please refer to Appendix E. See Appendix H for a summary of the response history for employee survey items.

## An Assessment of the Implementation of the Department of Homeland Security Alternative Personnel System

### *Effective Implementation*

*Definition:* Agency demonstrates progress in implementing the program in accordance with its comprehensive planning process.

PROGRESS		
Dimension	Element Rating (D/H) (Performance Management Only)	Status
<b><i>Effective Implementation</i></b> Work Stream Planning & Status Performance Management System Execution Employee Support for the Program	D  D**  NR	
<p> <b>N = Progress not demonstrated at this time</b>  <b>D = Progress demonstrated at this time</b>  <b>NR = Not ratable; No data available</b>  <b>- - - = Indicates performance management assessment</b>  <b>— = Indicates APS assessment</b> </p> <p style="text-align: center;">                     Office of Personnel Management's assessment of Department of Homeland Security's                      Alternative Personnel System as of April 12, 2007                 </p> <p>                     **Performance Management System Execution is composed of two indicators. At the present time, one indicator was not demonstrated and one indicator was demonstrated                 </p>		

Based on the expert panel assessment, DHS received a rating of “demonstrated” on the Work Stream Planning and Status element and a rating of “demonstrated” on the Performance Management System Execution element. The third element, Employee Support for the Program, could not be rated at this time. DHS partially demonstrated performance management system execution.

- In terms of work stream planning and status, DHS demonstrated the implementation program is in compliance with the work stream planning process and program implementation milestones have been achieved within agreed-upon timeframes.
- DHS demonstrated the majority of employees under the performance management system received annual performance reviews within the identified timeframes; however, the evidence did not show a majority of employees had individual performance plans created within identified timeframes.

*Overall, DHS successfully demonstrated work stream planning, and partially demonstrated performance management system execution.*

For further information about Effective Implementation, including assessment criteria and the rationale for the ratings, please refer to Appendix E. See Appendix H for a summary of the response history for employee survey items.

## **Recommendations**

OPM's recommendations focus on improving assessment ratings, since receiving a rating of "Demonstrated" is based on evidence of implementing program best practices. Based on the expert panel assessment, DHS demonstrated evidence of successful preparation for the DHS performance management system implementation. However, while preparation was successfully demonstrated, panel members identified several areas where improvements could serve to further raise the level of preparedness. DHS may also apply these improvements to the complete implementation of the performance management and other APS systems. In addition, attention in these areas may help DHS maintain high preparedness ratings in performance management, and demonstrate preparedness and improved Progress ratings in future assessments.

### **Leadership Commitment (Engagement)**

The active, sustained, and visible involvement of senior agency leaders is critical to the success of Alternative Personnel Systems. DHS would greatly benefit from maintaining high levels of senior leadership involvement, not only as their performance management system continues to evolve, but also as they continue to implement other HR systems of the APS. Developing and implementing a clear process for resolving emergent issues, beyond the 1-800 number and employee survey, would improve stakeholder support.

### **Leadership Commitment (Accountability)**

DHS has multiple components involved in performance management and should consider providing Component-level documents to provide evidence of the implementation of human capital goals in specific Components. Such evidence would better demonstrate the Department is holding Component-level leaders accountable for successful accomplishment of these goals.

### **Leadership Commitment (Resources)**

While sufficient resources were initially provided for the program, DHS would benefit from putting a program management office in place with dedicated resources and make the program a corporate goal rather than an HR initiative. This would provide higher visibility and help keep senior leaders engaged, while sending a message about the importance of the effort.

### **Open Communication (Information Access)**

The DHS performance management intranet website offers comprehensive information and is user friendly and easily navigable. Because the website is an important means of communication to employees, DHS should consider collecting and providing information on employee use of the intranet in order to better understand how extensively the information DHS provides is used.

### **Open Communication (Feedback)**

DHS demonstrated the use of employee feedback mechanisms throughout the performance management effort. DHS should consider providing more specific evidence of the impact of employee feedback mechanisms on program design, development, and implementation to further satisfy the criteria.

## An Assessment of the Implementation of the Department of Homeland Security Alternative Personnel System

### **Stakeholder Involvement (Inclusion)**

Evidence suggests DHS actively involved stakeholders in the program design, development, and implementation process. However, stakeholder processes and procedures have not always achieved their intended results, particularly with regard to labor organizations. Although DHS has actively involved stakeholders, it is possible the Department may benefit from an enhanced stakeholder management strategy.

### **Implementation Planning (Change Management)**

DHS provided evidence of establishing, maintaining, and executing a change management strategy. However, evidence is lacking to indicate the change management strategy resulted in employee acceptance of the change as the Department intended. The Department may benefit from a better understanding of employee acceptance of the personnel system change, which would provide information to better guide further implementation planning.

For its performance management system, DHS could not demonstrate adequate progress due to a number of factors including timing and lack of data. Future assessments will look for improvement in progress in this system, as well as all other HR systems DHS has been authorized to implement. DHS should be prepared, in future assessments, to provide data for those elements not rated in the present assessment. Recommendations for improvement to the performance management system assessment follow.

### **Results-Oriented Performance Culture (Differentiating Performance)**

DHS would benefit from providing additional evidence to show implementation of a review process at all levels of the Department to ensure the accuracy and consistency of ratings. DHS may further want to set up a process to collect perceptual data on whether ratings appropriately differentiate performance.

### **Workforce Quality (Employee Attitudes)**

Although employee attitude survey data are available for only one element under workforce quality, it is a critical element. DHS may want to review organizational commitment data in order to determine what is “behind” the decline in employee commitment to DHS. As data become available on the other three elements which comprise workforce quality, DHS will be in a better position to assess and address overall workforce quality.

### **Effective Implementation (Performance Management System Execution)**

DHS would benefit from providing additional documentation regarding the percentage of individual performance plans created by the required date.

Overall, DHS would improve the implementation of its performance management system by applying lessons learned and gaining senior leadership commitment to a project plan for classification, pay, adverse actions, and appeals. Since performance management, classification, and pay are intertwined, the Department may benefit, as it moves forward, by implementing the three components together for a subset of employees.

## Conclusions and Next Steps

We conclude:

- DHS effectively planned for implementing the performance management system.
- Joint OPM/DHS regulations called for the development and implementation of a performance-based, market-sensitive pay system, along with greater flexibility in the way employees are professionally developed and evaluated. Even though court action has enjoined the labor relations system, DHS should have taken the opportunity to implement the remaining systems, in addition to the performance management system, to meet its statutory obligation.
- DHS should anticipate and plan for the risk of losing implementation momentum, given anticipated senior leadership turnover.

Assessments will be conducted periodically, ideally every year, to assess specific areas in which DHS should focus future efforts. In the present report, several of the Progress elements were not ratable because of the lack of available data at the time of the assessment. While OPM's next assessment of the DHS performance management system will focus on the dimensions of Progress, all other systems (e.g. adverse actions, pay, etc.) of the APS will require an assessment of both the Preparedness and Progress dimensions.

## References

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# **APPENDICIES**



***Appendix A: DHS Response***

## Appendix A

## Appendix A

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U.S. Department of Homeland Security  
Washington, DC 20528



# Homeland Security

April 17, 2007

The Honorable Linda M. Springer  
Director  
Office of Personnel Management  
1900 E Street, N.W.  
Washington, DC 20415

Dear Director Springer:

Thank you for the opportunity to comment on the Office of Personnel Management's (OPM) report, entitled "Creating a Foundation for the 21st Century Federal Workforce." When the Department of Homeland Security (DHS) was created in March 2003, it was one of the largest "mergers" to ever take place in the Federal government. Four years later, the Department has made significant progress towards becoming a smooth-running, well-integrated organization. Our journey is far from being complete. In parallel with this effort, DHS has been actively engaged in the design, development and implementation of a new Alternative Personnel System (APS) to enable our 21st Century workforce to be mission centric, fair, flexible and effective. As was noted in your report, building a contemporary human resources management system that includes a new pay system, classification, adverse actions, appeals, performance management, and labor relations is no easy task. However, we have made good progress due to leadership commitment, cooperation across the Department, and detailed planning and dedication to the task at hand. Our collaboration with OPM has been instrumental to the success of this effort.

As expected, the Department's initial focus has been with the design and implementation of a new performance management system that would serve as the foundation for pay reform. Your report is focused in this area and recognizes these accomplishments. In conjunction with performance management, we have worked on the development of the remaining five areas of our APS.

Unfortunately, OPM's assessment is incomplete. It does not include the extensive work DHS has completed to prepare for the effective implementation of the remaining APS programs. More specifically, we believe that the conclusions on the "DHS Preparedness Component" create the incorrect impression that DHS has done little to prepare for the implementation of the remaining areas of the APS. This assessment provides limited insight into the extensive preparation work completed by DHS, particularly in the areas of leadership engagement, employee outreach and the inclusion of our many stakeholders.

## Appendix A

The attached enclosure provides specific details addressing the various conclusions of OPM's report. If you have any questions regarding our comments, please contact me at (202) 357-8151.

Sincerely,

A handwritten signature in black ink, appearing to read 'Marta Brito Pérez', written in a cursive style.

Marta Brito Pérez  
Chief Human Capital Officer

Enclosure

**Department of Homeland Security's response to OPM's report,  
"Creating a Foundation for the 21<sup>st</sup> Century Federal Workforce"**

Provided below is a detailed response with respect to areas of the report, provided to DHS on March 20, 2007, that we believe misrepresent *preparedness* and *progress* related to the DHS Alternative Personnel System (APS). It is now understood that to achieve satisfactory progress related to the dimensions of "Preparedness" the organization must first implement with measurable results. Most would agree that adequate preparation leads to effective implementation and DHS believes that "Preparedness" should be evaluated on its own merit and not be predominately influenced by whether implementation has occurred.

**PREPAREDNESS**

DHS strongly believes that the assessment on "Preparedness" is misleading. We request that OPM limit the report to an assessment of the Performance Management program as originally outlined by OPM to DHS staff, or that the report be amended to reflect the additional evidence that has been provided.

**Leadership Commitment - Engagement**

The report outlines much evidence of engagement with respect to the performance management program. Much of the evidence referenced in this section also provides evidence for the other elements of the DHS system and is not limited to the commitment of senior leadership for performance management. Communications plans, briefings and employee feedback mechanisms conducted and prepared were designed not only for the performance management program, but also for all the programs in our APS.

**Leadership Commitment - Accountability**

The report cites the Human Capital Strategic Plan and the Human Capital Operational Plan as evidence in this element. Both documents impact programs Department-wide and are not limited to performance management. They provide evidence to accountability across the program areas. The oversight and responsibilities of governing bodies such as the HC Council and Management Council are not limited to oversight of the performance management program.

**Leadership Commitment - Resources**

The report cites receipt and review of detailed funding documents. These documents provide evidence of funding for the design, development, and implementation of the entire APS during FY's 2005, 2006 and 2007. The

## Appendix A

rationale in the report states, "DHS provided detailed funding documentation as evidence that the APS was adequately funded and resources properly allocated." It also states, "In addition to Department-wide funding to support design and implementation of its APS, DHS has also provided resources from across the Department to support the APS . . ." And finally, the report states, "This communication is an example of how DHS's APS was developed and implemented from the outset in that people resources from across the Department were assigned to work on it, so that the Components share in the responsibility for the APS." These are all accurate statements and address resources for the entire program. We believe this provides extensive evidence to meet the identified indicator of appropriate authority, staffing and budget to the program management office.

### Leadership Commitment - Governance

The evidence cited for the performance management program applies to the other programs as well. Specifically, extensive evidence was provided of the Integrated Master Schedule (IMS) established to evaluate the progress throughout the life of the program. An associated Risk Management Program was established which is used to identify and develop risk mitigation strategies. And finally, the processes used to vet, review and approve system elements and final designs for the performance management program were used for the design of the elements in all program areas.

### Open Communication - Information Access

The report reflects accomplishments that impact more than just the performance management program. For example, DHS established an intranet website for the entire APS not just the performance management program. Although supported by "DHS Today" articles and messages from the Secretary, the website was the primary source of relevant, up-to-date information on all the APS programs. For example, included on the site was an FAQ attachment, which consisted of 36 pages of commonly asked questions on all six areas of the APS. For pay, it included the draft proposal for clusters along with an interactive tool to let employees know what cluster they would be in.

### Open Communication - Outreach

With respect to the communications strategy referenced in the report, this strategy was also not limited to performance management. As the first of the programs to be implemented, it was often highlighted, but the outreach efforts were designed to introduce employees to all programs of the new system. The component communications team (CCT) was established to obtain component specific feedback and input into more effective communications across the board. "DHS Today" articles, while often featuring performance management, as it was the most pressing issue, featured articles on clusters, and the progress of litigation and status of adverse actions and appeals and labor-management relations.

### Open Communication - Feedback

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From the structure of the initial team that included frontline managers and union representatives, to seeking out and considering thousands of comments from the public in developing final regulations, DHS has sought employee feedback throughout the design process. But more so, DHS has actively sought out and considered employee feedback in making final design decisions. Design work in all six program areas regularly employed a number of feedback mechanisms, from discussions with the HC Council, to convening Technical Advisory Groups (TAGs), surveying employees and promoting employee feedback to the AskMAX email inbox. In fact this email box referenced as evidence for performance management has been one of the most direct ways employees from across the Department could make their voices known. Of all the emails received, 47% were on the subject of pay and only 30% were on performance management, an indication this feedback mechanism was a very broad feedback tool. This clearly indicates that there was an availability of employee feedback mechanisms.

### **Training - Planning**

The comprehensive and evolving training strategy referenced in the report included all aspects of the system. Some training efforts were more mature than others based on the proposed implementation schedule, but the strategy was focused on all six APS programs. What is not captured in the OPM report is the amount of work that went into preparing the organization for the changes envisioned in the labor-management relations and adverse actions and appeals elements.

### **Training - Delivery**

Not only was training developed, but also it was delivered to over 300 LR/ER specialists and attorneys across the Department. Further, these individuals were provided and trained on a module to cascade the training to all managers. Significant orientation materials were established for members of the proposed Homeland Security Labor Relations Board (HSLRB). Clearly this work stopped when the Courts enjoined the labor relations regulations.

### **Stakeholder Involvement - Inclusion**

As indicated in previous sections, the involvement of stakeholders has been extensive. This approach was set early on with the structure established for the initial design team that included frontline managers within DHS, staff from OPM, and representatives from the major unions. The research of that team sought to involve input from all major stakeholders and was well-documented. In September of 2003, GAO issued a very positive report (GAO-03-1099) on DHS's efforts in this regard. This philosophy of stakeholder involvement was carried on through the entire design process, including the use of TAGs, HC Council feedback, Management Council feedback, surveys, focus groups and union involvement. In addition to inclusion in the initial design team, unions were consulted during the "Meet and Confer" process and also through a continuing collaboration process where on a regular basis representatives

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were briefed on design progress on a broad range of issues in addition to performance management. Copies of presentations on some pay issues from those meetings have previously been provided.

### **Implementation Planning - Work Stream Planning & Coordination**

Implementation planning and tracking was not limited to performance management. There was a broad effort to plan and identify work requirements across the project. This included a detailed Integrated Master Schedule and Risk Management Plan. This was the basis for detailed Implementation Timelines that were updated based on changes and communicated to employees.

### Implementation Planning - HR Business Processes and Procedures

As expressed as the indicator for this element, the roles, responsibilities, policies and procedures across the elements have been identified and documented. Depending upon appropriate approvals and relevance, some were and some were not communicated to stakeholders and employees. The Department had developed proposed procedures for the HSLRB as well as Management Directives and Management Guidance Bulletins across the board. Samples of these documents were included in the binders recently submitted and show the extensive work accomplished to prepare for implementation in these elements.

### **Implementation Planning - Planning**

As required in this element, DHS has completed considerable work in this area. Extensive work has been completed to develop requirements for the National Finance Center to support a new performance based pay program. In addition, significant work was accomplished to provide for a pay conversion tool for employees to use to help them understand how their new pay would be set. For the HSLRB, work was under way to establish a case tracking system.

### **Implementation Planning - Change Management**

Much of the evidence outlined in the report, such as the Change Management Approach, with respect to performance management, also applies to other programs as well.

### PROGRESS

Progress was assessed for the performance management program only as it is the only APS program where considerable implementation has already occurred. We disagree with the progress assessment in two of the elements. We recommend the report be amended to reflect the following:

#### **Results-Oriented Performance Culture - Differentiating Performance**

The report indicates that DHS received a rating of "not demonstrated" in

## Appendix A

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## Appendix A

this element. We disagree that DHS has not demonstrated progress in assuring accuracy and consistency in ratings. We have made significant progress in this area. For example, DHS policy/procedure requires a reviewing official (second level supervisor) review initial performance plans and annual performance ratings to ensure equitable, fair, and consistent plans and appraisals across the organization. The report states "The evidence suggests at this time, DHS Performance management does not differentiate between high and low performers, and thus does not promote a high performance workforce." This statement is not accurate and should be removed from the report. The assessment criteria for this element state "The distribution of performance ratings is reviewed by the appropriate leadership to assure accuracy and consistency in ratings throughout the DHS." The OPM assessment panel determined that DHS must have a Performance Review Board or some type of review at the Component level to demonstrate progress. While we agree that having review of performance ratings being extended above the second level supervisors is a good idea and one to be considered, it is not required. DHS policy supports a review of ratings to ensure accuracy and consistency in performance ratings. Recommend the report be amended to support an assessment of progress "demonstrated" in this element.

### **Workforce Quality**

There are four elements included in this dimension. The report rated three of the four elements as "no data available". Given that no data is available for the majority of the assessment criteria for this dimension, DHS recommends the report be amended to reflect "Not ratable" for the Workforce Quality dimension. The statement "The evidence suggests, at the present time, DHS is not keeping employees committed to the organization" (p. 18) should be removed.

***Appendix B: Explanation of Key Terms***

## Appendix B

## **Explanations of Key Terms**

### **\*Accountability System**

The HCAAF system contributes to agency performance by monitoring and evaluating the results of its human capital management policies, programs, and activities; by analyzing compliance with merit system principles; and by identifying and monitoring necessary improvements. An agency's Human Capital Accountability System must provide for how the agency will assess meeting its goals and objectives as set forth in the human capital plan. The APS Assessment Framework provides comprehensive information about how to monitor and assess when preparing for and implementing an APS (or parts thereof). Consequently, an agency implementing an APS should incorporate its APS Assessment Framework into its Accountability System.

### **Alternative Personnel System (APS)**

A commonly accepted term for the host of personnel systems outside of the Competitive Civil Service. They may be established under discrete legislation for an agency or a community of agencies, or under the demonstration project provisions of Chapter 47 of title 5 U.S.C., or under the new provisions of title 5, which now allow both the Department of Homeland Security and the Department of Defense to set up contemporary human resource management systems. APSs cover various aspects of human resources management. For example, while the DOD provisions in title 5 provide coverage of special staffing and employment issues, the provisions for DHS do not provide this coverage. The current emphasis of APSs is on moving away from traditional classification and pay systems toward alternative systems where market rates and performance are central drivers of pay.

### **APS Assessment Framework**

A framework for determining the extent to which an agency is adequately preparing and progressing on the human capital transformation goals and objectives of its APS. The Framework includes assessment components, dimensions, elements, and indicators. The APS Assessment Framework is designed to investigate preparedness and progress with respect to Alternative Personnel Systems or parts of such systems, which have been implemented. The Framework is not designed to evaluate systems in a pre-implementation status. The APS Framework differs from demonstration projects evaluations in the past, which have only focused on the impact of specific interventions.

### **APS Framework Component**

The two major parts of the APS Framework: Preparedness and Progress. The Preparedness component refers to an agency's readiness to implement an APS. The Progress component addresses the extent to which the agency has achieved, or is in the process of achieving, the broad human capital transformation goals associated with an APS.

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### **Assessment Criteria/Criterion**

To demonstrate performance on indicators, agencies will be expected to meet a criterion or a set of criteria.

### **Assessment Methodology**

The type(s) of analysis(es) to be conducted for each indicator. Document review by an expert panel, survey data assessment, and organizational data assessment are part of the total assessment methodology. The results of the analyses will be combined to reach a conclusion and assign a rating for each dimension.

### **Baseline Assessment Standards**

The baseline assessment standards include the assessment framework (including dimensions, elements, and indicators) and the assessment criteria. A baseline assessment standards report will be produced for each APS.

### **Data Sources**

Suggested resources used to demonstrate performance against criteria. Examples of data sources include web sites, training documents, survey data, instructions/directives, statistical data from an HRIS, strategic and operational plans, etc. The data sources are suggested only because the agency may identify other and/or better resources to demonstrate performance.

### **Demonstrated**

Evidence provided shows the program meets the criteria for the indicator being assessed, as defined by the rating guidance and assessment criteria for the indicator.

### **Dimension**

A key attribute of either the Preparedness or Progress component in the APS Framework. Preparedness and Progress are made up of dimensions. Agencies, which provide adequate emphasis and effort in the Preparedness dimensions, are well positioned to successfully implement an APS. Agencies, which demonstrate progress against the Progress dimensions, are successfully implementing the goals of an APS. Dimensions are made up of elements, which are defined below.

### **Element**

Specific features defining dimensions. Dimensions are made up of separate elements. Elements are made up of indicators, which are defined below.

## **Executive Dashboard**

A summary-level assessment of APS Preparedness and Progress results for agency and OPM executives. The dashboard provides senior policymakers with an overview of APS status and identifies areas requiring special emphasis. It shows the level of Preparedness and Progress agencies have demonstrated.

### **\*Human Capital Assessment and Accountability Framework (HCAAF)**

A framework establishing and defining five human capital systems which together provide a single, consistent definition of human capital management for the Federal Government. The HCAAF outlines an ongoing process of human capital management in every Federal agency, which works across five systems: Strategic Alignment, Leadership and Knowledge Management, Results-Oriented Performance Culture, Talent Management, and Accountability. The APS Assessment Framework is consistent with the HCAAF. Under the HCAAF, Federal agencies are required to develop human capital plans. An agency implementing an APS is expected to include APS goals and objectives, under each applicable HCAAF system, in its human capital plan.

### **Indicator**

A characteristic used for measuring or assessing the agency's performance against an element. Each element has one or more indicators for determining the agency's performance against the element.

### **Implementation Assessment**

An assessment against the criteria established in the baseline assessment standards report. An implementation assessment report will be produced for each APS. The analysis of Progress and Preparedness against the criteria set forth in the baseline assessment report will be the goal of the implementation assessment.

### **Not Demonstrated**

The evidence provided does not show the program meets the criteria for the indicator being assessed, as defined by the rating guidance and assessment criteria for the indicator. Note: A value of "not demonstrated" does not necessarily mean the program does not meet the criteria, rather the evidence provided was insufficient to show the program meets a particular criterion or set of criteria.

### **Organizational Component**

An essential part of an agency. Agencies in the Federal government are typically defined as the 24 Executive Departments and Agencies for whom a Chief Financial Officer and a Chief Human Capital Officer must be appointed (See Section 901(b) of title 31 U.S.C.). Agencies are made up of various organizational entities fitted together to accomplish the overall mission. The names of these organizational entities differ from agency to agency. Examples of names include major operating divisions, bureaus, directorates, offices, and even agencies. The Department of

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Homeland Security, for example, is made up of the Office of the Secretary and innumerable Department Components, including directorates, offices, services, administrations, and other entities.

### **Program**

A set of features, which constitute the way to achieve a broad goal. Programs in the Federal government focus on providing products and services and are essential to the operation of the agency or several agencies. Programs typically involve goals like human capital transformation and are of such magnitude they must be carried out through a combination of line and staff functions.

APs, such as NSPS are broad human capital transformation programs established to meet defined goals, objectives, and criteria, which focus on attracting and retaining high performing workforces. They are carried out through a combination of staff (e.g., program management offices) and line (senior leaders) functions.

### **\*Program Evaluation**

As assessment—through objective measurement and systematic analysis—of the results, impact, or effects of a program or policy; the manner and extent to which Federal programs achieve intended results. Program evaluations also are frequently used to measure “unintended results” (good or bad) which were not explicitly included in the original statement of objectives or were unforeseen in the implementation design. Evaluation, therefore, can serve to validate or find errors in the basic purposes and premises, which underlie program or policy.

### **Program Management Office (PMO)**

An office or a group/team established to provide policy direction and program management. A PMO is responsible for all phases of APS development and implementation. PMOs are usually established at the agency corporate level and serve to provide guidance and direction to components of the Department/Agency participating in the APS. Typical activities include providing day-to-day support operations, establishing and leading cross-component work groups, creating new business rules and processes, collecting data and compiling reports, facilitating meetings, keeping all development and implementation efforts on track, and monitoring and evaluating the effectiveness of implementation.

### **\*Risk Assessment**

An assessment of the severity and likelihood of an undesirable consequence. In the area of human capital, risk assessments help identify problems posing high risk to organizational integrity including financial or legal threats, systemic violations of employee protections or veterans’ preference, and potential loss of integrity in the public eye. It is growing more common for such assessments to be conducted when undertaking human capital initiatives, especially major human capital initiatives like designing and implementing APs, to determine the potential risks to stakeholders.

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### **\*Stakeholder**

An individual, or group of individuals, who have a significant or vested interest in the outcome of an undertaking, key decision, or venture. In human capital ventures, such as design and implementation of APSs, different individuals and groups often have a shared responsibility for the successful outcome of a program or initiative because they share in the benefits of the program. Examples of potential internal stakeholders are managers and employees. Examples of potential external stakeholders are the Congress and unions.

\*These definitions are based on the glossaries included in the HCAAF Practitioners' Guide and the Human Capital Accountability System Development Guide.

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***Appendix C: The APS Assessment Framework***

## Appendix C

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**Preparedness** <sup>d</sup>

Dimension	Element	Indicator	Rationale
<p><b>LEADERSHIP COMMITMENT</b></p> <p><i>Agency leaders are actively engaged in promoting and gaining workforce acceptance of the program, as well as prioritizing program implementation. Agency leaders provide appropriate resources for program implementation and are held accountable for effective execution.</i></p>	Engagement	Extent and sufficiency of senior leader participation in outreach events and senior leader communications designed to promote the program across the workforce.	<p>Leadership Commitment is a critical dimension of Preparedness. Agencies are unlikely to effectively implement the APS in the absence of active, sustained, and visible involvement of senior agency leaders. Committed leadership is needed to pull together the resources required to take on a major APS implementation, to assign appropriate priority to APS implementation in the face of multiple competing priorities, and to overcome the natural resistance of employees and supervisors long accustomed to the General Schedule and other legacy pay and personnel systems in the Federal government. Leadership commitment was a key factor in the success of APS demonstration systems; organizations enjoying sustained executive sponsorship for their APS generally succeeded, while those lacking top-down commitment frequently struggled.</p>
	Accountability	Extent to which program implementation is identified as a priority in agency strategies or appropriate planning documents.	
		Extent to which responsible senior leaders are held accountable for program implementation.	
	Resources	Extent to which the agency provides appropriate authority, staffing, and budget to the program management office.	
	Governance	Extent to which the agency has established and utilizes an effective mechanism for identifying and resolving critical issues associated with the program design, development, and implementation.	

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Dimension	Element	Indicator	Rationale
<p><b>OPEN COMMUNICATION</b></p> <p><i>Agency provides accurate, up-to-date information on system features and implementation plans. Active outreach efforts are undertaken to provide information to employees and to address questions and concerns. Effective mechanisms are in place for gathering and considering feedback.</i></p>	Information Access	Extent to which the program website(s) is (are) comprehensive and fully utilized by employees.	<p>Open Communication is an important APS success factor. Agencies must communicate effectively and openly throughout the APS design, development, and implementation effort. Such communication is necessary to overcome employees' natural resistance to change and to mitigate concerns regarding the potential impact of the new system on workers' status or compensation. Employees need a practical mechanism for obtaining information to answer questions or address concerns. Agencies should also establish channels for employee feedback on the APS in order to capture suggestions for improvement and foster a sense of ownership and buy-in on the part of agency employees. The failure to communicate effectively with employees may lead to cynicism and disenchantment, greatly reducing the prospect for a successful APS rollout.</p>
	Outreach	Frequency, variety, and quality of employee outreach efforts.	
	Feedback	Availability of employee feedback mechanisms.	
		Extent to which employee feedback is considered.	

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Dimension	Element	Indicator	Rationale
<p><b>TRAINING</b></p> <p><i>Agency develops and executes a comprehensive training strategy for effective training on relevant components of the program to users via a range of delivery methods.</i></p>	Planning	Existence of a comprehensive training strategy.	<p>In order for APS implementation to succeed, employees and supervisors need timely, high-quality training appropriate to their roles in the new system. Training should be delivered via a range of channels, and include instructor-led, web-based, and train-the-trainer components. Training should be assessed on a regular basis to determine its effectiveness, and to provide the basis for improving training materials. Special emphasis should be placed on training supervisors in the performance management systems and competencies required by most Alternative Personnel Systems. Without effective training, agency personnel may require excessive time and effort to operate the system, thereby undermining support for the APS.</p>
	Delivery	Extent to which senior leaders, supervisors, and staff receive timely, high-quality training.	

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Dimension	Element	Indicator	Rationale
<p><b>STAKEHOLDER INVOLVEMENT</b></p> <p><i>Stakeholders are actively involved in the design, development, and implementation of the program.</i></p>	<p>Inclusion</p>	<p>Extent to which stakeholder groups are engaged in the program design, development, and implementation processes.</p>	<p>Key stakeholders should be engaged in the design, development, and implementation of the APS. These stakeholders include HR managers, business unit leaders, senior executives, labor and professional organizations, Congress, and other groups impacted by the APS. By engaging such stakeholders early in the design process, agencies can help reduce resistance, thus contributing to a more effective personnel system. Stakeholder representatives can also play a major role in building support for the APS within their constituency and can aid in overcoming opposition which could delay or disrupt the introduction of the APS.</p>

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Dimension	Element	Indicator	Rationale
<p><b>IMPLEMENTATION PLANNING</b></p> <p><i>Agency establishes and implements a comprehensive planning process to coordinate activities across key work streams, such as HR business processes and procedures, tools and technology infrastructure, and change management, while providing mechanisms for assessing status and managing risk.</i></p>	<p>Work Stream Planning and Coordination</p>	<p>Extent to which the agency has established an effective work stream planning and coordination process to manage the program design, development, and implementation.</p>	<p>Implementation Planning is critical to the successful introduction of any major human capital program. APS implementation requires the coordination of multiple work streams across the agency enterprise. These work streams represent highly complex activities with extensive dependencies. External events including budget actions, legal challenges, and political developments may have a significant impact on the timing and scope of the APS program. Agencies implementing an APS must have an effective planning and coordination process takes key dependencies into account, while preserving the flexibility required to respond effectively to externally driven change. Agencies also require effective mechanisms for coordinating and integrating activities across work streams, assessing progress against key milestones, and identifying and mitigating technical and programmatic risk. Agencies lacking an effective planning and coordination function cannot effectively implement any human capital transformation program of the scale and complexity of an APS.</p>

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Dimension	Element	Indicator	Rationale
<b>IMPLEMENTATION PLANNING</b>	HR Business Processes and Procedures	Extent to which the agency has documented roles, responsibilities, policies, and procedures for major elements of the program (e.g., performance management, pay-pool administration, pay setting, and/or related areas).	
	Tools and Technology Infrastructure	Extent to which the program planning process provides for the design, development, and implementation of automated IT systems and tools which enable the program, such as performance management, pay-pool administration, and data conversion, and the extent to which the agency carries out the plan.	
	Change Management	Extent to which the agency establishes, maintains, and executes a comprehensive change management strategy including components such as leadership commitment, communications, stakeholder management, training transition issues, and promoting organization change readiness and employee acceptance of the program.	

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**Progress** d

Dimension	Element	Indicator	Rationale
<p><b>MISSION ALIGNMENT</b></p> <p><i>The program effectively links individual, team, and unit performance to organizational goals and desired results.</i></p>	Line of Sight	Percentage of employees with performance plans with individual goals linked to agency missions/goals using the agency’s documented process.	<p>Mission Alignment is important because research shows transparency of agency goals, as well as improved employee recognition of the linkage of their responsibilities to overall mission, is related to improved organizational effectiveness in achieving mission results. The premise of this dimension is if employees understand their part in meeting the agency’s mission; have individual performance expectations linked to the mission; and are held accountable for meeting those expectations, the overall effectiveness/results of the entire organization will improve.</p>
		Perception of Employee Line of Sight Items: These items evaluate the extent to which employees agree their work is related to the goals of the agency.	
	Accountability	Extent to which individuals are held accountable for the achievement of individual performance objectives linked to the Organization’s mission and goals.	
<p><b>RESULTS-ORIENTED PERFORMANCE CULTURE</b></p> <p><i>The program promotes a high performance workforce by differentiating between high and low performers and by rewarding employees on the basis of performance.</i></p>	Differentiating Performance	The perception performance ratings appropriately differentiate levels of performance.	<p>This dimension is at the heart of the pay-for-performance concept, reflecting the premise high performance will more likely occur when employees’ ratings and rewards are properly differentiated, and in turn, linked to differential pay raises and awards/bonuses, as is the case in a performance culture.</p>
	Pay-for-Performance	Association between performance rating and financial rewards.	

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Dimension	Element	Indicator	Rationale
<p><b>WORKFORCE QUALITY</b></p> <p><i>Agency retains its high performers, keeps employees satisfied and committed, attracts high-quality new hires, and transitions its low performers out of the organization.</i></p>	Recruitment	Perception of Recruitment Item: This item evaluates the extent to which supervisors agree the agency is able to attract high-quality new hires.	<p>This dimension deals broadly with the issue of how agencies can attract and retain a high quality workforce, as well as the agency’s ability to deploy and utilize the workforce to meet changing mission requirements (the “agile” workforce). Research from demonstration projects makes clear performance management and pay components of the APS can help the agency in achieving its workforce quality goal.</p>
	Flexibility	Perception of Flexibility Item: These items evaluate the extent to which supervisors believe they have the flexibility they need to recruit and reassign employees.	
	Retention	Association between performance ratings and employee turnover.	
	Employee Attitudes	Perception of Organizational Commitment Items: These items evaluate the extent to which employees agree they are committed to the organization and would recommend the organization to others.	
		Job Satisfaction Index: This index assesses the extent to which employees agree they are satisfied with their work and believe the work is important.	

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Dimension	Element	Indicator	Rationale
<p><b>EMPLOYEE PERCEPTIONS</b></p> <p><i>The program promotes an environment of fairness and trust for employees, consistent with the Merit System Principles and free of Prohibited Personnel Practices.</i></p>	Fairness	Perception of Fairness Items: These items assess the extent to which employees agree performance appraisals and other personnel practices are fair.	<p>This dimension covers a variety of topics relating to the agency’s culture (e.g., transparency and trust) as well as employees’ perceptions of how they are treated (such as in the handling of concerns, complaints, and grievances). These cultural factors have been shown to have a significant impact on the degree of success in implementation of an APS.</p>
		Extent to which the agency engages in actions to promote transparency of ratings and results.	
	Dispute Resolution	Perception of Disputes Item: This item assesses the extent to which employees agree disputes are resolved fairly.	
	Trust	Perception of Trust Item: This item assesses the extent to which employees agree they have trust and confidence in superiors.	

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Dimension	Element	Indicator	Rationale	
<p><b>EFFECTIVE IMPLEMENTATION</b></p> <p><i>Agency demonstrates progress in implementing the program in accordance with its comprehensive planning process.</i></p>	<p>Work Stream Planning and Status</p>	<p>Extent to which the implementation program is in compliance with the work stream planning process.</p>	<p>The overall intent of this dimension is to gauge the extent to which the agency has actually implemented the APS in the way it was intended. The emphasis in this dimension is on what steps the agency has completed, and how they have been carried out, rather than on the “when” or timeline. Clearly, certain implementation steps are time-critical (such as having pay-setting tools available at the time annual pay adjustments are made); however, other steps, such as the timing and sequence of APS rollout, may be driven more by external events than agency implementation activities.</p>	
	<p>Performance Management System Execution</p>	<p>Percentage of personal performance plans created by required date.</p>		<p>Percentage of employees receiving an annual review.</p>
		<p>Employee Support for the APS</p>		<p>Perception of Support Item: These items assess the extent to which employees agree they support the manner in which the program has been implemented.</p>

***Appendix D: The Alternative Personnel System  
(APS) Assessment Framework and the Human  
Capital Assessment and Accountability Framework  
(HCAAF)***

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### **Human Capital Assessment and Accountability Framework (HCAAF)**

The HCAAF consists of five human capital systems which together provide a consistent, comprehensive representation of human capital management for the Federal Government.

- The HCAAF fuses human capital management to merit system principles—a cornerstone of the American civil service—and other civil service laws, rules, and regulations.
- Establishment of the HCAAF and its related standards and metrics fulfill OPM's mandate under the Chief Human Capital Officers Act of 2002 (CHCO Act), as codified at 5 U.S.C. 1103 (c) and implemented under subpart B of 5 CFR 250, to design systems and set standards, including appropriate metrics, for assessing the management of human capital by Federal agencies. Definitions for each system and an explanation of the standards and metrics are documented in HCAAF Systems, Standards, and Metrics.
- The regulation at 5 CFR 250.203 establishes requirements for an agency to maintain a current human capital plan and submit to OPM an annual human capital accountability report. The requirements in the regulation are by design congruent with the planning and reporting requirements contained in OMB Circular A-11 and title 31 U.S.C.

The HCAAF supports an ongoing process of human capital management in every Federal agency (planning and goal setting, implementation, and evaluating results) organized in five systems:

- Strategic Alignment (Planning and Goal Setting)
- Leadership and Knowledge Management (Implementation)
- Results-Oriented Performance Culture (Implementation)
- Talent Management (Implementation)
- Accountability (Evaluating Results)

**Preparedness**

<b>APS Assessment Preparedness Dimension, with Definition and Elements</b>	<b>Related HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</b>
<p><u>Leadership Commitment Dimension</u></p> <p><i>Definition:</i> Agency leaders are actively engaged in promoting and gaining workforce acceptance of the program, as well as prioritizing program implementation. Agency leaders provide appropriate resources for program implementation and are held accountable for effective execution.</p> <p><i>Elements:</i></p> <p><i>Engagement</i> – Extent and sufficiency of senior leader participation in outreach events and senior leader communications designed to promote the program across the workforce.</p> <p><i>Accountability</i> – Extent to which program implementation is identified as a priority in agency strategies or appropriate planning documents and extent to which responsible senior leaders are held accountable for program implementation.</p> <p><i>Resources</i> – Extent to which the agency provides appropriate authority, staffing and budget to the program management office.</p> <p><i>Governance</i> – Extent to which the agency has established and utilizes an effective mechanism for identifying and resolving critical issues associated with the program design, development, and implementation.</p>	<p><u>Strategic Alignment System</u></p> <p><i>Standard:</i> Agency human capital management strategies are aligned with mission, goals, and organizational objectives and integrated into its strategic plans, performance plans, and budgets.</p> <p><u>Human Capital Planning CSF</u></p> <p><i>Definition:</i> The agency designs a coherent framework of human capital policies, programs, and practices to achieve human capital requirements to directly support the agency’s strategic plan.</p> <p><i>Key Result Expected</i> – Managers are held accountable for effective implementation of human capital plans and overall human capital management.</p> <p><u>Leadership and Knowledge Management System</u></p> <p><i>Standard:</i> Agency leaders and managers effectively manage people, ensure continuity of leadership, and sustain a learning environment which drives continuous improvement in performance, and provide a means to share critical knowledge across the organization. Knowledge management must be supported by an appropriate investment in training and technology.</p> <p><u>Change Management CSF</u></p> <p><i>Definition:</i> The agency has in place leaders who understand what it takes to effectively bring about changes to achieve significant and sustained improvements in performance.</p>

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<b>APS Assessment Preparedness Dimension, with Definition and Elements</b>	<b>Related HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</b>
	<p><i>Key Results Expected</i> – Leaders provide adequate resources to support the change and focus on performance and progress against change milestones.</p> <p><u>Accountability System</u></p> <p><i>Standard:</i> Agency human capital management decisions are guided by a data-driven, results-oriented planning and accountability system. Results of the agency accountability system must inform the development of the human capital goals and objectives, in conjunction with the agency’s strategic planning and performance budgets. Effective application of the accountability system contributes to agencies’ practice of effective human capital management in accordance with the merit system principles and in compliance with Federal laws, rules, and regulations.</p> <p><i>Special Note:</i> The Accountability System monitors and evaluates the results of an agency’s <i>total</i> human capital system, including how it plans, develops, implements, and evaluates new human capital policies, programs, and activities.</p> <p><i>Key Results Expected</i> – Managers are held accountable for their human capital and human resources decisions and actions.</p>

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<u>APS Assessment Preparedness Dimension, with Definition and Elements</u>	<u>Related HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u>
<p><u>Open Communications Dimension</u></p> <p><i>Definition:</i> Agency provides accurate, up to date information on system features and implementation plans. Active outreach efforts are undertaken to provide information to all employees and to address questions and concerns. Effective mechanisms are in place for gathering and considering feedback.</p> <p><i>Elements:</i></p> <p><i>Information Access</i> – Extent to which the program website(s) is (are) comprehensive and fully utilized by employees.</p> <p><i>Outreach</i> – Frequency, variety, and quality of employee outreach efforts.</p> <p><i>Feedback</i> – Availability of employee feedback mechanisms and extent to which employee feedback is considered.</p>	<p><u>Results-Oriented Performance Culture System</u></p> <p><i>Standard:</i> The agency has a diverse, results-oriented, high-performing workforce and a performance management system, which differentiates between high and low levels of performance and links individual/team/unit performance to organizational goals and desired results effectively.</p> <p><u>Communication CSF</u></p> <p><i>Definition:</i> The agency has a process for sharing information and ideas about the organization with all employees. This vital process includes eliciting employee feedback and involvement so all employees play an appropriate role in planning and executing the mission.</p> <p><i>Key Results Expected</i> – The agency has developed and implemented a communication strategy to share the vision, strategic plan and <i>related documents</i> with all employees and a variety of media are used to communicate the strategic plan and <i>related documents</i> to all levels of the workforce. Feedback is elicited and employees are involved in decision-making and planning processes.</p>

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<u>APS Assessment Preparedness Dimension, with Definition and Elements</u>	<u>Related HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u>
<p><u>Training Dimension</u></p> <p><i>Definition:</i> Agency develops and executes a comprehensive training plan, which delivers effective training on relevant components of the APS to all users via a range of delivery methods.</p> <p><i>Elements:</i></p> <p><i>Planning</i> – Existence of a comprehensive training strategy.</p> <p><i>Delivery</i> – Extent to which senior leaders, supervisors, and staff receive timely, high-quality training.</p>	<p><u>Leadership and Knowledge Management System</u></p> <p><i>Standard:</i> Agency leaders and managers effectively manage people, ensure continuity of leadership, and sustain a learning environment driving continuous improvement in performance, and providing a means to share critical knowledge across the organization. Knowledge management must be supported by an appropriate investment in training and technology.</p> <p><u>Knowledge Management CSF</u></p> <p><i>Definition:</i> The organization systematically provides resources, programs, and tools for knowledge sharing across the organization in support of its mission accomplishment.</p> <p><i>Key Results Expected</i> – A knowledge management process has been developed, documented, and systematically shared with employees. Training and/or orientation is provided to the workforce.</p> <p><u>Continuous Learning</u></p> <p><i>Definition:</i> Leaders foster a learning culture providing opportunities for continuous development and encouraging employees to participate. Leaders invest in education, training, and other developmental opportunities to help themselves and their employees build mission-critical competencies.</p> <p><i>Key Results Expected</i> – The agency uses appropriate learning technology and innovative learning strategies to meet the training and development needs of the workforce. The agency has evaluated and implemented a process to evaluate its training and development program impact in terms of learning, performance, work environment, and contribution to mission accomplishment. The results of the evaluation reflect a positive contribution to mission accomplishment.</p>

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<u>APS Assessment Preparedness Dimension, with Definition and Element</u>	<u>Related HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u>
<p><u>Stakeholder Involvement Dimension</u></p> <p><i>Definition:</i> Stakeholders are actively involved in the design, development, and implementation of the program.</p> <p><i>Element:</i></p> <p><i>Inclusion</i> – Extent to which stakeholder groups are engaged in the program design, development, and implementation processes.</p>	<p><u>Strategic Alignment System</u></p> <p><i>Standard:</i> Agency human capital management strategies are aligned with mission, goals, and organizational objectives and integrated into its strategic plans, performance plans, and budgets.</p> <p><u>Human Capital Planning CSF</u></p> <p><i>Definition:</i> The agency designs a coherent framework of human capital policies, programs, and practices to achieve human capital requirements to directly support the agency’s strategic plan.</p> <p><i>Key Result Expected</i> – Managers are held accountable for effective implementation of human capital plans and overall human capital management.</p> <p><u>Results Oriented Performance Culture System</u></p> <p><i>Standard:</i> The agency has a diverse, results-oriented high-performing workforce and a performance management system, which differentiates between high and low levels of performance to organizational goals and desired results effectively.</p> <p><u>Communication CSF</u></p> <p><i>Definition:</i> The agency has a process for sharing information and ideas about the organization with all employees. This vital process includes eliciting employee feedback and involvement so all employees play an appropriate role in planning and executing the mission.</p> <p><i>Key Results Expected</i> – Communication up and down the organization is effective. Documentation shows innovation and problem solving between employees and management. Employees are involved in the decision-making process, fostering their support for organizational decisions. Surveys and/or</p>

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	<p>interviews indicate employees are satisfied with their level of participation in the organization decision-making processes and feel empowered to share their ideas and/or concerns with supervisors and other management officials.</p> <p><u>Diversity Management CSF</u></p> <p><i>Definition:</i> The agency maintains an environment characterized by inclusiveness of individual differences and responsiveness to the needs of diverse groups of employees.</p> <p><i>Key Result Expected</i> – The agency is responsive to the needs of diverse groups, resulting in a positive work environment conducive to all employees achieving their potential without fear or abuse.</p> <p><u>Labor/Management Relations CSF</u></p> <p><i>Definition:</i> 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.</p> <p><i>Key Results Expected</i> – The agency has a labor/management relations system, which provides a process for labor and management to jointly develop successful plans to accomplish organizational goals and develop effective solutions to workplace challenges.</p>
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<u>APS Assessment Preparedness Dimension, with Definition and Element</u>	<u>Related HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u>
<p><u>Implementation Planning Dimension</u></p> <p><i>Definition:</i> Agency establishes and implements a comprehensive planning process coordinating activities across key work streams such as HR business processes and procedures, tools and technology infrastructure, and change management, while providing mechanisms for assessing status and managing risk.</p> <p><i>Elements:</i></p> <p><i>Work Stream Planning and Coordination –</i> Extent to which the agency has established an effective work stream planning and coordination process to manage the program design, development, and implementation.</p> <p><i>HR Business Processes and Procedures –</i> Extent to which the agency has documented roles, responsibilities, policies, and procedures for major elements of the program (e.g., performance management, pay pool administration, pay setting, and/or related areas).</p> <p><i>Tools and Technology Infrastructure –</i> Extent to which the program planning process provides for the design, development, and implementation of automated IT systems and tools to enable the program, such as performance management, pay pool administration, and data conversion, and the extent to which the agency carries out the plan.</p> <p><i>Change Management –</i> Extent to which the agency establishes, maintains, and executes a comprehensive change management strategy, which includes components such as leadership commitment, communications, stakeholder management, training transition issues, and promotes organization change readiness and employee acceptance of the program.</p>	<p><u>Strategic Alignment System</u></p> <p><i>Standard:</i> Agency human capital management strategies are aligned with mission, goals, and organizational objectives and integrated into its strategic plans, performance plans, and budgets.</p> <p><u>Human Capital Planning CSF</u></p> <p><i>Definition:</i> The agency designs a coherent framework of human capital policies, programs, and practices to achieve human capital requirements to directly support the agency’s strategic plan.</p> <p><i>Key Result Expected –</i> Managers are held accountable for effective implementation of human capital plans and overall human capital management.</p> <p><u>Leadership and Knowledge Management System</u></p> <p><i>Standard:</i> Agency leaders and managers effectively manage people, ensure continuity of leadership, and sustain a learning environment, which drives continuous improvement in performance, and provides a means to share critical knowledge across the organization. Knowledge management must be supported by an appropriate investment in training and technology.</p> <p><u>Change Management CSF</u></p> <p><i>Definition:</i> The agency has in place leaders who understand what it takes to effectively bring about changes, which achieve significant and sustained improvements in performance.</p> <p><i>Key Results Expected –</i> Leaders provide adequate resources to support the change and focus on performance and progress against change milestones.</p> <p><u>Pay for Performance CSF</u></p>

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	<p><i>Definition:</i> 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.</p> <p><i>Key Results Expected:</i> An understandable pay pool structure (e.g., roles and responsibilities) and process for making timely pay determinations have been communicated across the agency using a variety of methods. Managers, supervisors, and employees are trained at the beginning of the performance cycle on the relationship between their performance and salary adjustments and awards at the end of the cycle. Data on pay pool determinations/discussions indicated the budget is effectively managed, top performers are getting the highest pay increases and/or awards, employees perceive the process to be fair and credible, and pay adjustments correlate with performance ratings.</p> <p><u>Results Oriented Performance Culture System</u></p> <p><i>Standard:</i> The agency has a diverse, results-oriented high-performing workforce and a performance management system, which differentiates between high and low levels of performance to organizational goals and desired results effectively.</p> <p><i>Special Note:</i> The Accountability System monitors and evaluates the results of an agency's <i>total</i> human capital system, including how it plans, develops, implements, and evaluates new human capital policies, programs, and activities.</p> <p><i>Key Results Expected –</i> Managers are held accountable for their human capital and human resources decisions and actions. Human capital program management guidelines, authorities, processes, measures, and accountabilities are issued via agency policy and procedural issuances and are accessible to agency managers, supervisors, and employees.</p>
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	<p>Program and implementation efforts include published plans to clearly outline roles, responsibilities, reviews, and desired outcomes. Accountability for implementing improvement strategies for each initiative or program is assigned, and resources are provided to accomplish the resulting actions.</p>
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**Progress**

<p><b>APS Assessment Progress Dimension, with Definition and Elements</b></p>	<p><b>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</b></p>
<p><u>Mission Alignment Dimension</u></p> <p><i>Definition:</i> The program effectively links individual, team, and unit performance to organizational goals and desired results.</p> <p><i>Elements:</i></p> <p><i>Line of sight</i> – Percentage of employees with performance plans with individual goals linked to agency mission/goals using the agency’s documented process and the Employee Line of Sight Survey Items.</p> <p><i>Accountability</i> – Extent to which individuals are held accountable for the achievement of individual performance objectives linked to Organization’s mission and goals.</p>	<p><u>Strategic Alignment System</u></p> <p><i>Standard:</i> Agency human capital management strategies are aligned with mission, goals, and organizational objectives and integrated into its strategic plans, performance plans, and budgets.</p> <p><u>Human Capital Planning CSF</u></p> <p><i>Definition:</i> The agency designs a coherent framework of human capital policies, programs, and practices to achieve human capital requirements to directly support the agency’s strategic plan.</p> <p><i>Key Results Expected</i> – The agency promotes alignment of human capital strategies with agency mission, goals, and objectives through analysis, planning, investment, and management of human capital programs.</p> <p><u>Results-Oriented Performance Culture System</u></p> <p><i>Standard:</i> The agency has a diverse, results-oriented, high-performing workforce and a performance management system, which differentiates between high and low levels of performance and links individual/team/unit performance to organizational goals and desired results effectively.</p> <p><u>Communication CSF</u></p> <p><i>Definition:</i> The agency has a process for sharing information and ideas about the organization with all employees. This vital process includes eliciting employee feedback and involvement so all employees play an appropriate role in planning and executing the mission.</p> <p><i>Key Results Expected</i> – The agency’s strategic</p>

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<b>APS Assessment Progress Dimension, with Definition and Elements</b>	<b>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</b>
	<p>plan has been shared with and/or is accessible to all its employees. Employees are knowledgeable about the agency's strategic plan and their role in supporting the mission. Employees have a direct line of sight between performance elements (expectations) and award systems and the mission. These links have been communicated to and are understood by employees, enabling them to focus their work effort on those activities most important to mission accomplishment. All employees are held accountable for achieving results, which support the agency's strategic plan goals and objectives.</p>

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<p><b><u>APS Assessment Progress Dimension, with Definition and Elements</u></b></p>	<p><b><u>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u></b></p>
<p><u>Results-Oriented Performance Culture Dimension</u></p> <p><i>Definition:</i> The program promotes a high performing workforce by differentiating between high and low performers and by rewarding employees on the basis of performance.</p> <p><i>Elements:</i></p> <p><i>Differentiating Performance</i> – The perception performance ratings appropriately differentiate levels of performance.</p> <p><i>Pay for Performance</i> – Association between performance rating and financial rewards.</p>	<p><u>Results-Oriented Performance Culture System</u></p> <p><i>Standard:</i> The agency has a diverse, results-oriented, high-performing workforce and a performance management system, which differentiates between high and low levels of performance and links individual/team/unit performance to organizational goals and desired results effectively.</p> <p><u>Performance Appraisal CSF</u></p> <p><i>Definition:</i> The agency has a process under which performance is reviewed and evaluated.</p> <p><i>Key Results Expected</i> – The agency’s performance management system differentiates between high and low levels of performance. Supervisors and managers use performance results to offer feedback, identify developmental needs to help improve employee performance, and address instances of poor performance. Policies and procedures, including delegation of authority, for addressing poor performance have been developed and communicated to supervisors. Managers and supervisors take appropriate action in cases of minimally acceptable or unsatisfactory performance where performance improvement strategies are not successful. Review of performance plans for all levels of the agency indicates supervisors, managers, and executives are held accountable for the performance management of their subordinates.</p> <p><u>Awards CSF</u></p> <p><i>Definition:</i> The organization takes actions to recognize and reward individual or team achievement which contributes 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, ratings or special acts or services.</p>

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<u>APS Assessment Progress Dimension, with Definition and Elements</u>	<u>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u>
	<p><i>Key Results Expected</i> – Employees have a direct line of sight between performance elements (performance expectations) and award systems and the agency mission. These links have been communicated to and are understood by employees, enabling them to focus their work effort on those activities most important to mission accomplishment. All employees are held accountable for achieving results support the agency’s strategic plan goals and objectives.</p> <p><u>Pay for Performance CSF</u></p> <p><i>Definition:</i> The agency uses pay for performance, where authorized by law and regulation, to link salary levels and adjustments to an individual’s overall performance and contribution to the mission. Employees receive base salary adjustments within their assigned bands.</p> <p><i>Key Results Expected</i> – The pay for performance system, where authorized by law and regulation, is results-driven, producing a distribution of pay adjustments and bonuses based on individual contribution, organizational performance, and/or team performance. The pay for performance system ensures employee and supervisory accountability with respect to individual performance and organizational results. Employees’ pay is linked to their performance ratings. Supervisors and managers make meaningful distinctions in performance ratings.</p>

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<u>APS Assessment Progress Dimension, with Definition and Elements</u>	<u>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u>
<u>APS Assessment Progress Dimension, with Definition and Elements</u>	<u>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u>
<p><u>Workforce Quality Dimension</u></p> <p><i>Definition:</i> Agency retains its high performers, keeps employees satisfied and committed, attracts high-quality new hires, and transitions its low performers out of the organization.</p> <p><i>Elements:</i></p> <p><i>Recruitment</i> – Perceived ability to attract high-quality new hires.</p> <p><i>Flexibility</i> – Extent to which supervisors feel they have the flexibility needed to respond to workload or mission changes.</p> <p><i>Retention</i> – Association between performance rating and employee turnover.</p> <p><i>Employee Attitudes</i> – Perception of Organizational Commitment items and Job Satisfaction Index.</p>	<p><u>Talent Management System</u></p> <p><i>Standard:</i> The agency has closed skills, knowledge, and competency gaps/deficiencies in mission-critical occupations, and has made meaningful progress toward closing skills, knowledge, and competency gaps/deficiencies in all occupations used in the agency.</p> <p><u>Recruitment CSF</u></p> <p><i>Definition:</i> The workforce plan drives the aggressive and strategic recruitment of diverse and qualified candidates for the agency’s workforce.</p> <p><i>Key Results Expected</i> – Workforce competency gaps are closed through the use of effective recruitment and retention strategies, creating a workforce capable of excellent performance in the service of the American people. Senior leaders and managers are involved in strategic recruitment and retention initiatives, which ensures the necessary organizational focus and resources are allocated to achieve recruitment and retention goals. Recruitment strategies are appropriately aggressive and multi-faceted to ensure a sufficient flow of quality applicants to meet staffing needs identified in the workforce plan, positioning the agency for successful program accomplishment.</p> <p><u>Retention CSF</u></p> <p><i>Definition:</i> Leaders, managers, and supervisors create and sustain effective working relationships with employees. The workplace is characterized by a motivated and skilled workforce, attractive and flexible working arrangements, and compensation packages and other programs used to hire and retain employees who possess mission-critical skills, knowledge, and competencies.</p>

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<u>APS Assessment Progress Dimension, with Definition and Elements</u>	<u>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u>
	<p><i>Key Results Expected</i> – Incentive and recognition programs are established, budgeted, and implemented to focus on retention of high performing employees with mission-critical competencies. The costs and benefits of quality of work/life programs are evaluated (e.g., surveys, entrance and exit interviews) to determine if they are perceived by employees as creating a positive work environment, are meeting an identified workforce need, and are contributing to recruitment and retention goals.</p> <p><u>Leadership and Knowledge Management System</u></p> <p><i>Standard:</i> Agency leaders and managers effectively manage people, ensure continuity of leadership, and sustain a learning environment to drives continuous improvement in performance, and provide a means to share critical knowledge across the organization. Knowledge management must be supported by an appropriate investment in training and technology.</p> <p><u>Integrity and Inspiring Employee Commitment CSF</u></p> <p><i>Definition:</i> Leaders maintain high standards of honesty and ethics, which serve as a model for the whole workforce. Leaders promote teamwork and communicate the organization’s shared vision to all levels and seek feedback from employees. Employees respond by maintaining high standards of honesty and ethics.</p> <p><i>Key Results Expected</i> – Employees view the agency as a desirable place to work. The FHCS and/or other employee climate surveys reflect a positive, committed work environment.</p>

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<u>APS Assessment Progress Dimension, with Definition and Elements</u>	<u>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u>
<u>APS Assessment Progress Dimension, with Definition and Elements</u>	<u>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u>
<p><u>Employee Perceptions Dimension</u></p> <p><i>Definition:</i> The program promotes an environment of fairness and trust for all employees, consistent with the Merit System Principles and free of Prohibited Personnel Practices.</p> <p><i>Elements:</i></p> <p><i>Fairness-</i> Perception of Fairness Items and Transparency.</p> <p><i>Dispute Resolution</i> – The perception disputes are resolved fairly.</p> <p><i>Trust</i> – Perception of trust item.</p>	<p><u>Results Oriented Performance Culture System</u></p> <p><i>Standard:</i> The agency has a diverse, results-oriented high-performing workforce and a performance management system, which differentiates between high and low levels of performance to organizational goals and desired results effectively.</p> <p><u>Performance Appraisal CSF</u></p> <p><i>Definition:</i> The agency has a process under which performance is reviewed and evaluated.</p> <p><i>Key Results Expected</i> – Supervisors and managers use performance results to offer feedback, identify developmental needs to help improve employee performance, and address instances of poor performance. Survey results and/or interviews indicate employees understand their performance elements (performance expectations), consider them to be fair, and understand how their efforts contribute to mission accomplishment. Workforce survey results indicate employees perceive a linkage between high performance and recognition and awards. Employees also believe creativity and innovation are rewarded and their own performance evaluations properly reflect their level of performance.</p> <p><u>Awards CSF</u></p> <p><i>Definition:</i> The organization takes actions to recognize and reward individual or team achievement which contributes 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.</p>

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<u>APS Assessment Progress Dimension, with Definition and Elements</u>	<u>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u>
	<p><i>Key Results Expected</i> – The agency has created a reward environment, beyond compensation and benefits to contribute to attracting, retaining, and motivating employees. Surveys and/or interviews indicate employees feel valued and appropriately recognized for performance.</p> <p><u>Pay for Performance CSF</u></p> <p><i>Definition:</i> The agency uses pay for performance, where authorized by law and regulation, to link salary levels and adjustments to an individual’s overall performance and contribution to the mission. Employees receive base salary adjustments within their assigned bands.</p> <p><i>Key Results Expected:</i> When authorized, the agency has a pay for performance system, which includes a transparent process for making pay adjustments and requires clear and frequent communications about the pay system and how it operates</p> <p><u>Diversity Management CSF</u></p> <p><i>Definition:</i> The agency maintains an environment characterized by inclusiveness of individual differences and responsiveness to the needs of diverse groups of employees.</p> <p><i>Key Results Expected</i> – The agency is responsive to the needs of diverse groups, resulting in a positive work environment conducive to all employees achieving their potential without fear or abuse.</p> <p><u>Labor/Management Relations CSF</u></p> <p><i>Definition:</i> 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</p>

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<u>APS Assessment Progress Dimension, with Definition and Elements</u>	<u>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u>
	<p>results.</p> <p><i>Key Results Expected</i> – Managers effectively administer contractual and statutory provisions to accomplish agency goals; workplace conflicts are resolved fairly, promptly, and effectively; and managers, union officials, and employees work together to accomplish the agency’s mission through effective problem solving. Data on complaints, grievances, and unfair labor practices are gathered, analyzed, and acted upon as appropriate. Data indicate problems are usually resolved at the lowest practicable level and management is complying with contractual and statutory requirements. Management works to resolve conflicts promptly and in a manner than enhances agency performance.</p> <p><u>Leadership and Knowledge Management System</u></p> <p><i>Standard:</i> Agency leaders and managers effectively manage people, ensure continuity of leadership, and sustain a learning environment driving continuous improvement in performance, and providing a means to share critical knowledge across the organization. Knowledge management must be supported by an appropriate investment in training and technology.</p> <p><u>Integrity and Inspiring Employee Commitment CSF</u></p> <p><i>Definition:</i> Leaders maintain high standards of honesty and ethics, which serve as a model for the whole workforce. Leaders promote teamwork and communicate the organization’s shared vision to all levels of the organization and seek feedback from employees. Employees respond by maintaining high standards of honesty and ethics.</p> <p><i>Key Results Expected</i> – Employees view the agency as a desirable place to work. The</p>

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<p><b><u>APS Assessment Progress Dimension, with Definition and Elements</u></b></p>	<p><b><u>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u></b></p>
	<p>FHCS and/or other employee climate surveys reflect a positive, committed work environment.</p>
<p><b><u>Effective Implementation Dimension</u></b></p> <p><i>Definition:</i> Agency demonstrates progress in implementing the program in accordance with its comprehensive planning process.</p> <p><i>Elements:</i></p> <p><i>Work Stream Planning and Status</i> – Extent to which the implementation program is in compliance with the APS work stream planning process.</p> <p><i>Performance Management System Execution</i> – Percentage of personal performance plans created by required date and percentage of employees receiving an annual review.</p> <p><i>Employee Support for the Program</i> – Extent to which employees support the manner in which the program has been implemented.</p>	<p><b><u>Strategic Alignment System</u></b></p> <p><i>Standard:</i> Agency human capital management strategies are aligned with mission, goals, and organizational objectives and integrated into its strategic plans, performance plans, and budgets.</p> <p><b><u>Human Capital Planning CSF</u></b></p> <p><i>Definition:</i> The agency designs a coherent framework of human capital policies, programs, and practices to achieve human capital requirements to directly support the agency’s strategic plan.</p> <p><i>Key Results Expected</i> – The agency promotes alignment of human capital strategies with agency mission, goals, and objectives through analysis, planning, investment, and management of human capital programs. Managers are held accountable for effective implementation of human capital plans and overall human capital management.</p> <p><b><u>Results-Oriented Performance Culture System</u></b></p> <p><i>Standard:</i> The agency has a diverse, results-oriented, high-performing workforce and a performance management system, which differentiates between high and low levels of performance and links individual/team/unit performance to organizational goals and desired results effectively.</p> <p><b><u>Communication CSF</u></b></p> <p><i>Definition:</i> The agency has a process for sharing information and ideas about the organization with all employees. This vital process includes eliciting employee feedback and involvement so all employees play an appropriate role in planning and executing the</p>

Appendix C

<u>APS Assessment Progress Dimension, with Definition and Elements</u>	<u>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u>
	<p>mission.</p> <p><i>Key Results Expected</i> – Employees are involved in the decision-making process, fostering their support for organizational decisions. Surveys and/or interviews indicate employees are satisfied with their level of participation in the organizational decision-making process and feel empowered to share their ideas and/or concerns with supervisors and other management officials.</p> <p><u>Performance Appraisal CSF</u></p> <p><i>Definition:</i> The agency has a process under which performance is reviewed and evaluated.</p> <p><i>Key Results Expected</i> – The agency performance appraisal system encourages employee participation in establishing performance plans. Employees are covered by recorded performance plans, which are communicated to employees at the beginning of each appraisal period. Employee performance is monitored by the supervisor and discussed with the employee on an ongoing basis during the designated appraisal period, with one or more progress reviews conducted and documented.</p> <p><u>Accountability System</u></p> <p><i>Standard:</i> Agency human capital management decisions are guided by a data-driven, results-oriented planning and accountability system. Results of the agency accountability system must inform the development of the human capital goals and objectives, in conjunction with the agency’s strategic planning and performance budgets. Effective application of the accountability system contributes to agencies’ practice of effective human capital management in accordance with the merit system principles and in compliance with Federal laws, rules, and regulations.</p>

Appendix C

<u>APS Assessment Progress Dimension, with Definition and Elements</u>	<u>HCAAF System, Standard, and Applicable Critical Success Factors (CSFs) with Definitions and Key Results Expected</u>
	<p><i>Special Note:</i> The Accountability System monitors and evaluates the results of an agency's <i>total</i> human capital system, including how it plans, develops, implements, and evaluates new human capital policies, programs, and activities.</p> <p><i>Key Results Expected</i> – Human capital program management guidelines, authorities, processes, measures, and accountabilities are issued via agency policy and procedural issuances and accessible to agency managers, supervisors, and employees. Program and implementation efforts include published plans clearly outlining roles, responsibilities, reviews, and desired outcomes. Accountability for implementing improvement strategies for each initiative or program is assigned and resources are provided to accomplish the resulting actions.</p>

***Appendix E: Assessment Criteria and Rating  
Rationale***

## Appendix E

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<b>PREPAREDNESS</b>
<p><b>Dimension:</b> Leadership Commitment – <i>Agency leaders are actively engaged in promoting and gaining workforce acceptance of the program, as well as prioritizing program implementation. Agency leaders provide appropriate resources for program implementation and are held accountable for effective execution.</i></p>
<p><b>Element:</b> Engagement</p>
<p><b>Indicator:</b> Extent and sufficiency of senior leader participation in outreach events and senior leader communications designed to promote the program across the workforce.</p>
<p><b>Rating: Demonstrated</b></p>
<p><b>Assessment Criteria:</b></p> <ol style="list-style-type: none"> <li>1. Appropriate senior leaders accomplish the following:           <ul style="list-style-type: none"> <li>○ Engage personally with the design, development, and implementation of the program.</li> <li>○ Monitor the progress of program preparation and deployment on a regular basis and communicate program progress to employees and stakeholders.</li> <li>○ Participate in a variety of events such as live speeches, conferences, Congressional testimony, meetings/briefings, video recordings, and interviews.</li> <li>○ Communicate a vision clearly specifying how the program will impact organizational effectiveness, structure, and culture; employee performance expectations, compensation, advancement opportunities, and morale; employee rights and legal protections; and employee-supervisor relationships.</li> <li>○ Designate executive champions to express personal support for the program.</li> <li>○ Resolve emergent issues, including those related to organizational culture, readiness, and resources.</li> </ul> </li> </ol>
<p><b>Rationale:</b></p> <p>This indicator is demonstrated. DHS senior leadership initially showed high levels of commitment to the DHS performance management system. Furthermore, evidence of a senior leadership team was provided, as were various detailed communication plans, Congressional briefings, a detailed executive toolkit, and information from the SES conference. Emergent issues were resolved through a 1-800 number, surveys, and e-mail. As the system was scaled back from the initial MaxHR (which included performance management among other components) to the current DHS performance management, leadership engagement decreased somewhat. The documents provided by DHS show intent to engage leaders around the current efforts to put performance management into place. What is lacking is evidence of how the documents were executed.</p>

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<b>PREPAREDNESS</b>
<p><b>Dimension:</b> Leadership Commitment – <i>Agency leaders are actively engaged in promoting and gaining workforce acceptance of the program, as well as prioritizing program implementation. Agency leaders provide appropriate resources for program implementation and are held accountable for effective execution.</i></p>
<p><b>Element:</b> Accountability</p>
<p><b>Indicator:</b> Extent to which program implementation is identified as a priority in agency strategies or appropriate planning documents.</p>
<p><b>Rating: Demonstrated</b></p>
<p><b>Assessment Criteria:</b>                      The Department:                     <ol style="list-style-type: none"> <li>1. Reference to the program as a priority appears in several documents, such as the strategic human capital plan, reports to Congress, and other operational plans.</li> <li>2. Planning documents such as the strategic human capital plan describe objectives related to the deployment of key elements of the agency’s program (e.g., classification, compensation, performance management, pay-pool management, staffing and workforce shaping).</li> </ol>                     Component organizations deploying the program:                     <ol style="list-style-type: none"> <li>1. Reference to the program as a priority appears in several documents, such as the strategic human capital plan, reports to Congress, and other operational plans.</li> </ol> <p style="margin-left: 40px;">NOTE: One objective may relate to several program elements or one element may relate to several objectives.</p> </p>
<p><b>Rationale:</b>                      This indicator is demonstrated. DHS has demonstrated accountability at both the Department and Component levels by ensuring implementation of DHS performance management is considered a priority in key planning documents and communications. For example, page 19 of the <i>Human Capital Strategic Plan (2004-2008)</i> contains a specific goal to implement MaxHR, including performance management, across the Department. More recently, the 2007-2009 <i>Human Capital Operational Plan</i> specifically addresses the new DHS performance management system by referring to the creation of a DHS-wide culture of performance. Both the <i>Human Capital Strategic Plan</i> and the <i>Operational Human Capital Plan</i> provide evidence human capital goals are being implemented on a Department-wide basis.</p>

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<b>PREPAREDNESS</b>
<p><b>Dimension:</b> Leadership Commitment – <i>Agency leaders are actively engaged in promoting and gaining workforce acceptance of the program, as well as prioritizing program implementation. Agency leaders provide appropriate resources for program implementation and are held accountable for effective execution.</i></p>
<p><b>Element:</b> Accountability</p>
<p><b>Indicator:</b> Extent to which responsible senior leaders are held accountable for program implementation.</p>
<p><b>Rating: Demonstrated</b></p>
<p><b>Assessment Criteria:</b></p> <ol style="list-style-type: none"> <li>1. Senior leaders with relevant human capital responsibilities are held accountable for relevant program key performance parameters.</li> </ol>
<p><b>Rationale:</b></p> <p>This indicator is demonstrated. Accountability has been appropriately cascaded throughout the Department and senior leaders are held responsible for program implementation. This is evidenced by documents such as the <i>Human Capital Strategic Plan</i> and the <i>Operational Human Capital Plan</i>, which speak to the DHS components, including senior leaders with relevant human capital responsibilities, working together to achieve the identified human capital goals. According to the <i>Operational Human Capital Plan</i>, a Human Capital Council, consisting of representatives from the major components of DHS, has been established to oversee implementation of the human capital goals, including DHS performance management. DHS intends to expand DHS performance management program implementation and create a DHS-wide culture of performance. This provides further evidence of accountability for senior leaders within DHS. Both the <i>Human Capital Strategic Plan</i> and the <i>Operational Human Capital Plan</i> provide sufficient evidence senior leaders are held accountable for program implementation on a Department-wide basis.</p>

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<b>PREPAREDNESS</b>
<p><b>Dimension:</b> Leadership Commitment – <i>Agency leaders are actively engaged in promoting and gaining workforce acceptance of the program, as well as prioritizing program implementation. Agency leaders provide appropriate resources for program implementation and are held accountable for effective execution.</i></p>
<p><b>Element:</b> Resources</p>
<p><b>Indicator:</b> Extent to which the agency provides appropriate authority, staffing, and budget to the program management office.</p>
<p><b>Rating: Demonstrated</b></p>
<p><b>Assessment Criteria:</b>                      The Department:                     <ol style="list-style-type: none"> <li>1. Provides clear and specific guidelines indicating the levels of authority held by the PMO and the Components.</li> <li>2. Has established a process to ensure there is adequate money available for program implementation.</li> <li>3. Provides adequate levels of staffing and resources for the office managing the program.</li> <li>4. Provides resources and support for deploying component organizations, as required, to successfully meet agreed upon milestones.</li> </ol>                     Component organizations deploying the program:                     <ol style="list-style-type: none"> <li>1. Allocate adequate funding to support the program implementation.</li> </ol> </p>
<p><b>Rationale:</b>                      This indicator is demonstrated. DHS provided detailed funding documentation as evidence the APS was adequately funded and resources properly allocated. Specifically, DHS provided a funding profile covering the total budget allocated across the Department for their APS for FYs 2005, 2006, and 2007. The profile shows contract obligations and other expenses associated with the APS. DHS provided significant and separate funding for its e-Performance tool and other information technology requirements to support its APS from FY 2005 through FY 2007. In addition to Department-wide funding to support design and implementation of its APS, DHS has also provided resources from across the Department to support the APS, especially performance management. In its performance management Communication of January 2007, the Department updated all of its points of contact (i.e., leads from each Component) who are working on performance management implementation. This communication is an example of how DHS' APS was developed and implemented by employees from across the Department who were assigned to work on it, ensuring the Components share in the responsibility for the APS.</p>

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<b>PREPAREDNESS</b>
<p><b>Dimension:</b> Leadership Commitment – <i>Agency leaders are actively engaged in promoting and gaining workforce acceptance of the program, as well as prioritizing program implementation. Agency leaders provide appropriate resources for program implementation and are held accountable for effective execution.</i></p>
<p><b>Element:</b> Governance</p>
<p><b>Indicator:</b> Extent to which the agency has established and utilizes an effective mechanism for identifying and resolving critical issues associated with the program design, development, and implementation.</p>
<p><b>Rating: Demonstrated</b></p>
<p><b>Assessment Criteria:</b></p> <ol style="list-style-type: none"> <li>1. A process/strategy to identify and resolve design, development, and implementation has been established.</li> <li>2. Key officials include key players in issue resolution.</li> <li>3. Issues and lessons learned are shared periodically across the Department and deploying component organizations as they occur.</li> </ol>
<p><b>Rationale:</b></p> <p>This indicator is demonstrated. DHS established successful processes by which critical issues associated with the DHS performance management system program design, development, and implementation could be identified and resolved, as evidenced in documentation such as the <i>Campaign Plan</i>, the <i>Human Resource Management System Senior Review Advisory Committee Charter</i>, and Senior Review Advisory Committee meeting notes. DHS chartered a Human Resource Management System Senior Review Advisory Committee to serve as the governing body for DHS performance management. Documentation of the activities of this committee is provided in the Senior Review Advisory Committee meeting notes, which serve as evidence of a mechanism for sharing program lessons learned. The <i>Performance Management Risk Management Plan</i>, updated in December 2006 in order to focus on the current performance management system, outlines risk mitigation techniques and identifies the primary stakeholders in issue resolution. In addition, this document indicates new risks are identified monthly to serve the purpose of sharing and acting on lessons learned. Issues and lessons learned are shared through DHS Today articles as well as DHS on-line articles. These documents provide evidence DHS has continued the governance process throughout the evolution of its performance management system.</p>

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<b>PREPAREDNESS</b>
<p><b>Dimension:</b> Open Communication – <i>Agency provides accurate, up-to-date information on system features and implementation plans. Active outreach efforts are undertaken to provide information to employees and to address questions and concerns. Effective mechanisms are in place for gathering and considering feedback.</i></p>
<p><b>Element:</b> Information Access</p>
<p><b>Indicator:</b> Extent to which the program website(s) is (are) comprehensive and fully utilized by employees.</p>
<p><b>Rating: Demonstrated</b></p>
<p><b>Assessment Criteria:</b></p> <ol style="list-style-type: none"> <li>1. The program website(s) has detailed information about the program legislation, regulations, implementing directives, and instructions; and comprehensive information regarding the program system components and features.</li> <li>2. The program website(s) has detailed information about the implementation plan such as rollout schedules and other appropriate data such as fact sheets, FAQs, user guides, on-line training, and points-of-contact.</li> <li>3. Website(s) offers considerable information directing employees to key resources and events, which provide employees with more information about the program.</li> </ol>
<p><b>Rationale:</b></p> <p>This indicator is demonstrated. The DHS performance management intranet website, housed in a section of the Human Capital website, offers detailed and comprehensive information regarding the DHS performance management system, including program legislation, regulations, implementing directives, instructions, and system components. Virtually every piece of policy and process guidance related to performance management is available to employees; moreover, the site is user friendly and easily navigable. The DHS performance management section of the Human Capital website also provides information regarding available training along with an automated registration process. An e-tool for creating and monitoring performance plans, User guides such as the <i>Performance Management System User Guide Release 2.1</i>, points of contact, an on-line system to submit questions, and information about town halls are all included on the website.</p>

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<b>PREPAREDNESS</b>
<p><b>Dimension:</b> Open Communication – <i>Agency provides accurate, up-to-date information on system features and implementation plans. Active outreach efforts are undertaken to provide information to employees and to address questions and concerns. Effective mechanisms are in place for gathering and considering feedback.</i></p>
<p><b>Element:</b> Outreach</p>
<p><b>Indicator:</b> Frequency, variety, and quality of employee outreach efforts.</p>
<p><b>Rating: Demonstrated</b></p>
<p><b>Assessment Criteria:</b></p> <ol style="list-style-type: none"> <li>1. A comprehensive communication strategy is developed and executed in support of the program.</li> <li>2. Efforts are made to coordinate and align Department and deploying component organization communications.</li> <li>3. Comprehensive and up-to-date program information is provided to employees through various channels, such as websites, briefings, conferences, CD-ROMS, fact sheets, e-mail, web broadcasts, satellite broadcast messages, bulletins, brown bag meetings/town halls, etc.</li> </ol>
<p><b>Rationale:</b></p> <p>This indicator is demonstrated. DHS has established an effective communication strategy to support frequent, high-quality employee outreach efforts. Evidence of an evolving communication strategy is found in various communication planning documents, including a <i>DHS HRMS Communications Strategy</i> briefing for November 2003 – April 2004. In this briefing, DHS presents its communication strategy and identifies internal and external stakeholders and detailed processes for providing proactive, frequent, and consistent communications to those stakeholders. In addition, a Communications Coordination Team (CCT) was established and the team met and implemented actions, as evidenced by the CCT meeting minutes. A publication called <i>DHS Today</i> was also provided to all employees across the Department to address common employee questions and to provide information on the program. Additional documents provided (which were frequently updated by the Department), such as the <i>HR Desk Guide</i>, the <i>Supervisor's Desk Guide</i>, the Interim Management Directive on performance management, the CHCO Management Guidance Bulletin of February 2006 on performance management implementing instructions, and the <i>Performance Leadership Manager's Guide</i>, indicate these outreach initiatives continue to be implemented.</p>

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<b>PREPAREDNESS</b>
<p><b>Dimension:</b> Open Communication – <i>Agency provides accurate, up-to-date information on system features and implementation plans. Active outreach efforts are undertaken to provide information to employees and to address questions and concerns. Effective mechanisms are in place for gathering and considering feedback.</i></p>
<p><b>Element:</b> Feedback</p>
<p><b>Indicator:</b> Availability of employee feedback mechanisms.</p>
<p><b>Rating: Demonstrated</b></p>
<p><b>Assessment Criteria:</b></p> <ol style="list-style-type: none"> <li>1. Feedback is continually sought from employees through a variety of feedback mechanisms such as surveys, employee feedback e-mail boxes, focus groups, etc.</li> <li>2. An “open communication” environment to encourage employees to give feedback is created, as demonstrated by the frequent use of employee feedback mechanisms.</li> </ol>
<p><b>Rationale:</b></p> <p>This indicator is demonstrated. DHS demonstrated its use of employee feedback mechanisms throughout the history of the DHS performance management effort. Evidence of initial employee feedback mechanisms is found in the following documents: <i>Results of the MAXHR Broadcast Survey Final Report</i> from March 2005; employee briefing evaluations; and the <i>Performance Management Focus Group Findings Report</i> from April 14, 2005. For example, the <i>Results of the MAXHR Broadcast Survey Final Report</i> indicates the purpose of the study was to gather feedback and recommendations for the improvement of DHS performance management communications. In addition, the <i>Performance Management Focus Group Findings Report</i> indicated the purpose of the focus group was to gather specific information from participants on “...potential issues and challenges at the Organizational Element and employee level with regard to MAXHR.” This report, as well as other focus group documentation, provides evidence on the availability of employee feedback mechanisms and the existence of an “open communication” environment. The DHS performance management website also provides employees with several venues for providing their feedback such as a feedback email box and a 1-800 number.</p>

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<b>PREPAREDNESS</b>
<p><b>Dimension:</b> Open Communication – <i>Agency provides accurate, up-to-date information on system features and implementation plans. Active outreach efforts are undertaken to provide information to employees and to address questions and concerns. Effective mechanisms are in place for gathering and considering feedback.</i></p>
<p><b>Element:</b> Feedback</p>
<p><b>Indicator:</b> Extent to which employee feedback is considered.</p>
<p><b>Rating: Demonstrated</b></p>
<p><b>Assessment Criteria:</b></p> <ol style="list-style-type: none"> <li>1. Employee feedback is used to shape the program design, development, and implementation.</li> <li>2. Employee feedback is used to inform the content, timing and channels used for program communications.</li> <li>3. Specific employee feedback regarding the program, such as questions, concerns, and suggestions, is promptly responded to or otherwise appropriately addressed.</li> </ol>
<p><b>Rationale:</b></p> <p>This indicator is demonstrated. Examples of the impact of employee feedback on the program were found in an August 2003 <i>Focus Group Analysis Report</i> of the DHS Human Resource Management System (HRMS), employee briefing evaluations, the <i>Results of the MAXHR Broadcast Survey Final Report</i> from March 2005, and in other documentation provided by the Department. For example, the <i>Focus Group Analysis Report</i> indicated a collaborative DHS/OPM Design Team conducted nationwide focus groups to gather feedback from employees and other stakeholders on their perceptions of the new HRMS. The resulting data were used to inform the content of the program and to formulate options for the HRMS, as stated in the briefing. In addition, the <i>Results of the MAXHR Broadcast Survey Final Report</i> stated the purpose of the study was to gather feedback and recommendations for the improvement of DHS performance management. This document not only provided evidence the Department promptly responded to and addressed employee concerns, questions, and suggestions about the performance management system, but it also suggested employee input was used to inform and shape the program. Although DHS demonstrated its use of various employee feedback mechanisms to gather input on DHS performance management, it was more difficult to find direct evidence employee feedback was used to shape the program.</p>

<b>PREPAREDNESS</b>
<b>Dimension:</b> Training - <i>Agency develops and executes a comprehensive training strategy for effective training on relevant components of the program to users via a range of delivery methods.</i>
<b>Element:</b> Planning
<b>Indicator:</b> Existence of a comprehensive training strategy.
<b>Rating: Demonstrated</b>
<p><b>Assessment Criteria:</b></p> <ol style="list-style-type: none"> <li>1. The training strategy addresses training requirements, training delivery, responsible parties for training, a method for recording training completions, methods of sustaining and supplementing training, training communications, and schedule for delivery.</li> <li>2. The strategy calls for training to be provided to each spiral prior to implementation of the program.</li> <li>3. Specific training requirements are identified for employees, supervisors, managers, senior leaders, and HR practitioners. Performance management competencies for supervisors and managers are covered.</li> <li>4. The strategy offers a variety of training delivery options (forums, workshops, classroom-based, web-based, instructor-led, off-site, e-learning guides).</li> <li>5. The strategy establishes an effective structure to prioritize, develop, coordinate, provide technical assistance, and share assets for the training program supporting the alternate personnel system.</li> <li>6. There is a strategy to continue training in the future when new employees enter the organization and/or when new spirals begin implementation.</li> <li>7. The strategy includes the fundamentals of change management training for employees including aspects of:             <ul style="list-style-type: none"> <li>o Understanding, communicating, and dealing with change</li> <li>o Development and communication of performance expectations</li> <li>o Feedback and coaching</li> </ul> </li> <li>8. The strategy includes detailed technical/operational training for target audiences in the following areas, as appropriate:             <ul style="list-style-type: none"> <li>o System operations (e.g., staffing flexibilities, reduction in force, etc.)</li> <li>o Supporting IT</li> <li>o Payout determination</li> <li>o Discipline and appeals</li> <li>o Implementation and operation of the performance management system</li> </ul> </li> </ol>
<p><b>Rationale:</b></p> <p>This indicator is demonstrated. DHS has established a comprehensive and evolving training strategy, as demonstrated in various training documents including: the January 27, 2006 <i>Performance Management System Training Plan</i>, the <i>Supervisors Training Schedules</i> spreadsheet, and the <i>Notional MaxHR Training Plan Overview</i> briefing. For example, the <i>Performance Management System Training Plan</i> defines the training objectives, schedules and methods, which prepared the DHS Component support personnel for the Phase II deployment of the performance management system. This document includes a Training Model, which combines computer-based training (CBT) with classroom training and supplemental learning materials to address several different user roles. The training model provides evidence of a variety of training delivery options and multiple learning tools tailored to each population of users to prepare and assist in deployment and use of the performance management system. The plan also provides information on roles and responsibilities and provides a strategy for providing ongoing training to employees. In addition, the <i>Notional MaxHR Training Plan Overview</i></p>

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provides course descriptions and schedules for training. DHS is also implementing a strategy for continuing training in the future when new employees enter the organization and/or when new phases begin implementation. DHS may consider providing specific information on how the training strategy establishes an effective structure to prioritize, develop, coordinate, and provide technical assistance. The Department may also consider sharing assets for the training program supporting the performance management system in order to better meet the criteria for this indicator in the future.

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<b>PREPAREDNESS</b>
<b>Dimension:</b> Training - <i>Agency develops and executes a comprehensive training strategy for effective training on relevant components of the program to users via a range of delivery methods.</i>
<b>Element:</b> Delivery
<b>Indicator:</b> Extent to which senior leaders, supervisors, and staff receive timely, high-quality training.
<b>Rating: Demonstrated</b>
<p><b>Assessment Criteria:</b></p> <ol style="list-style-type: none"> <li>1. Training delivery is comprehensive and covers applicable elements of the program (classification, compensation, performance management, pay-pool management, staffing, workforce shaping and automated tools) and includes specific instructions on how to create performance plans/performance objectives.</li> <li>2. A significant majority of sampled target audiences (employees, supervisors, senior leaders, and HR professionals) are trained on applicable elements prior to the implementation of each major phase of the program.</li> <li>3. A significant majority of sampled supervisors and senior leaders are trained on the performance management competencies selected by the Department.</li> <li>4. Process or instructions for registering for training are clear and easy to follow.</li> <li>5. Most employees rate the training classes as useful.</li> </ol>
<p><b>Rationale:</b></p> <p>This indicator is demonstrated. DHS demonstrated the effective and efficient delivery of training initiatives in documentation such as the <i>Performance Management Training at the Department of Homeland Security and Defense</i> report from July 2006, the <i>Supervisors Training Schedules</i> spreadsheet, the Program Manager's Update to the Human Capital Council on September 26, 2006, and the <i>PAAT Panel Final Assessment Score Breakdown</i>. For example, the <i>Performance Management Training at the Department of Homeland Security and Defense</i> report demonstrates training programs were comprehensive and the majority of target audiences were trained on applicable elements prior to the implementation of each phase of the program. This document, as well as the <i>Supervisors Training Schedules</i> spreadsheet, indicates a majority of sampled supervisors and senior leaders are trained on core performance management competencies. In addition, the Program Manager's Update to the Human Capital Council and the <i>PAAT Panel Final Assessment Score Breakdown</i> both indicate a majority of employees rated training classes as useful. The performance management section of the Human Capital website provides employees with a clear process and instructions to register for training.</p>

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<b>PREPAREDNESS</b>
<b>Dimension:</b> Stakeholder Involvement – <i>Stakeholders are actively involved in the program design and evaluation process and play a supportive role in the implementation of the program.</i>
<b>Element:</b> Inclusion
<b>Indicator:</b> Extent to which stakeholder groups are engaged in the program design, development, and implementation processes.
<b>Rating: Demonstrated</b>
<p><b>Assessment Criteria:</b></p> <ol style="list-style-type: none"> <li>1. Implementation of a process by which stakeholder groups will play an active role in achieving design, development, and implementation milestones is demonstrated.</li> <li>2. Stakeholder groups and stakeholder group interests have been identified.</li> <li>3. Feedback is sought from key stakeholder groups throughout stages of the program design, development, and implementation.</li> </ol>
<p><b>Rationale:</b></p> <p>This indicator is demonstrated. DHS has established a process by which stakeholders are engaged in the design, development, and implementation of the performance management System, as demonstrated in the <i>Communication Campaign Action Plan</i> of February 2006, the <i>Focus Group Assessment Results Report</i> from March 2005, and the <i>Open Letter to Our Members About the Department of Homeland Security</i> from July of 2003. The <i>Communication Campaign Action Plan</i> identifies key stakeholders and how they have been involved in the development and implementation of MaxHR, including performance management. In addition, the <i>Focus Group Assessment Results Report</i> indicates the existence of a process by which the focus group participants and other identified stakeholders were able to provide feedback on and recommendations to the performance management system design, training initiatives, and communication efforts. The <i>Open Letter to Our Members About the Department of Homeland Security</i> provides additional evidence DHS set up a joint effort with stakeholders (specifically the American Federation of Government Employees and the National Treasury Employees Union) to design a human resource management system, which has now evolved into the DHS performance management system. However, the stakeholder processes and procedures DHS has put in place have not always achieved their intended results, particularly with the unions.</p>

<b>PREPAREDNESS</b>
<p><b>Dimension:</b> Implementation Planning – <i>Agency establishes and implements a comprehensive planning process to coordinate activities across key work streams, such as HR business processes and procedures, tools and technology infrastructure, and change management, while providing mechanisms for assessing status and managing risk.</i></p>
<p><b>Element:</b> Work Stream Planning and Coordination</p>
<p><b>Indicator:</b> Extent to which the Agency has established an effective work stream planning and coordination process to manage the program design, development, and implementation.</p>
<p><b>Rating: Demonstrated</b></p>
<p><b>Assessment Criteria:</b></p> <ol style="list-style-type: none"> <li>1. Has specific work stream planning and coordination processes to manage the program design, development and implementation.</li> <li>2. Implementation plans are tailored for each deploying component organization and the plans outline implementation milestones for program elements such as conversion to the program, compensation architecture, performance management, classification, staffing and employment, and workforce shaping. NOTE: One milestone may cover several program elements and one element may be part of several milestones.</li> <li>3. Roles and responsibilities related to the program design, development, and implementation are defined and communicated.</li> <li>4. Implementation plans meet internal guidelines.</li> </ol>
<p><b>Rationale:</b></p> <p>This indicator is demonstrated. DHS established an effective work stream planning and coordination process, as demonstrated by the following documents: the <i>Communication Campaign Action Plan</i> from February 2006; the <i>MaxHR Program Execution and Monitoring Checklist for Program Management Support</i> from December 7, 2006; the <i>MaxHR Performance Management Implementation Plan</i> from December 6, 2006; project timelines; briefings on performance management; and other project deliverables and communications. These documents provide evidence of a work stream planning and coordination process to manage the design, development and implementation of the program. In addition, the <i>MaxHR Program Execution and Monitoring Checklist for Program Management Support</i> provides the program deployment team with detailed checklists to ensure the Component navigates through each phase of deployment successfully. In addition, the <i>MaxHR Performance Management Implementation Plan</i> establishes clear guidelines for the deployment of the performance management system by identifying key parties, roles, and responsibilities according to the established deployment timeline. This document also demonstrates how implementation plans are tailored to the Component and outlines implementation milestones for the program elements. Overall, these documents, as well as other status reports, briefings, and communication documents, indicate DHS is successfully planning for program implementation.</p>

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<b>PREPAREDNESS</b>
<p><b>Dimension:</b> Implementation Planning – <i>Agency establishes and implements a comprehensive planning process to coordinate activities across key work streams, such as HR business processes and procedures, tools and technology infrastructure, and change management, while providing mechanisms for assessing status and managing risk.</i></p>
<p><b>Element:</b> HR Business Processes and Procedures</p>
<p><b>Indicator:</b> Extent to which the Agency has documented roles, responsibilities, policies, and procedures for major elements of the program (e.g., performance management, pay setting, and/or related areas).</p>
<p><b>Rating: Demonstrated</b></p>
<p><b>Assessment Criteria:</b></p> <ol style="list-style-type: none"> <li>1. The roles, responsibilities, policies, and procedures for the elements of the program are formally identified and documented.</li> <li>2. Information about the roles, responsibilities, policies, and procedures for the elements of the program has been communicated effectively and is readily available to the workforce so they are transparent to the workforce.</li> </ol>
<p><b>Rationale:</b></p> <p>This indicator is demonstrated. DHS successfully identified and communicated the roles, responsibilities, policies, and procedures for the elements of the performance management system, as evidenced by the following documents: the Management Directive #3181 on Performance Management; the <i>Supervisor’s Desk Guide</i> from December 8, 2006; the <i>Communication Campaign Action Plan</i> from February 2006; and other procedural documentation provided by the Department. For example, the Management Directive #3181 on Performance Management assigns responsibilities and establishes specific policies and procedures for the performance management program. The <i>Supervisor’s Desk Guide</i> supplements the Management Directive #3181 by communicating roles, responsibilities, policies and procedures for the elements of the program to supervisors. Furthermore, as part of implementing the performance management system, DHS defined, documented, and published (including on the performance management section of the Human Capital website) their technical proficiencies and other competencies for their occupations as they relate to performance management plans.</p>

<b>PREPAREDNESS</b>
<p><b>Dimension:</b> Implementation Planning – <i>Agency establishes and implements a comprehensive planning process to coordinate activities across key work streams, such as HR business processes and procedures, tools and technology infrastructure, and change management, while providing mechanisms for assessing status and managing risk.</i></p>
<p><b>Element:</b> Tools and Technology Infrastructure</p>
<p><b>Indicator:</b> Extent to which the program planning process provides for the design, development, and implementation of automated IT systems and tools that enable the program, such as performance management, pay-pool administration, and data conversion, and the extent to which the Agency carries out the plan.</p>
<p><b>Rating: Demonstrated</b></p>
<p><b>Assessment Criteria:</b></p> <ol style="list-style-type: none"> <li>1. An IT strategy or plan is developed and successfully carried out such that current IT system modifications accommodate the program employees.</li> <li>2. IT components and software programs are accessible to users with appropriate permissions.</li> <li>3. IT software programs are capable of generating the personnel actions, reports, analyses, and deliverables necessary for the Alternative Personnel System transactions and records, and for evaluation of the system.</li> </ol>
<p><b>Rationale:</b></p> <p>This indicator is demonstrated. DHS has established a process by which IT systems and tools are designed, developed, and implemented to enable the performance management system, as demonstrated by the following documentation: the <i>MaxHR Performance Management Infrastructure Plan</i>; a <i>MaxHR Performance Management System Infrastructure Check List</i>; an <i>Organizational and Employee Data Readiness Certification</i>; a <i>Component System Administrator Desk Guide</i>; a <i>Performance Management System User Guide</i>; and additional documentation and tools available for system users. For example, the <i>MaxHR Performance Management Infrastructure Plan</i> communicates technical information to individual DHS Components' information technology personnel to facilitate planning and preparation activities associated with the deployment of the performance management system. The plan also outlines infrastructure requirements necessary to support the application and establishes a sequence of planning, preparation and certification activities designed to ensure a smooth deployment. In addition, the <i>MaxHR Performance Management System Infrastructure Check List</i> ensures the effective deployment of the program by assigning specific tasks to responsible parties which lead up to the completion of the <i>Infrastructure Readiness Certification</i>. Additional documentation, such as the <i>Component System Administrator Desk Guide</i> and the <i>Performance Management System User Guide</i> provide evidence the system is capable of generating personnel actions, reports, and analyses. These documents are also useful employee tools for demonstrating the accessibility of the system to different groups of users.</p>

<b>PREPAREDNESS</b>
<p><b>Dimension:</b> Implementation Planning – <i>Agency establishes and implements a comprehensive planning process to coordinate activities across key work streams, such as HR business processes and procedures, tools and technology infrastructure, and change management, while providing mechanisms for assessing status and managing risk.</i></p>
<p><b>Element:</b> Change Management</p>
<p><b>Indicator:</b> Extent to which the Agency establishes, maintains, and executes a comprehensive change management strategy to include components such as leadership commitment, communications, stakeholder management, training transition issues, and promotes organization change readiness and employee acceptance of the program.</p>
<p><b>Rating: Demonstrated</b></p>
<p><b>Assessment Criteria:</b></p> <ol style="list-style-type: none"> <li>1. Change management strategies/activities adequately address the following aspects: leadership commitment, communications, stakeholder management, training, and transition issues.</li> <li>2. Change management strategies/activities promote organizational readiness and employee acceptance of the program, as demonstrated by leadership engagement, stakeholder involvement, and open communication.</li> </ol>
<p><b>Rationale:</b></p> <p>This indicator is demonstrated. DHS has established, maintained and executed a change management strategy, as evidenced by the <i>Finalizing the Change Management Approach</i> briefing from October 28, 2005. This presentation provides a clear change management strategy, which addresses the following areas: leadership commitment, communications, stakeholder management, governance and conflict management, employee training and development, change readiness, transition issues, and additional change management issues. This briefing also promotes organizational readiness and employee acceptance of the program, as demonstrated by the following: the proposed establishment of an Implementation Steering Committee; the development of continuous improvement strategies, stakeholder involvement and feedback opportunities; and additional targeted interventions. DHS demonstrates additional focus on change management in the <i>Supervisor’s Desk Guide</i>, which discusses goal alignment and the performance management culture. However, evidence is lacking to indicate the change management strategy resulted in employee acceptance of change the Department intended.</p>

## Appendix E

<b>PROGRESS</b>
<p><b>Dimension:</b> Mission Alignment – <i>The program effectively links individual, team, and unit performance to organizational goals and desired results.</i></p>
<p><b>Element:</b> Line of Sight</p>
<p><b>Indicator:</b> Percentage of employees with performance plans with individual goals linked to Agency missions/goals using the Agency’s documented process.</p>
<p><b>Rating: Demonstrated</b></p>
<p><b>Assessment Criteria:</b></p> <ol style="list-style-type: none"> <li>1. Implementation of a process by which organizational goals can be aligned with individual performance goals.</li> <li>2. A significant majority of sampled employees covered by the program have performance plans which include individual goals aligned with identified organizational, team, and/or supervisor goals.</li> </ol>
<p><b>Rationale:</b></p> <p>This indicator is demonstrated. DHS successfully developed and implemented an alignment process, as evidenced by the <i>Performance Management Supervisor’s Desk Guide</i>, the <i>MaxHR Performance Plan and Appraisal</i> form, sample performance plans, and the Revised Interim PAAT. For example, Chapter 5 of the <i>Performance Management Supervisor’s Desk Guide</i> clearly describes an implementation process by which organizational goals are aligned with individual performance goals. The <i>MaxHR Performance Plan and Appraisal</i> form provides a practical tool for documenting goal alignment. Sample performance plans provided by the Department, as well as the PAAT Final Assessment, demonstrate a majority of sampled employees covered by the program have performance plans, which include individual goals, aligned with identified organizational, team, and/or supervisor goals.</p>

## Appendix E

<b>PROGRESS</b>
<b>Dimension:</b> Mission Alignment – <i>The program effectively links individual, team, and unit performance to organizational goals and desired results.</i>
<b>Element:</b> Line of Sight
<b>Indicator:</b> Perception of Employee Line of Sight Items
<b>Rating: Not Ratable</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"><li>1. <i>Item #1: I know how my work relates to my agency's goals and priorities. After year two following program implementation, positive responses remain stable, and any net decrease going forward is minimal.</i></li><li>2. <i>Item #2: My manager effectively communicates the goals and priorities of my organization. After year two following program implementation, positive responses remain stable, and any net decrease going forward is minimal.</i></li></ol>

Appendix E

<b>PROGRESS</b>
<b>Dimension:</b> Mission Alignment – <i>The program effectively links individual, team, and unit performance to organizational goals and desired results.</i>
<b>Element:</b> Accountability
<b>Indicator:</b> Extent to which individuals are held accountable for the achievement of individual performance objectives linked to the Organization’s mission and goals.
<b>Rating: Demonstrated</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"><li>1. A significant majority of sampled individual performance plans include credible measures and targets aligned with the Organization’s mission/goals.</li></ol>
<b>Rationale:</b> <p>This indicator is demonstrated. DHS demonstrated a significant majority of sampled individual performance plans include credible measures and targets aligned with the Department’s mission/goals, as evidenced by the PAAT. The PAAT final ratings for <i>Section 6: Alignment</i> and <i>Section 8: Credible Measures</i> provide sufficient evidence of accountability, credible measures, and mission alignment in individual performance plans.</p>

Appendix E

<b>PROGRESS</b>
<p><b>Dimension:</b> Results-Oriented Performance Culture –<i>The program promotes a high performance workforce by differentiating between high and low performers and by rewarding employees on the basis of performance.</i></p>
<p><b>Element:</b> Differentiating Performance</p>
<p><b>Indicator:</b> The perception performance ratings appropriately differentiate levels of performance.</p>
<p><b>Rating: Not Demonstrated</b></p>
<p><b>Assessment Criteria:</b></p> <ol style="list-style-type: none"> <li>1. The distribution of performance ratings is reviewed by the appropriate leadership to assure accuracy and consistency in ratings throughout the DHS.</li> <li>2. <i>Item #1: In my work unit, steps are taken to deal with a poor performer who cannot or will not improve.</i> During the first 3 years following the program implementation, positive responses remain stable. For the next 7 years after year 3, positive responses increase.</li> <li>3. <i>Item #2: In my work unit, differences in performance are recognized in a meaningful way.</i> During the first 3 years following the program implementation, positive responses remain stable. For the next 7 years after year 3, positive responses increase.</li> </ol>
<p><b>Rationale:</b></p> <p>This indicator is not demonstrated. DHS did not provide sufficient evidence performance ratings were reviewed by the appropriate leadership to assure accuracy and consistency in ratings throughout the Department. Although the DHS Management Directive #3181 on performance management states reviewing officials are responsible for reviewing performance ratings, there is no evidence to suggest there is a similar review process beyond the second level supervisors. Overall, this indicator was rated “not demonstrated” due to a lack of evidence to support this criterion.</p>

Note: Assessment Criteria #2 and #3 are not ratable at the present time. Thus, the rating of “not demonstrated” pertains only to the first assessment criterion.

Appendix E

<b>PROGRESS</b>
<b>Dimension:</b> Results-Oriented Performance Culture – <i>The program promotes a high performance workforce by differentiating between high and low performers and by rewarding employees on the basis of performance.</i>
<b>Element:</b> Pay-for-Performance
<b>Indicator:</b> Association between performance rating and financial rewards.
<b>Rating: Not Ratable</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"><li>1. In the first year following the program implementation, there is a high association between performance ratings and salary increases (allowing for pay band limits).</li><li>2. In the first year following the program implementation, there is a high association between performance ratings and bonuses.</li><li>3. <i>Item #1: Awards in my work unit depend on how well employees perform their jobs.</i> During the first three years following the program implementation, positive responses remain stable. For the next seven years after year three, positive responses increase.</li><li>4. <i>Item #2: Pay raises in my work unit depend on how well employees perform their jobs.</i> During the first three years following the program implementation, positive responses remain stable. For the next seven years after year three, positive responses increase.</li></ol>

Appendix E

<b>PROGRESS</b>
<b>Dimension:</b> Workforce Quality – <i>Agency retains its high performers, keeps employees satisfied and committed, attracts high-quality new hires, and transitions its low performers out of the organization.</i>
<b>Element:</b> Recruitment
<b>Indicator:</b> Perceived ability to attract high-quality new hires.
<b>Rating: Not Ratable</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"><li>1. <i>Item #1: My work unit is able to recruit people with the right skills (supervisors only). During the first three years following the program implementation, positive responses remain stable. For the next seven years after year three, positive responses increase.</i></li></ol>

Appendix E

<b>PROGRESS</b>
<b>Dimension:</b> Workforce Quality – <i>Agency retains its high performers, keeps employees satisfied and committed, attracts high-quality new hires, and transitions its low performers out of the organization.</i>
<b>Element:</b> Flexibility
<b>Indicator:</b> Future Survey Item
<b>Rating: Not Ratable</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"><li>1. Positive responses increase for the first five years after the program implementation.</li></ol>

## Appendix E

<b>PROGRESS</b>
<b>Dimension:</b> Workforce Quality – <i>Agency retains its high performers, keeps employees satisfied and committed, attracts high-quality new hires, and transitions its low performers out of the organization.</i>
<b>Element:</b> Retention
<b>Indicator:</b> Association between performance ratings and employee turnover
<b>Rating: Not Ratable</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"><li>1. Employees with high performance ratings (4s and 5s) have a lower turnover rate than employees with low performance ratings (1s and 2s) following the implementation of the program.</li><li>2. Each year following implementation of the program, the turnover rate for high performers (4s and 5s) decreases for seven years.</li><li>3. Each year following implementation of the program, the turnover rate for low performers (1s and 2s) increases for seven years.</li></ol>

## Appendix E

<b>PROGRESS</b>
<b>Dimension:</b> Workforce Quality – Agency retains its high performers, keeps employees satisfied and committed, attracts high-quality new hires, and transitions its low performers out of the organization.
<b>Element:</b> Employee Attitudes
<b>Indicator:</b> Perception of Organizational Commitment Items.
<b>Rating: Not Demonstrated</b>
<p><b>Assessment Criteria:</b></p> <ol style="list-style-type: none"> <li>1. <i>Item #1: I recommend my organization as a good place to work.</i> During the first three years following the program implementation, positive responses remain stable. For the next seven years after year three, positive responses increase.</li> <li>2. <i>Item #2: In my organization, leaders generate high levels of motivation and commitment to the workforce.</i> During the first three years following the program implementation, positive responses remain stable. For the next seven years after year three, positive responses increase.</li> </ol>
<p><b>Rationale:</b></p> <p>This indicator is not demonstrated. In the 2006 Federal Human Capital Survey (FHCS), positive survey responses from DHS Headquarters employees dropped significantly from the year 2004 survey for both of the Perception of Organizational Commitment Items. HQ employees are studied because this group was not under DHS performance management in 2004 but was under DHS performance management in 2006.</p> <p>In the 2004 FHCS, 66% of participants under DHS performance management responded positively to Item #1, whereas in the 2006 FHCS, only 58% of participants under the system responded positively, indicating an eight percent drop in participant commitment ratings after implementation of DHS performance management. Similarly, in the 2004 FHCS, 47% of participants under DHS performance management responded positively to Item #2, whereas in the 2006 FHCS, only 39% of participants under the system responded positively, again indicating an 8% drop in participant commitment ratings after implementation of DHS performance management.</p>

## Appendix E

<b>PROGRESS</b>
<b>Dimension:</b> Workforce Quality – <i>Agency retains its high performers, keeps employees satisfied and committed, attracts high-quality new hires, and transitions its low performers out of the organization.</i>
<b>Element:</b> Employee Attitudes
<b>Indicator:</b> Job Satisfaction Index
<b>Rating: Not Ratable</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"><li>1. After year 3 following the program implementation, positive responses remain stable and any net decrease going forward is minimal. Items comprising index:<ul style="list-style-type: none"><li>○ <i>Item #1: My work gives me a feeling of personal accomplishment.</i></li><li>○ <i>Item #2: I like the kind of work that I do.</i></li><li>○ <i>Item #3: The work I do is important.</i></li></ul></li></ol>

Appendix E

<b>PROGRESS</b>
<b>Dimension:</b> Employee Perceptions – <i>The program promotes an environment of fairness and trust for employees, consistent with the Merit System Principles and free of Prohibited Personnel Practices.</i>
<b>Element:</b> Fairness
<b>Indicator:</b> Perception of Fairness Items.
<b>Rating: Not Ratable</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"><li>1. <i>Item #1: My performance appraisal is a fair reflection of my performance. After year 3 following the program implementation, positive responses remain stable and any net decrease going forward is minimal.</i></li><li>2. <i>Item #2: Arbitrary action, personal favoritism, and coercion for partisan political purposes are not tolerated. After year 3 following the program implementation, positive responses remain stable and any net decrease going forward is minimal.</i></li><li>3. <i>Item #3: Prohibited personnel practices (for example, illegally discriminating for or against any employee/applicant, obstructing a person’s right to compete for employment, knowingly violating veterans’ preference requirements) are not tolerated. After year 3 following the program implementation, positive responses remain stable and any net decrease going forward is minimal.</i></li></ol>

Appendix E

<b>PROGRESS</b>
<b>Dimension:</b> Employee Perceptions – <i>The program promotes an environment of fairness and trust for employees, consistent with the Merit System Principles and free of Prohibited Personnel Practices.</i>
<b>Element:</b> Fairness
<b>Indicator:</b> Transparency
<b>Rating: Not Ratable</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"><li>1. Criteria and standards for assigning ratings and associated pay increases are defined and published.</li><li>2. General distribution of ratings and payout results are posted to a website, or other actions to make the results transparent to employees are undertaken.</li><li>3. Insights gained from workforce data, trends, and employee survey results regarding perceptions of fairness and trust are shared.</li><li>4. Measures being taken to improve perceptions of fairness and trust are identified and communicated, as appropriate</li></ol>

Appendix E

<b>PROGRESS</b>
<b>Dimension:</b> Employee Perceptions – <i>The program promotes an environment of fairness and trust for employees, consistent with the Merit System Principles and free of Prohibited Personnel Practices.</i>
<b>Element:</b> Dispute Resolution
<b>Indicator:</b> The perception disputes are resolved fairly.
<b>Rating: Not Ratable</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"><li>1. <i>Item #1: Complaints, disputes, or grievances are resolved fairly in my work unit. After year 3 following the program implementation, positive responses remain stable and any net decrease going forward is minimal.</i></li></ol>

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<b>PROGRESS</b>
<b>Dimension:</b> Employee Perceptions – <i>The program promotes an environment of fairness and trust for employees, consistent with the Merit System Principles and free of Prohibited Personnel Practices.</i>
<b>Element:</b> Trust
<b>Indicator:</b> Perception of Trust Item.
<b>Rating: Not Ratable</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"><li>1. <i>Item #1: I have trust and confidence in my supervisor. After year 2 following program implementation, positive responses remain stable, and any net decrease going forward is minimal.</i></li></ol>

## Appendix E

<b>PROGRESS</b>
<p><b>Dimension:</b> Effective Implementation – <i>Agency demonstrates progress in implementing the program in accordance with its comprehensive planning process.</i></p>
<p><b>Element:</b> Work Stream Planning and Status</p>
<p><b>Indicator:</b> Extent to which the implementation program is in compliance with the work stream planning process.</p>
<p><b>Rating: Demonstrated</b></p>
<p><b>Assessment Criteria:</b></p> <ol style="list-style-type: none"> <li>1. A significant majority of the program implementation milestones are achieved within current agreed-upon timeframes.</li> </ol>
<p><b>Rationale:</b></p> <p>This indicator is demonstrated. DHS demonstrated a significant majority of the program implementation milestones have been achieved within current agreed-upon timeframes, as evidenced by the following documents: the <i>MaxHR Program Execution and Monitoring Checklist for Program Management Support</i> from December 7, 2006; the <i>MaxHR Performance Management Implementation Plan</i> from December 6, 2006; project timelines; status reports; and other project deliverables and communications. For example, the <i>MaxHR Program Execution and Monitoring Checklist for Program Management Support</i> provides the program deployment team with detailed checklists to ensure the Component navigates through each phase of deployment successfully. In addition, the <i>MaxHR Performance Management Implementation Plan</i> establishes clear guidelines for the deployment of the performance management system by identifying key parties, roles, and responsibilities according to the established deployment timeline. Overall, these documents, as well as other status reports and timelines, indicate DHS is successfully meeting program implementation deadlines.</p>

## Appendix E

<b>PROGRESS</b>
<b>Dimension:</b> Effective Implementation – <i>Agency demonstrates progress in implementing the program in accordance with its comprehensive planning process.</i>
<b>Element:</b> Performance Management System Execution
<b>Indicator:</b> Percentage of personal performance plans created by required date.
<b>Rating: Not Demonstrated</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"><li>1. A significant majority of sampled eligible employees covered by the program have individual performance plans created within the identified timeframe.</li></ol>
<b>Rationale:</b> <p>This indicator is not demonstrated. DHS did not provide sufficient evidence a significant majority of sampled eligible employees covered by the performance management system have individual performance plans created within the identified timeframe. The PAAT Panel Final Assessment Score Breakdown indicates four out of five sampled performance plans were not completed within 30 days of the beginning of the performance cycle.</p>

## Appendix E

<b>PROGRESS</b>
<b>Dimension:</b> Effective Implementation – <i>Agency demonstrates progress in implementing the program in accordance with its comprehensive planning process.</i>
<b>Element:</b> Performance Management System Execution
<b>Indicator:</b> Percentage of employees who receive an annual review.
<b>Rating: Demonstrated</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"><li>1. A significant majority of sampled eligible employees covered by the program receive an annual performance review within the identified timeframe.</li></ol>
<b>Rationale:</b> <p>This indicator is demonstrated. DHS provided evidence a significant majority of eligible employees covered by the performance management system received an annual performance review within the identified timeframe. DHS reported at the end of the performance rating cycle, 736 of the 935 employees under the performance management system received a review. The other 172 employees did not meet the criteria for receiving a rating. Thus, almost 82 percent of employees under performance management received an annual performance review.</p>

## Appendix E

<b>PROGRESS</b>
<b>Dimension:</b> Effective Implementation – <i>Agency demonstrates progress in implementing the program in accordance with its comprehensive planning process.</i>
<b>Element:</b> Employee Support for the program
<b>Indicator:</b> Extent to which employees support the manner in which the program has been implemented.
<b>Rating: Not Ratable</b>
<b>Assessment Criteria:</b> <ol style="list-style-type: none"><li>1. Following the initial launch of the program, each new group or spiral subsequently launching the program experiences a higher level of agreement with this item than the preceding group or spiral during a comparable time period.</li></ol>

## Appendix E

***Appendix F: Department of Homeland Security  
Data Call***

## Appendix F

## Appendix F

### Preparedness <sup>d</sup>

Leadership Commitment Dimension	Element	Indicator	Proposed Data Sources	Provider
<p><b>LEADERSHIP COMMITMENT</b></p> <p><i>Agency leaders are actively engaged in promoting and gaining workforce acceptance of the Alternative Personnel System (APS) as well as prioritizing APS implementation. Agency leaders provide appropriate resources for APS implementation and are held accountable for effective execution.</i></p>	Engagement	Extent and sufficiency of senior leader participation in outreach events and senior leader communications designed to promote the APS across the workforce	<p>Internal reports, leadership/congressional briefings, etc. that contain summaries of the following documents (if not available, then documents themselves will suffice):</p> <ul style="list-style-type: none"> <li>• Briefing materials/talking points developed for leadership</li> <li>• Congressional testimony</li> <li>• Conference Information and Agendas</li> <li>• Leadership coordination processes, roles and responsibilities</li> <li>• Role/responsibility descriptions for senior leaders</li> <li>• Interviews/meetings with and memos from key leaders</li> <li>• Briefings/speeches/outreach event records</li> <li>• Videos/Taped remarks</li> <li>• Presentations</li> <li>• Internal leadership communications</li> <li>• Articles highlighting leaders in communications</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> <li>• Website(s)</li> </ul>
	Accountability	Extent to which APS implementation is identified as a priority in Department strategic and operational plans or other appropriate planning documents	<ul style="list-style-type: none"> <li>• DHS strategic plans/human capital strategic plans</li> <li>• DHS mission/vision statements</li> <li>• Department operational plans</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> <li>• Website(s)</li> </ul>
		Extent to which	<ul style="list-style-type: none"> <li>• Department organizational charts (we need to know)</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> </ul>

## Appendix F

Leadership Commitment Dimension	Element	Indicator	Proposed Data Sources	Provider
		responsible senior leaders are held accountable for APS implementation in their individual performance plans	<p>who should have APS implementation in their plans)</p> <ul style="list-style-type: none"> <li>• Senior leader performance plans, as appropriate</li> <li>• SES certification package data, where applicable</li> <li>• Sample of individual performance plans and/or appraisals to review execution of quarterly reviews for supervisors during first year of APS coverage</li> <li>• Memos from senior leadership laying out managerial responsibilities</li> <li>• PAAT, if appropriate</li> </ul>	<ul style="list-style-type: none"> <li>• OPM</li> </ul>
	Resources	Extent to which the agency provides appropriate authority, staffing, and budget to the APS program management office	<ul style="list-style-type: none"> <li>• List of APS deployment team members and roles</li> <li>• APS deployment team charter</li> <li>• Staffing and budget plans in support of APS implementation</li> <li>• Level of funding provided for pay-pools</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> </ul>
	Governance	Extent to which the agency has established and utilizes an effective mechanism for identifying and resolving critical issues associated with APS design, development, and implementation	<ul style="list-style-type: none"> <li>• Department management directives or APS PMO procedures</li> <li>• Department records documenting the resolution of APS design and implementation issues</li> <li>• Risk management plan/process description; “issues list” and outcomes</li> <li>• Output from periodic performance reviews</li> <li>• Perceptions of APS PMO and other key stakeholders regarding the effectiveness of issue resolution mechanisms (<i>gathered through PMO reports and interviews, if necessary</i>)</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> </ul>

## Appendix F

Open Communication Dimension	Element	Indicator	Proposed Data Sources	Provider
<p><b>OPEN COMMUNICATION</b></p> <p><i>Agency provides accurate, up-to-date information on system features and implementation plans. Active outreach efforts are undertaken to provide information to all employees and address questions and concerns. Effective mechanisms are in place for gathering and considering feedback.</i></p>	Information Access	Extent to which the APS website is comprehensive and fully utilized by employees	<ul style="list-style-type: none"> <li>• DHS APS performance management Website</li> <li>• Component intranet sites</li> <li>• Resources, fact sheets, job aids, FAQs, user guides</li> <li>• Extent of employee access to DHS/component intranet</li> <li>• APS website(s) usage reports</li> </ul>	<ul style="list-style-type: none"> <li>• Website(s)</li> <li>• PMO</li> </ul>
	Outreach	Frequency, variety, and quality of employee outreach efforts	<p>Internal reports, leadership/congressional briefings, etc. containing summaries of the following documents (if not available, then documents themselves will suffice):</p> <ul style="list-style-type: none"> <li>• Communication Plans (DHS and components)</li> <li>• Communication coordination processes, roles, and responsibilities (e.g., CCT)</li> <li>• Outreach event records (<i>e.g., town hall meetings, web broadcasts, brown bags</i>)</li> <li>• CD-ROMS</li> <li>• Leave and earning statement messages</li> <li>• APS coaching hotline usage report</li> <li>• Internal communication survey results/assessments</li> <li>• E-mail communications</li> <li>• DHS and component newsletters (web and paper versions) (<i>DHS Today: APS News Corner</i>)</li> <li>• Web updates</li> <li>• Resources, fact sheets, job aids, FAQs, user</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> <li>• Website(s)</li> </ul>

## Appendix F

Open Communication Dimension	Element	Indicator	Proposed Data Sources	Provider
			guides • Satellite broadcast messages ( <i>e.g., Feb 8<sup>th</sup> 2005 message</i> )	
	Feedback	Availability of employee feedback mechanisms	• APS employee feedback venues such as component surveys ( <i>on-line survey; competency survey</i> ), websites, and meetings • Documentation of the existence of focus groups ( <i>30 focus groups at 10 sites</i> ), town halls, comments from the regulation comment period, union meetings • AskMAX mailbox usage report	• PMO
		Extent to which employee feedback is considered	• APS procedures for considering employee feedback • Focus group/feedback reports and analysis • Documentation of specific changes based on employee comments	• PMO

## Appendix F

Training Dimension	Element	Indicator	Proposed Data Sources	Provider
<p><b>TRAINING</b></p> <p><i>Agency develops and executes a comprehensive training plan delivering effective training on relevant components of the APS to all users via a range of delivery methods.</i></p>	Planning	Existence of a comprehensive training plan, which includes training for managers and supervisors who addresses performance management competencies	<ul style="list-style-type: none"> <li>• Training plan documents outlining training interventions, target audiences, and methods of delivery planned in support of system launch</li> <li>• Training plan documents outlining plans for sustaining training post-launch including planned interventions, target audiences, and methods of delivery</li> <li>• Training coordination processes, roles, and responsibilities</li> <li>• Syllabi/curricula of training interventions</li> <li>• Instructor-led training schedules</li> <li>• Lists of training interventions delivered by audience in support of system launch – DHS and components</li> <li>• Computer-based training offerings</li> <li>• Training related promotion and communications</li> </ul>	<ul style="list-style-type: none"> <li>• Website(s)</li> <li>• PMO</li> </ul>
	Delivery	Extent to which senior leaders, supervisors, and staff receive timely, high-quality APS training to include training in appropriate performance management competencies	<ul style="list-style-type: none"> <li>• % of target audiences trained prior to performance management system launch</li> <li>• Syllabi/curricula of training interventions</li> <li>• Web-based training usage reports</li> <li>• Reported distribution of CD-ROMs</li> <li>• % of managers and supervisors with formal training plans during first year of APS coverage</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> <li>• Website(s)</li> </ul>

## Appendix F

Stakeholder Involvement Dimension	Element	Indicator	Proposed Data Sources	Provider
<p><b>STAKEHOLDER INVOLVEMENT</b></p> <p><i>Stakeholders are actively involved in the design, development, and implementation of the program.</i></p>	Inclusion	Extent to which the Department engages all key stakeholder groups in the APS design, development, and implementation process	<ul style="list-style-type: none"> <li>• Evidence of stakeholders having been identified</li> <li>• Documentation regarding the participation of key stakeholder groups in APS design, development, and implementation planning</li> <li>• Documentation regarding the processes used for collecting, consolidating, and considering input/ feedback provided by key stakeholder groups</li> <li>• Lists of areas in which stakeholder feedback sought</li> <li>• Perceptions stakeholders have of APS (<i>PMO documentation or interviews, if necessary</i>)</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> </ul>

## Appendix F

Implementation Planning Dimension	Element	Indicator	Proposed Data Sources	Provider
<b>IMPLEMENTATION PLANNING</b>  <i>Agency establishes and implements a comprehensive APS planning process coordinating activities across key work streams such as business processes and procedures, tools and technology infrastructure, and change management, while providing mechanisms for assessing status and managing risk.</i>	Work Stream Planning and Coordination	Extent to which the agency has established an effective work stream planning and coordination process to manage APS design, development, and implementation	<ul style="list-style-type: none"> <li>• Implementation plan including roles and responsibilities</li> <li>• Integrated master schedule</li> <li>• Work stream planning and coordination documents</li> <li>• Methods for coordinating deployment activities (e.g., implementation kick-off meetings, weekly teleconferences, deployment facilitators)</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> </ul>
	Business Processes and Procedures	Extent to which the agency has documented roles, responsibilities, policies, and procedures for each element of the APS (e.g., performance management, pay-pool administration, pay setting, and/or related areas)	<ul style="list-style-type: none"> <li>• Work stream planning and coordination documents Standard operating procedures (e.g., help desk)</li> <li>• Defined roles and responsibilities for performance management, pay pool administration, and/or related areas</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> </ul>
	Tools and Technology Infrastructure	Extent to which the APS planning process provides for the design, development, and implementation of automated IT systems and tools enabling elements of the APS, such as performance management,	<ul style="list-style-type: none"> <li>• Implementation Plan including roles and responsibilities</li> <li>• Integrated master schedule Work stream planning and coordination documents</li> <li>• Test plans and plans for future releases</li> <li>• Documentation of the IT systems established or in the process of</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> <li>• OPM</li> </ul>

## Appendix F

Implementation Planning Dimension	Element	Indicator	Proposed Data Sources	Provider
		pay-pool administration, and data conversion, and extent to which the agency carries out the plan	being established to support APS	
	Change Management	Extent to which the agency establishes, maintains, and executes a comprehensive change management plan including components such as leadership commitment, communications, stakeholder management, training transition issues, and promotes organization change readiness and employee acceptance of the APS	<ul style="list-style-type: none"> <li>• APS Change Management Plan</li> <li>• Training Plan</li> <li>• Communication Plan</li> <li>• Plans for continued leadership engagement</li> <li>• Communications explaining changes to employees (e-mails, intranet postings)</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> <li>• Website(s)</li> </ul>

## Appendix F

### Progress <sup>d</sup>

Mission Alignment Dimension	Element	Indicator	Proposed Data Sources	Provider
<p><b>MISSION ALIGNMENT</b></p> <p><i>APS effectively links individual, team, and unit performance to organizational goals and desired results.</i></p>	Line of Sight	Percentage of employees with performance plans with individual goals linked to agency mission/goals using the agency’s documented process	<ul style="list-style-type: none"> <li>• Evidence of organizational goal statements loaded into e-Performance tool (DHS and components)</li> <li>• Sample of individual performance plans</li> <li>• Description of processes used to align organizational goals (e.g., facilitated goal alignment workshops) – DHS and components</li> <li>• PAAT, as appropriate</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> <li>• OPM</li> <li>• Website(s)</li> </ul>
		Employee Line of Sight Survey Items	<ul style="list-style-type: none"> <li>• Employee survey</li> </ul>	<ul style="list-style-type: none"> <li>• OPM</li> <li>• PMO</li> </ul>
	Accountability	Extent to which individuals are held accountable for the achievement of individual performance objectives linked to agency’s mission and goals	<ul style="list-style-type: none"> <li>• Sample of individual performance appraisals to review inclusion of credible measures and targets</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> <li>• OPM</li> </ul>

## Appendix F

Results-Oriented Performance Culture Dimension	Element	Indicator	Proposed Data Sources	Provider
<b>RESULTS-ORIENTED PERFORMANCE CULTURE</b>  <i>APS promotes a high performing workforce by differentiating between high and low performers and rewarding employees on the basis of performance.</i>	Differentiating Performance	The perception performance ratings appropriately differentiate levels of performance	<ul style="list-style-type: none"> <li>• Process for reviewing and assuring quality of rating distributions (DHS and components)</li> <li>• Employee survey</li> </ul>	<ul style="list-style-type: none"> <li>• CPDF (where current data exist)</li> <li>• PMO</li> </ul>
	Pay-for-Performance	Association between performance rating and financial rewards	<ul style="list-style-type: none"> <li>• APS reports on the association between rating and financial rewards</li> <li>• Process for determining pay impact associated with ratings</li> </ul>	<ul style="list-style-type: none"> <li>• CPDF (where current data exist)</li> <li>• PMO</li> </ul>

## Appendix F

Workforce Quality Dimension	Element	Indicator	Proposed Data Sources	Provider	
<b>WORKFORCE QUALITY</b>  <i>Agency retains its high performers, keeps employees satisfied and committed, attracts high-quality new hires, and transitions its low performers out of the organization.</i>	Recruitment	Perceived ability to attract high-quality new hires	<ul style="list-style-type: none"> <li>• Employee survey</li> </ul>	<ul style="list-style-type: none"> <li>• OPM</li> <li>• PMO</li> </ul>	
	Flexibility	Extent to which supervisors feel they have the flexibility needed to respond to workload or mission changes	<ul style="list-style-type: none"> <li>• Employee survey</li> </ul>	<ul style="list-style-type: none"> <li>• OPM</li> <li>• PMO</li> </ul>	
	Retention	Association between performance rating and employee turnover	<ul style="list-style-type: none"> <li>• APS performance management system reports of the association between performance rating and employee turnover/retention</li> </ul>	<ul style="list-style-type: none"> <li>• CPDF (where current data exist)</li> <li>• PMO</li> </ul>	
	Employee Attitudes	Organizational Commitment Items		<ul style="list-style-type: none"> <li>• Employee survey</li> </ul>	<ul style="list-style-type: none"> <li>• OPM</li> <li>• PMO</li> </ul>
		Job Satisfaction Index		<ul style="list-style-type: none"> <li>• Employee survey</li> </ul>	<ul style="list-style-type: none"> <li>• OPM</li> <li>• PMO</li> </ul>

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Employee Perceptions Dimension	Element	Indicator	Proposed Data Sources	Provider
<b>EMPLOYEE PERCEPTIONS</b>  <i>APS promotes an environment of fairness and trust for all employees, consistent with the Merit System Principles and free of Prohibited Personnel Practices.</i>	Fairness	Perception of Fairness Items	<ul style="list-style-type: none"> <li>• Employee survey</li> </ul>	<ul style="list-style-type: none"> <li>• OPM</li> <li>• PMO</li> </ul>
		Transparency	Actions promoting transparency of ratings and results such as: <ul style="list-style-type: none"> <li>• Criteria used for making rating determinations</li> <li>• Exit interview results</li> <li>• Insights from workforce data, trends, and FHCS/employee attitude survey results regarding perceptions of fairness and trust</li> <li>• Outreach events/ materials designed to educate employees regarding criteria used for making rating and pay determinations</li> <li>• Criteria for making payout determinations</li> <li>• Payout results</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> </ul>
	Dispute Resolution	The perception disputes are resolved fairly	<ul style="list-style-type: none"> <li>• Employee survey</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> </ul>
	Trust	Perception of Trust Item	<ul style="list-style-type: none"> <li>• Employee survey</li> </ul>	<ul style="list-style-type: none"> <li>• OPM</li> <li>• PMO</li> </ul>

## Appendix F

Effective Implementation Dimension	Element	Indicator	Proposed Data Sources	Provider
<p><b>EFFECTIVE IMPLEMENTATION</b></p> <p><i>Agency demonstrates progress in implementing the APS in accordance with its comprehensive APS planning process</i></p>	Work stream Planning and Status	Extent to which APS implementation program is in compliance with the work stream planning process	<ul style="list-style-type: none"> <li>• Implementation plan including roles and responsibilities</li> <li>• Integrated master schedule (DHS and components)</li> <li>• Risk Management Plan (DHS and components)</li> <li>• Work stream planning and coordination documents (DHS and components)</li> <li>• Methods for reporting progress against deployment activities (DHS and components)</li> <li>• % of employees covered by APS</li> <li>• % of covered employees with access to the e-Performance tool (DHS and components)</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> </ul>
	Performance Management System Execution	Percentage of personal performance plans created by required date (as indicated in automated e-Performance tool)	<ul style="list-style-type: none"> <li>• APS performance management system reports indicating percentage of personal performance plans created by required date, as appropriate</li> <li>• PAAT, if appropriate</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> </ul>
		Percentage of employees who receive an annual review (as indicated in automated e-Performance tool)	<ul style="list-style-type: none"> <li>• APS performance management system reports indicating percentage of employees receiving annual performance review, as appropriate</li> </ul>	<ul style="list-style-type: none"> <li>• PMO</li> </ul>

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Effective Implementation Dimension	Element	Indicator	Proposed Data Sources	Provider
	Employee Support for APS	Extent to which employees support the manner in which the APS has been implemented	<ul style="list-style-type: none"> <li>• Employee Survey</li> </ul>	<ul style="list-style-type: none"> <li>• OPM</li> <li>• PMO</li> </ul>

***Appendix G: Alternative Personnel System (APS)  
Assessment Process and Approach***

## Appendix G

## Alternative Personnel Systems Assessment Process and Approach

The assessment process involves five steps:



This report explains the Assessment Framework, defines criteria for the assessment of Preparedness and progress indicators, and then provides an assessment of DHS progress and Preparedness against these criteria. The current report, which is step 5 of the assessment process, provides an overview of all five steps of the process with a focus on step 4.

### Step 1: Develop Assessment Framework

The first step in the assessment process was to develop the assessment framework. An APS Assessment Framework is a conceptual structure for determining the extent to which an agency is adequately preparing for and progressing on the human capital transformation goals and objectives of its APS. The framework includes assessment components, dimensions, elements, and indicators. In future assessments, step one will involve modifying or validating the current assessment framework.

#### *Framework and Demonstration Project Evaluation*

OPM’s APS assessment approach is different from the approach utilized in previous demonstration projects. The APS assessment is based on a broad framework, while the purpose of demonstration project evaluation is to determine the impact of specific interventions and to assess whether these interventions will be beneficial governmentwide. Thus, the APS Assessment Framework begins with the premise personnel system changes have been shown to be effective, and it therefore assesses the extent to which these changes are meeting their intended objectives. In other words, the present framework assesses preparedness for APS implementation as well as progress in meeting the goals of the APS.

Agencies implementing APSs have developed detailed internal evaluation efforts which need not be duplicated and which are designed to assist them in refining and improving APS operations. OPM’s assessment, on the other hand, is intended to assess strategic issues and is not designed to enable managers to better run their APSs. OPM has a responsibility to provide information regarding human capital management to its stakeholders. Thus, OPM’s roles and responsibilities are best fulfilled by a strategic view, which answers overarching questions, while leveraging existing data and internal evaluations to the extent possible. The assessment itself is based on the qualitative comparison of agency preparedness or progress to a pattern of expectations generated by historical data and best practice knowledge of the requirements for successful human capital transformation. This is in contrast to the traditional use of control groups (comparison groups) to determine the impact of specific reforms.

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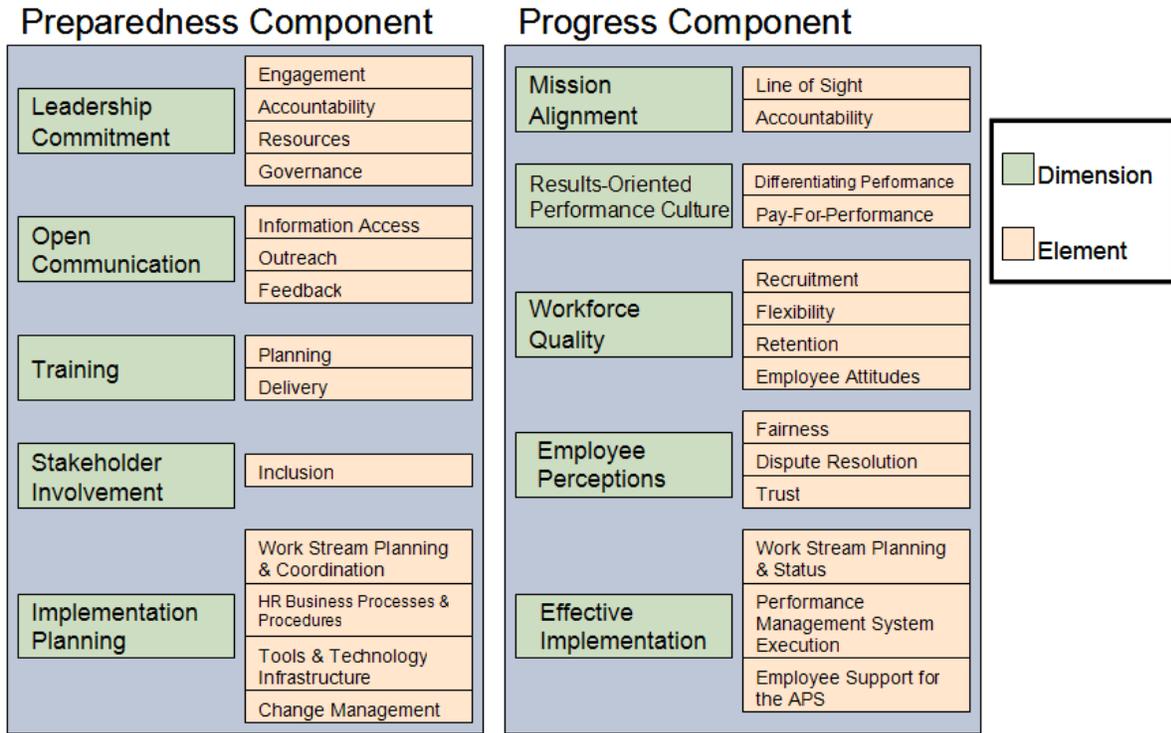
### *Framework and HCAAF*

The APS assessment approach is based on the OPM Human Capital Accountability and Assessment Framework (HCAAF). The HCAAF is the framework OPM has developed to implement those sections of the Chief Human Capital Officers Act of 2002, which pertain to human capital management and evaluation. Under the HCAAF, agencies are required to develop human capital plans. An agency implementing an APS would be expected to include APS goals and objectives under each applicable HCAAF system in its human capital plan. The function of the HCAAF's Accountability System is to contribute to agency performance by monitoring and evaluating the results of its human capital management policies, programs, and activities, as documented in the agency human capital plan. The APS framework provides comprehensive information about how to monitor and assess when preparing for and implementing an APS (or parts thereof). Since an agency's accountability system must provide for how the agency will assess meeting its goals and objectives, an agency implementing an APS would be expected to incorporate the APS Assessment Framework into its Accountability System. See Appendix D for a complete explanation of the place of the APS Assessment Framework in the HCAAF.

### *Current Framework*

Figure 1 provides an overview of the Alternative Personnel System Assessment Framework. This schematic portrays the relationship between key parts of this framework, including components, dimensions, and elements, which are described below. See Appendix C for a complete depiction of the Assessment Framework, including the rationale for including each dimension in the framework.

Figure G-1 – Overview of the APS Assessment Framework



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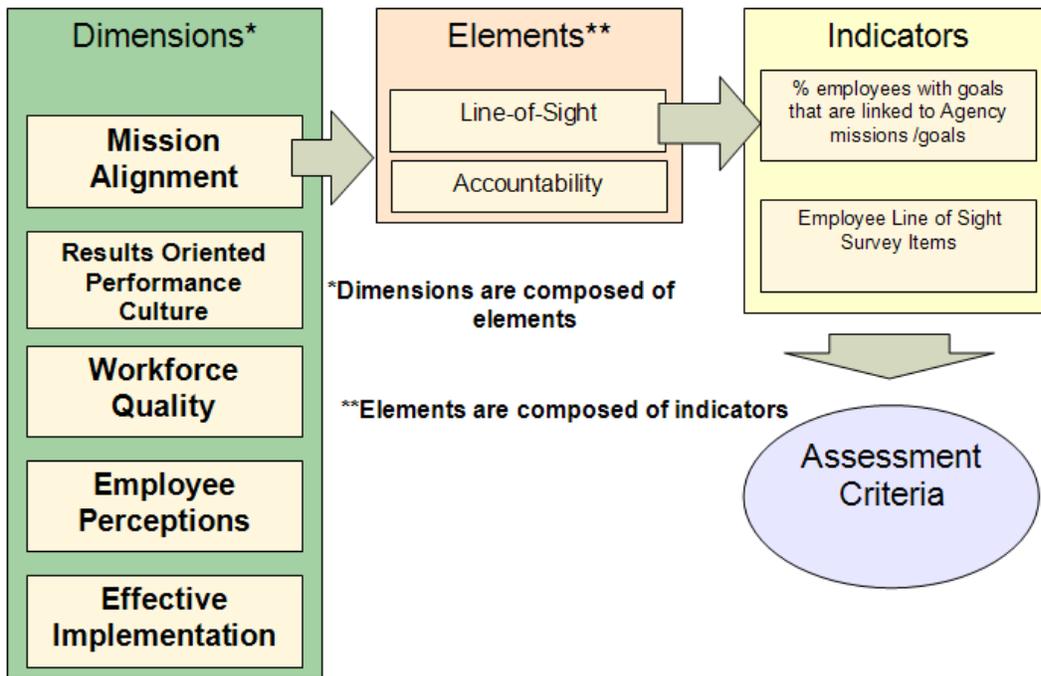
*Components:* There are two *components* (or major parts) in the framework: Preparedness and Progress. The Preparedness component refers to an agency’s readiness to implement an APS. The Progress component addresses the extent to which the agency has achieved, or is in the process of achieving, the broad human capital transformation goals associated with an APS.

*Dimensions:* Each of the two components in the APS Assessment Framework includes five *dimensions*. A dimension is a key attribute of either the Preparedness or Progress component in the APS Framework. The dimensions of the Preparedness component include Leadership Commitment, Open Communication, Training, Stakeholder Involvement, and Implementation Planning. Agencies providing adequate emphasis and effort in the Preparedness dimensions are well positioned to successfully implement an Alternative Personnel System. The dimensions of the Progress component include Mission Alignment, Results-Oriented Performance Culture, Workforce Quality, Employee Perceptions, and Effective Implementation. Agencies demonstrating progress in achieving these broad goals are successfully implementing their APS.

*Elements:* Each dimension in the Assessment Framework is made up of one to four separate *elements*. Elements are specific features which define respective dimensions. For example, Leadership Commitment (a dimension of the Preparedness component) includes four elements: Engagement, Accountability, Resources, and Governance. In this example, leaders who are fully engaged in efforts to promote the APS are accountable for driving the APS forward, dedicate sufficient resources and staff to the APS, and provide for effective governance demonstrate Leadership Commitment. Both the Preparedness and Progress components include 14 elements. Elements are made up of indicators, defined below.

*Indicators:* Each Assessment Framework element corresponds to one or more *indicators*. An indicator is a characteristic used for measuring or assessing the agency’s performance against an element. For example, an indicator for the Line of Sight element of the Mission Alignment dimension in the Preparedness component includes the Employee Line of Sight Survey items. Figure 2 provides a summary of OPM’s approach to using the APS Assessment Framework to assess agency performance in implementing the APS. This figure identifies the five dimensions associated with the Progress component. The Mission Alignment dimension is made up of the Line-of-Sight and Accountability elements. In turn, the Line-of-Sight element is defined by two indicators. Each indicator has a set of assessment criteria assigned to it (discussed below).

**Figure G-2 – APS Assessment Approach Example**



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**Step 2: Identify Assessment Criteria**

The criteria for assessment of Preparedness and Progress dimensions and indicators are based on a combination of historical data, best practices, lessons learned associated with the implementation of APS programs and/or other enterprise-scale human capital systems, literature reviews, and input from subject matter experts. The specific criteria are provided later in this report, as part of the assessment ratings. See Figure G-3 for an example of assessment criteria. See Appendix E for a complete representation of all assessment criteria.

**Figure G-3 – Assessment Criteria Example**

<b>Dimension:</b> <i>Mission Alignment – The program effectively links individual, team, and unit performance to organizational goals and desired results.</i>
<b>Element:</b> Line of Sight
<b>Indicator:</b> Percentage of employees with performance plans with individual goals that are linked to Agency missions/goals using the Agency’s documented process.
<b>Assessment Criteria</b>
<ol style="list-style-type: none"> <li>1. Implementation of a process by which organizational goals can be aligned with individual performance goals.</li> <li>2. A significant majority of sampled employees covered by the program have performance plans that include individual goals aligned with identified organizational, team, and/or supervisor goals.</li> </ol>

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**Step 3: Collect Data**

Application of the APS Assessment Framework can include data collection from the following sources:

- OPM archives of data collected for the evaluation of demonstration projects and early APSs, including both survey results and objective data
- Federal Human Capital Survey databases
- Department-specific employee surveys
- Department internal APS evaluations
- Department HR information systems and/or OPM’s Central Personnel Data File (CPDF)
- Department APS program office staff and/or CHCO staff
- APS or other department websites
- Other publicly available documents, such as announcements and media reports regarding stakeholder participation in development of the APS
- Occasional in-person interviews with selected agency leaders, staff and/or employees

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To the maximum extent possible, OPM used existing and readily available data and documentation, and avoided creating new data requirements for the Department. As the data collection process proceeded, the assessment team created a formal data call, tailored to the Department of Homeland Security, and covering suggested data the Department might provide to document its accomplishments, to include individual data element codes, population covered, time period or “as of” date, and frequency of collection (see Appendix F for official data call). A list of suggested data sources was provided to assist DHS, although the Department was given the option of providing any data it felt best provided evidence of each relevant indicator.

### **Step 4: Conduct Assessment**

The fourth step in the assessment process involved conducting the actual assessment. An expert panel was formed and received training regarding the five-step panel process and rating.

#### *Panel Members*

A six-member assessment panel reviewed relevant documentation associated with agency programs and materials. Overall, panel members had competencies in the following areas:

- Design, implementation, and evaluation of demonstration projects and/or alternative personnel systems
- Federal human capital leadership
- Program evaluation
- Design and implementation of major human capital systems

One panel member is the Operations Supervisor in the Center for General Government in the Human Capital Leadership and Merit System Accountability Division of the Office of Personnel Management (OPM). She is responsible for managing the OPM relationship with 7 Federal agencies (DHS, DOJ, Treasury, Transportation, GSA, HUD and Commerce) in their effort to transform human capital management. Prior to this position, she was the OPM Human Capital Officer for DHS and worked with the Department to support the implementation of the human capital initiative.

After completing a 30-year government career as a senior human resources and information technology executive, the second panel member has worked as a management and HR consultant for the past 8 years. His consulting engagements have included strategic workforce planning, performance management and compensation systems design, and evaluation of personnel demonstration projects.

Another panel member is a former senior executive and director of human resources in three Federal agencies, with extensive experience in design and implementation of all areas of human capital management at the operational and policy levels, including specific experience in establishing new human resources systems. Since her retirement from the Federal service, she has served as a consultant for key strategic human capital projects, including development of the Human Capital Assessment and Accountability Framework and the Human Capital Accountability System.

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After completing a 20-year career as a Naval Officer, the fourth panel member joined the legal department of the U.S. Postal Service. As a postal attorney, he practiced corporate, labor and employment, and regulatory law. He subsequently managed the audit response group, which oversees all internal and external audit activity for the Postal Service. In May 2006, he joined the Office of Personnel Management as the program manager for program evaluation and leads the assessment of DOD-NSPS and DHS performance management system, as well as the implementation and evaluation of Federal demonstration projects.

Another panel member is currently OPM's Lead Auditor for the Department of Defense on the Strengthening Agency Accountability initiative. In addition, she is an auditor for OPM's Center for Merit System Accountability. Prior to her work with OPM, she served in varied positions for 12 years as a Human Resources Specialist for the Department of the Army.

The final panel member has been involved in the compensation business for more than 25 years. He began his Federal government career as a wage specialist for the Department of Defense (DOD) Wage Fixing Authority, rising to its Director in DOD's Civilian Personnel Management Service. He left DOD in 1999 to design, develop and implement a performance-based pay system for managers in the Internal Revenue Service. With the Office of Personnel Management since 2003, he serves as the Deputy Associate Director for Performance and Pay Systems in the Strategic Human Resources Policy Division.

### *Panel Training*

All panel members attended a one-day training workshop, covering the following topics:

- Description and background of the assessment framework, including usage of the executive dashboard
- Discussion of the assessment criteria and how to apply the criteria to the framework and the dashboard
- Brief history of the development of the DHS performance management in the Department of Homeland Security
- Description of the assessment panel process, including guidance on how to use provided data and their own expert knowledge in order to arrive at an assessment
- Participation in a group exercise involving an example rating

In order to make their ratings, panel members received a packet containing a CD, a binder containing data provided by the Department, and an electronic rating form.

### *Panel Process*

Panel members engaged in a five-step process.

**Document Review:** First, each member individually reviewed indicators and data sources and assessed each indicator using qualitative data analysis. *Qualitative analysis* consists of the assessment panel member reviewing a sample of documents associated with agency programs and materials, provided by the agency. Data sources were both electronic and hard copy and were organized for panel members by element. In order to determine whether reviewed documents support agency efforts to meet APS targets, content analysis was conducted (Stemler, 2001). Notes were kept on indicators being

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studied and common themes were identified. Comparisons of when key actions occurred, how well they were carried out, and what influenced both timing and quality of performance were explored. A protocol was developed to define the instruments, procedures, and ground rules for data analysis. Each panel member had two weeks to individually review documentation.

**Document Comparison:** Second, each panel member compared results of the document review to the assessment criteria established by OPM, based on literature review, expert input, best practices, and agency input.

**Rating:** Third, each panel member assigned a rating to each indicator. Each data indicator was assessed on a 2-point scale (“Preparedness/Progress demonstrated” or “Preparedness/Progress not demonstrated”).

**Documentation of Rating:** Fourth, each panel member documented his/her ratings and rationale for each rating and submitted the ratings by February 21, 2007. After the individual assessment, all individual ratings were compiled and inter-rater reliability was measured. *Inter-rater reliability* assesses the extent to which different raters agree on their ratings for any indicator. Initially the assessment panel had 100% agreement among panel members for 10 of the 22 ratable indicators. After a consensus meeting, there was 100% agreement among panel members for all 22 of the indicators.

**Consensus Meeting:** Finally, in any area where there was not complete agreement about the specific rating for an indicator, the panel was called back to participate in a consensus meeting. All members of the expert panel were present at the consensus meeting, which took place on February 27, 2007. The meeting was facilitated by external consultants.

### *Panel Rating Procedure*

DHS was given an overall rating indicated by the placement of a “needle” on a dashboard for each dimension. This rating falls somewhere along a continuum between “not demonstrated” and “demonstrated” (see Figures 4a and 4b). The dimension rating is comprised of element ratings and element ratings are comprised of indicator ratings. Indicator ratings are based on fulfillment of assessment criteria. The current ratings are based only on the performance management aspect of the APS.

**Figure G-4a – Executive Dashboard--Preparedness**

PREPAREDNESS		
Dimension	Element Rating (D/N) (Performance Management Only)	Status
<b>Leadership Commitment</b> Engagement Accountability Resources Governance	D D D D	
<b>Open Communication</b> Information Access Outreach Feedback	D D D	
<b>Training</b> Planning Delivery	D D	
<b>Stakeholder Involvement</b> Inclusion	D	
<b>Implementation Planning</b> Work Stream Planning & Coordination HR Business Processes & Procedures Tools & Technology Infrastructure Change Management	D D D D	
N = Preparedness not demonstrated at this time D = Preparedness demonstrated at this time NR = Not ratable; no data available - - - = Indicates performance management assessment ——— = Indicates APS assessment Office of Personnel Management's assessment of Department of Homeland Security's Alternative Personnel System as of February 27, 2007		

For each indicator, an agency can receive an assessment of “Preparedness/Progress not demonstrated at this time” or “Preparedness/ Progress demonstrated at this time”. Likewise, for each element, an agency can receive the same assessment. These assessments are further defined below.

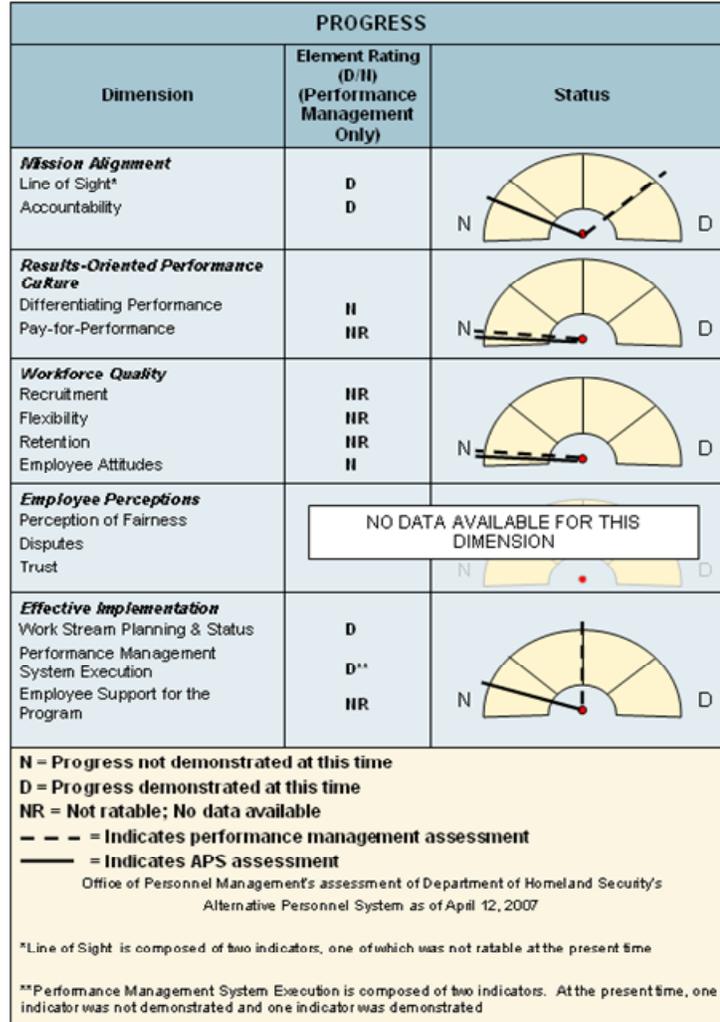
**Preparedness Demonstrated at This Time [D]:** An agency has demonstrated Preparedness across the relevant assessment criteria/indicators of this element for the applicable phase of the APS program. In this context, “Preparedness demonstrated” means evidence provided shows the program meets the criteria for the indicator being assessed, as defined by the assessment criteria.

**Preparedness Not Demonstrated at This Time [N]:** An agency has not demonstrated Preparedness across the relevant assessment criteria/indicators of this element for the applicable phase of the APS program. In this context, “Preparedness not demonstrated” refers to the fact there is not yet data available or the evidence provided does not show the program meets the criteria for the indicator being assessed, as defined by the rating guidance and assessment criteria for the indicator. *Note:* A value of “not demonstrated” does not necessarily mean the program does not meet the criteria, only that the evidence

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provided was insufficient to show the program meets a particular criterion or set of criteria.

**Figure G-4b – Executive Dashboard--Progress**



**Progress Demonstrated at This Time [D]:** An agency has demonstrated progress across the relevant assessment criteria/indicators of this element for the applicable phase of the APS program. In this context, “progress demonstrated” means evidence provided shows the program meets the criteria for the indicator being assessed, as defined by the assessment criteria for that indicator, indicating the agency is well-positioned to achieve the objectives of the APS after the full implementation of the system.

**Progress Not Demonstrated at This Time [N]:** An agency has not demonstrated Progress across the relevant assessment criteria/indicators of this element for the applicable phase of the APS program. In this context, “Progress not demonstrated” refers to the fact there is not yet data available or the evidence provided does not show the program meets the criteria for the indicator being assessed, as defined by the rating

## Appendix G

guidance and assessment criteria for that indicator, indicating an agency may be at risk of not meeting the objectives of the APS. *Note:* A value of “not demonstrated” does not necessarily mean the program does not meet the criteria, only that the evidence provided was insufficient to show the program meets a particular criterion or set of criteria.

As mentioned above, assessment criteria are used to assess indicators, indicators are used to assess elements, and elements are used to assess dimensions. The rating guidance provided below generally applies in all situations. However, members of the expert panel are able to provide their own judgment regarding the weight of particular indicators and elements in the final dimension rating.

**Assessment Criteria to Indicators:** Each indicator has a list of assessment criteria. An agency should fulfill all of the assessment criteria in order to receive a rating of “demonstrated” for any particular indicator. If any of the assessment criteria are not fulfilled, an agency will receive a rating of “not demonstrated”.

**Indicators to Elements:** Indicator ratings are rolled into element ratings. The majority of elements have one indicator. For these elements, if an agency receives a rating of “demonstrated” on the indicator, it will receive a rating of “demonstrated” on the element. Likewise, if an agency receives a rating of “not demonstrated” on the indicator, it will receive a rating of “not demonstrated” on the element. However, in cases where there are two indicators for a particular element, an agency will receive a rating of “demonstrated” for the element as long as it receives a rating of “demonstrated” for one of the two elements. It should be noted if an agency only fulfills one of the two indicators, the needle on the dashboard will reflect this. For example, in the Leadership Commitment Dimension, each element reflects roughly one quarter of the needle placement. The Accountability element has two indicators. If an agency fulfills only one of the two accountability indicators for this element, it would receive approximately 12.5% of the dashboard rating for this element (instead of the full 25%).

**Elements to Dimensions:** Element ratings are rolled into a dimension rating. Each dimension is comprised of a number of elements. Together, the elements represent 100% of the total rating on any dimension. Each element contributes equally to the dimension rating, as each of the dimensions is equally important for overall dimension success. For example, Leadership Commitment has four elements; thus, each element contributes to 25% of the rating on the leadership commitment dimension. The needle on the dashboard represents the rating for the dimension and portrays the percentage of that dimension an agency has demonstrated.

### Step 5: Assemble Report

The current implementation report documents the results of the assessment and includes an executive dashboard. The Executive Dashboard (see Figures 4a and 4b) is a summary-level assessment of APS Preparedness and Progress results for use by OPM and other stakeholders. The Dashboard provides OPM senior policymakers with an overview of APS status and identifies areas requiring special emphasis. It shows the level of preparedness and progress agencies have demonstrated. As discussed above, indicators assist OPM in assessing agency performance at the element level. Based on the indicator-level ratings, an agency is rated on each element as “Preparedness/progress not demonstrated at this time” [N] or “Preparedness/progress demonstrated at this time” [D].

Results are then rolled up to the dimension level and are plotted along a continuum ranging from: “Preparedness/progress demonstrated at this time” [D] to “Preparedness/progress not demonstrated at this time” [N]. The rating scale in later assessments will include a trend arrow and stable status indicator. The stable status indicator indicates the status of an agency on a particular dimension has remained stable since the last assessment. The trend arrow indicates the direction an agency is moving on a particular dimension since the last assessment. Note as the present assessment is the first assessment of DHS performance management, no trend arrows or status indicators are provided at this time.

*Appendix H: Response History for Employee  
Survey Items*

## Appendix H

Appendix H

*Response History for Employee Survey Items\**

**Dimension:** Mission Alignment

**Element:** Line of Sight

**Indicator:** Perception of Employee Line of Sight Items

<b>Employee Survey Item:</b>	<b>2004 Overall</b>	<b>2006 Overall</b>	<b>2004 HQ</b>	<b>2006 HQ</b>
<b>Item #1:</b> I know how my work relates to my agency's goals and priorities (2006 FHCS #19)	78%	76%	84%	80%
<b>Item #2:</b> My manager effectively communicates the goals and priorities of my organization (2006 FHCS #39)	49%	49%	61%	54%

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\* Employee attitude survey data will be used to assess several elements of the Progress Component of the APS Framework that will continue to be applied to DHS's APS. Employee attitude survey data has also typically been used to assess other civilian alternate personnel systems. While these other systems have covered small populations, compared to the whole of DHS, survey data from these systems is presented in this appendix because it provides sound trend information about how employees' views may change under civilian alternate personnel systems and can therefore be useful to an Expert Panel in assessing the Progress Component.

## Appendix H

**Dimension:** Results-Oriented Performance Culture

**Element:** Differentiating Performance

**Indicator:** The perception performance ratings appropriately differentiate levels of performance

<b>Employee Survey Item:</b>	<b>2004 Overall</b>	<b>2006 Overall</b>	<b>2004 HQ</b>	<b>2006 HQ</b>
<b>Item #1:</b> In my work unit, steps are taken to deal with a poor performer who cannot or will not improve (2006 FHCS #23)	25%	23%	33%	29%
<b>Item #2:</b> In my work unit, differences in performance are recognized in a meaningful way (2006 FHCS #29)	21%	22%	40%	30%

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## Appendix H

**Dimension:** Results-Oriented Performance Culture

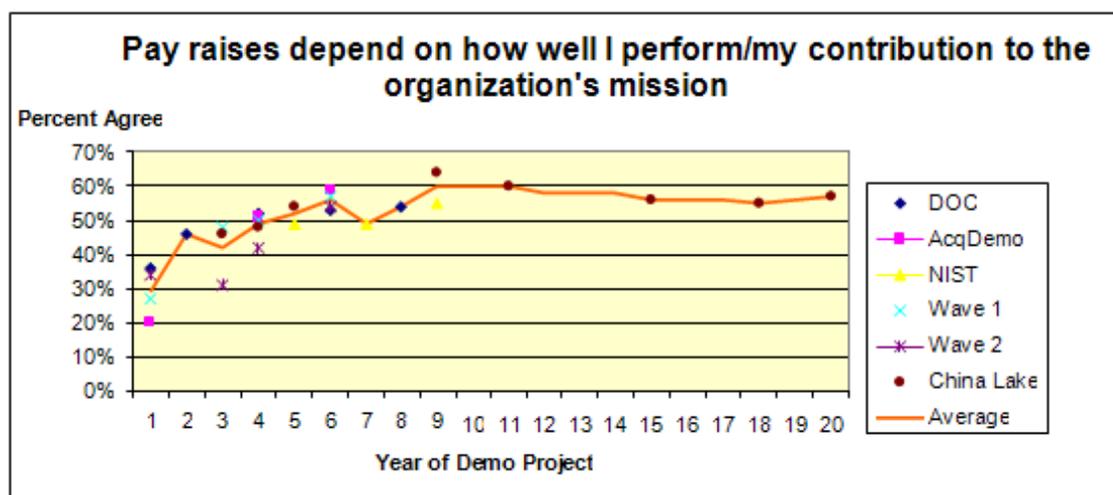
**Element:** Pay-for-Performance

**Indicator:** Association between performance rating and financial rewards

Employee Survey Item:	2004 Overall	2006 Overall	2004 HQ	2006 HQ
<b>Item #1:</b> Awards in my work unit depend on how well employees perform their jobs (2006 FHCS #28)	31%	15%	51%	40%
<b>Item #2:</b> Pay raises in my work unit depend on how well employees perform their jobs (2006 FHCS #27)		29%	Not asked	21%

d

**Figure H-1: Demonstration Projects**



d

**DOC found that participants with higher performance ratings received larger salary increases:**

Performance Rating	% Salary Increase (Year 3)	% Salary Increase (Year 5)	% Salary Increase (Year 7)
90-100	3.5%	3.2%	3.5%
80-89	2.6%	2.7%	3/5%
70-79	1.5%	2.0%	1.8%
60-69	.6%	.3%	.4%
50-59	.2%	.2%	.1%
40-49	.0%	.0%	.0%

d

Appendix H

**Dimension:** Workforce Quality

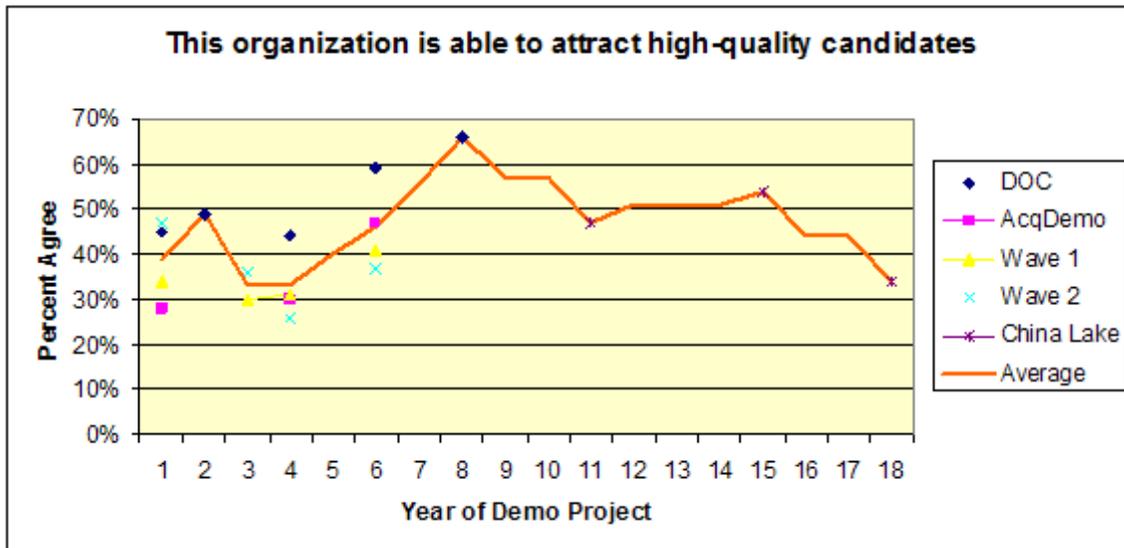
**Element:** Recruitment

**Indicator:** Perceived ability to attract high-quality new hires

Employee Survey Item:	2004 Overall	2006 Overall	2004 HQ	2006 HQ
Item #1: My work unit is able to recruit people with the right skills (supervisors only)(2006 FHCS #14)	30%	33%	51%	44%

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**Figure H-2: Demonstration Projects**



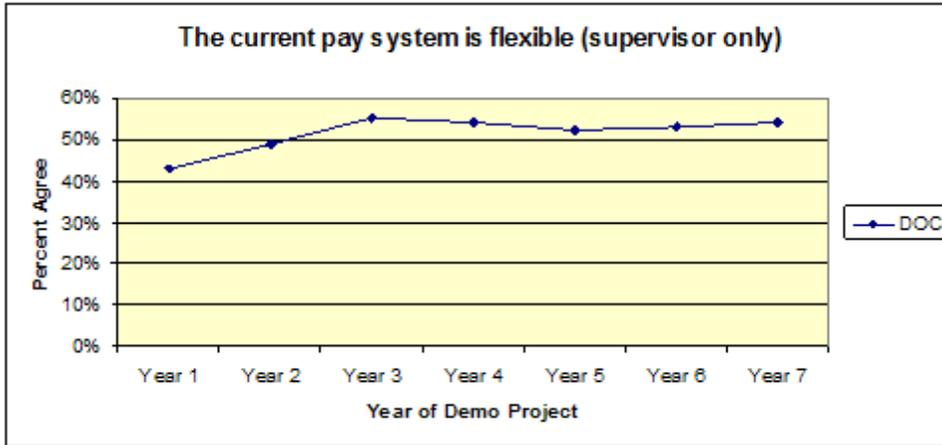
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**Dimension:** Workforce Quality

**Element:** Flexibility

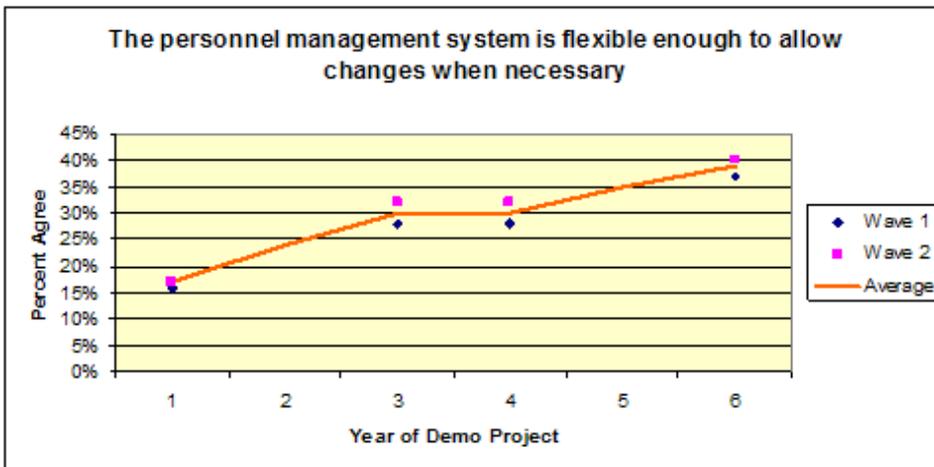
**Indicator:** Flexibility Survey Items

**Figure H-3: Demonstration Projects**



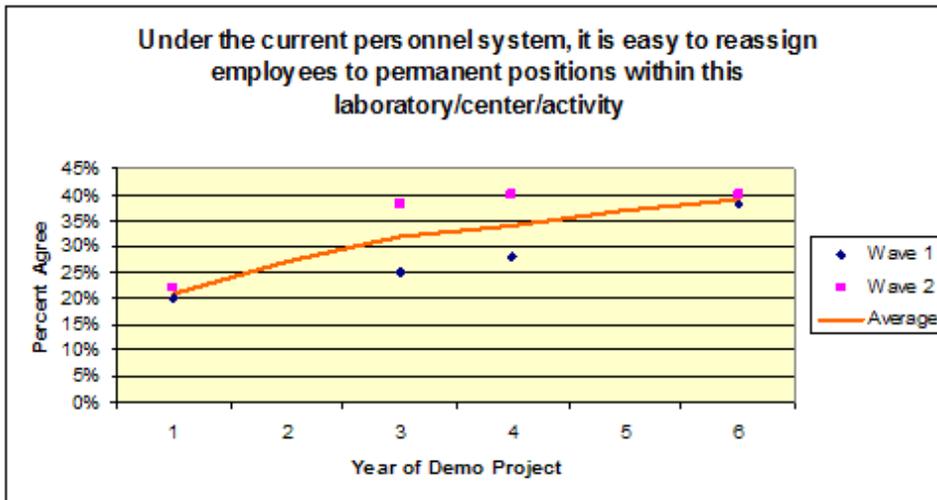
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**Figure H-4: Demonstration Projects**



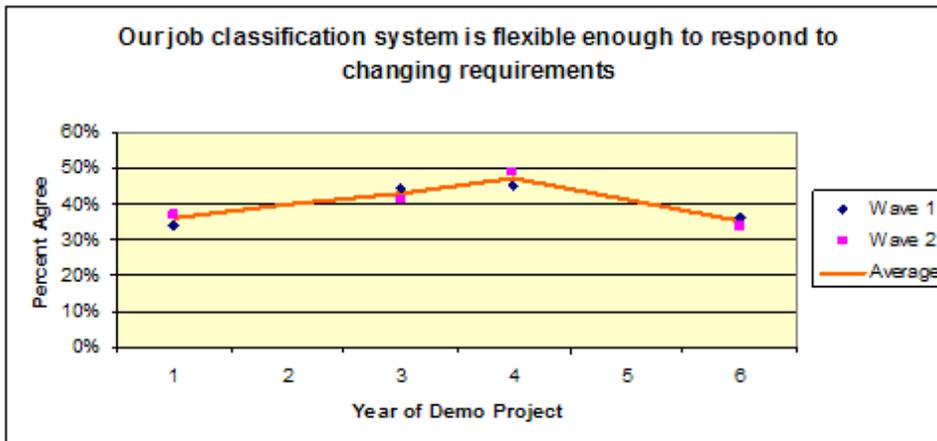
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**Figure H-5: Demonstration Projects**



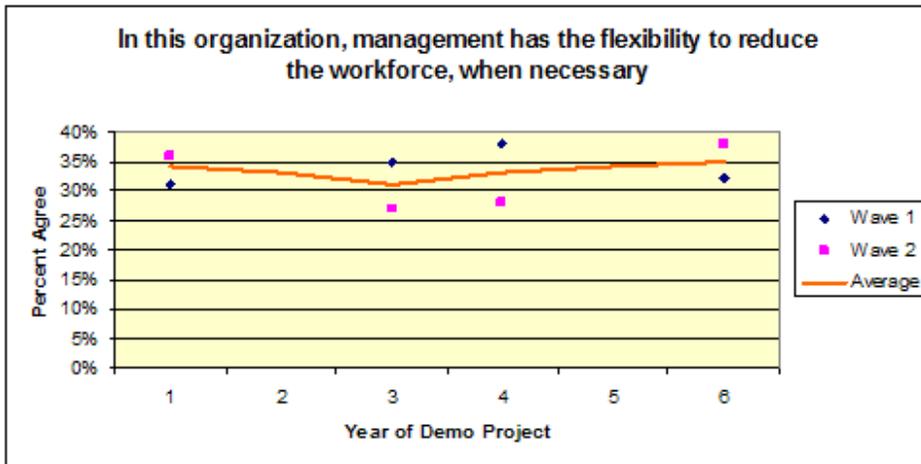
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**Figure H-6: Demonstration Projects**



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Figure H-7: Demonstration Projects



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Appendix H

**Dimension:** Workforce Quality

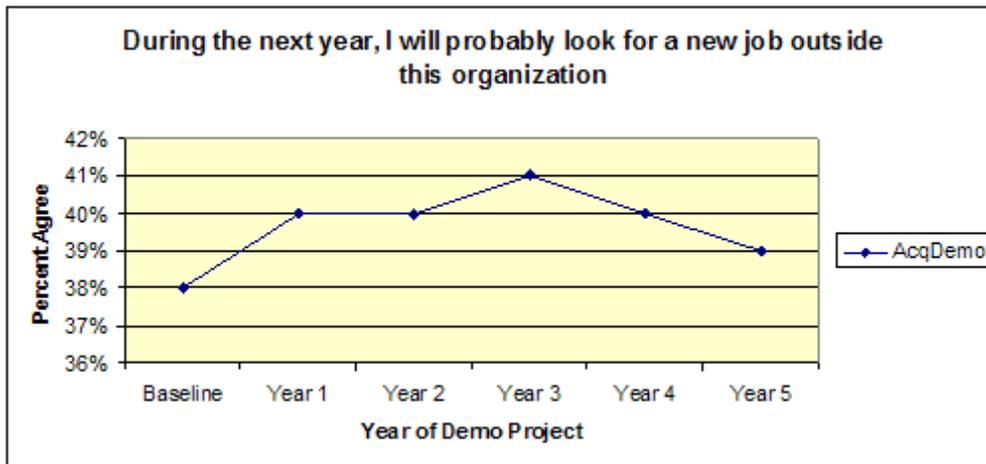
**Element:** Employee Attitudes

**Indicator:** Perception of Organizational Commitment Items

Employee Survey Item:	2004 Overall	2006 Overall	2004 HQ	2006 HQ
<b>Item #1:</b> I recommend my organization as a good place to work (2006 FHCS #8)	51%	51%	66%	58%
<b>Item #2:</b> In my organization, leaders generate high levels of motivation and commitment to the workforce (2006 FHCS #37)	27%	27%	47%	39%

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**Figure H-8: Demonstration Projects**



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Appendix H

**Dimension:** Workforce Quality

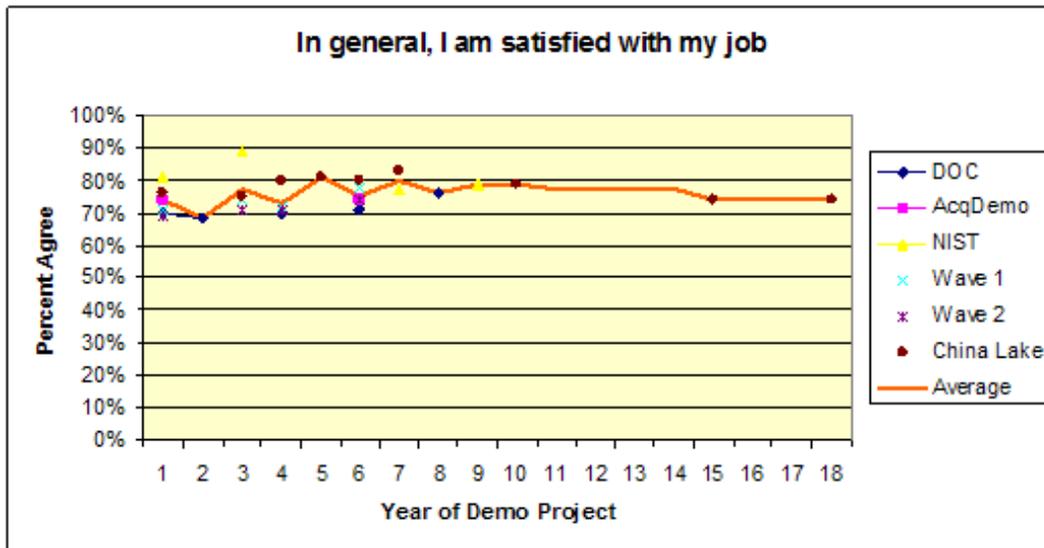
**Element:** Employee Attitudes

**Indicator:** Job Satisfaction Index

Employee Survey Item:	2004 Overall	2006 Overall	2004 HQ	2006 HQ
<b>Item #1:</b> My work gives me a feeling of personal accomplishment (2006 FHCS #5)				
<b>Item #2:</b> I like the kind of work that I do (2006 FHCS #6)				
<b>Item #3:</b> The work I do is important (2006 FHCS #20)				
<b>Index</b> (Average of #1, #2, and #3)	76%	77%	88%	80%

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**Figure H-9: Demonstration Projects**



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Appendix H

**Dimension:** Employee Perceptions

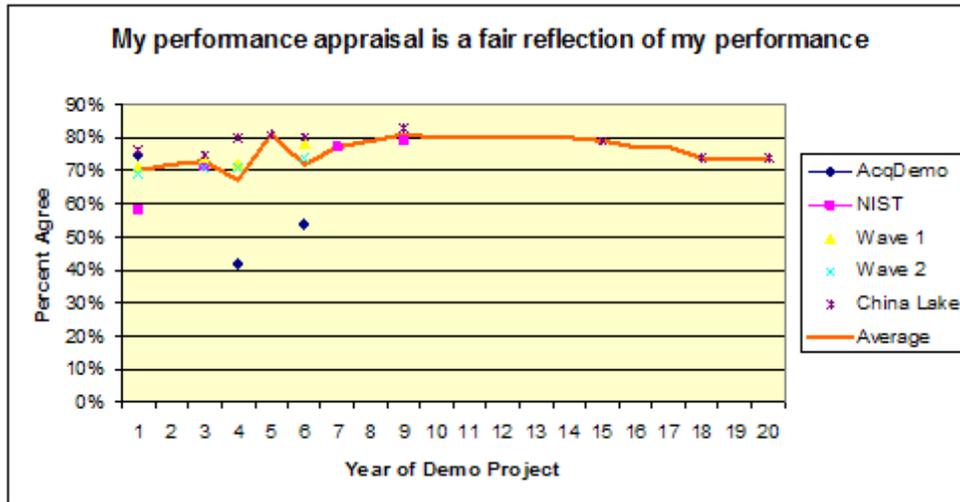
**Element:** Fairness

**Indicator:** Perception of Fairness Items

Employee Survey Item:	2004 Overall	2006 Overall	2004 HQ	2006 HQ
<b>Item #1:</b> My performance appraisal is a fair reflection of my performance (2006 FHCS #30)	57%	56%	70%	61%
<b>Item #2:</b> Arbitrary action, personal favoritism and coercion for partisan political purposes are not tolerated (2006 FHCS #44)	33%	33%	51%	42%
<b>Item #3:</b> Prohibited personnel practices (for example, illegally discriminating for or against any employee/applicant, obstructing a person’s right to compete for employment, knowingly violating veterans’ preference requirements) are not tolerated (2006 FHCS #45)	49%	49%	67%	57%

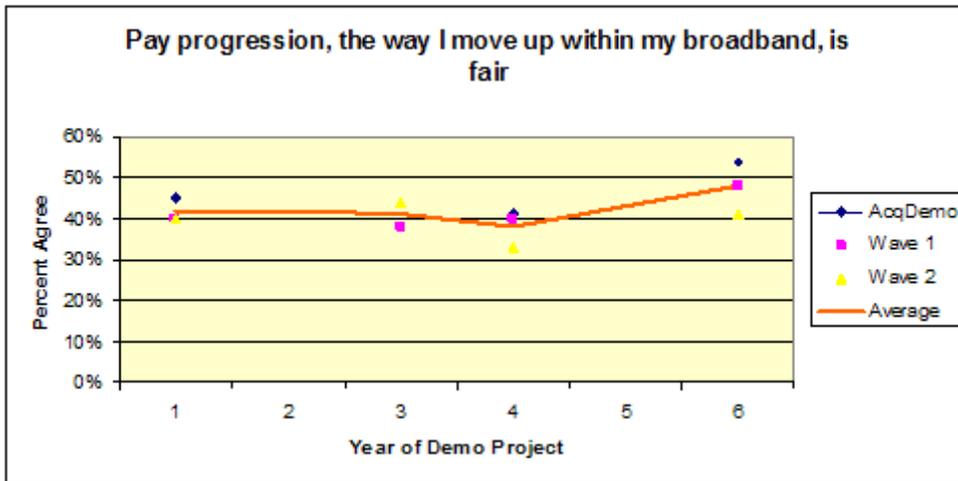
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**Figure H-10: Demonstration Projects**



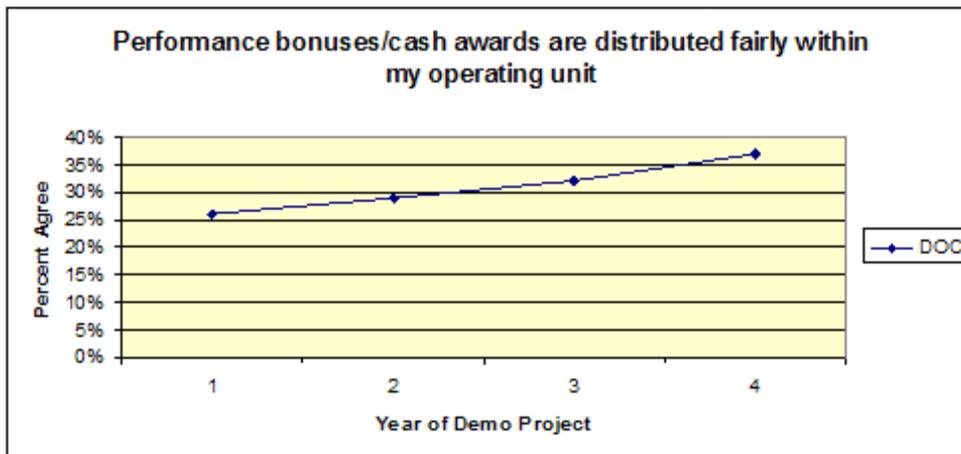
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Figure H-11: Demonstration Projects



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Figure H-12: Demonstration Projects



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Appendix H

**Dimension:** Employee Perceptions

**Element:** Dispute Resolution

**Indicator:** The perception disputes are resolved fairly

<b>Employee Survey Item:</b>	<b>2004 Overall</b>	<b>2006 Overall</b>	<b>2004 HQ</b>	<b>2006 HQ</b>
<b>Item #1:</b> Complaints, disputes, or grievances are resolved fairly in my work unit (2006 FHCS #43)	29%	31%	44%	37%

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Appendix H

**Dimension:** Employee Perceptions

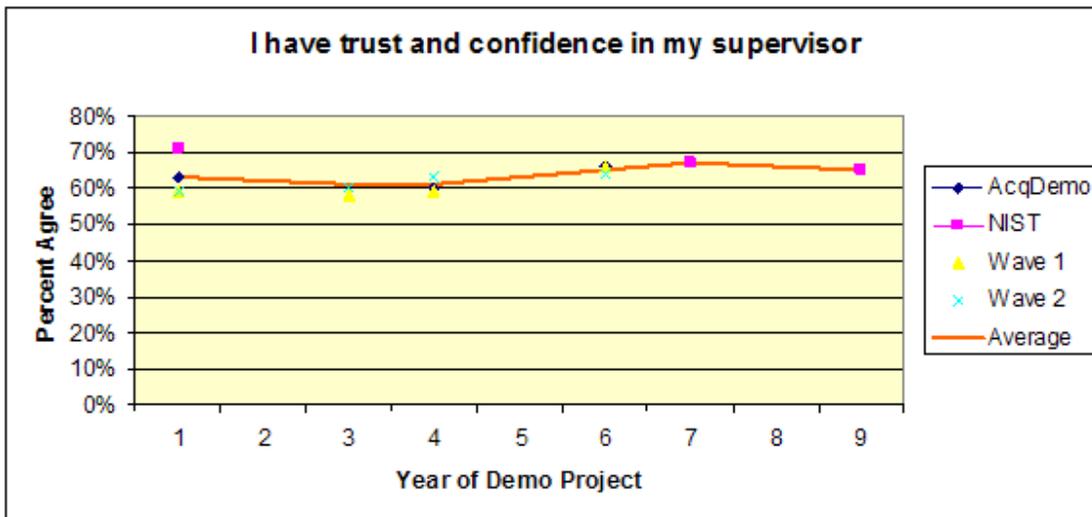
**Element:** Trust

**Indicator:** Perception of Trust Item

Employee Survey Item:	2004 Overall	2006 Overall	2004 HQ	2006 HQ
Item #1: I have trust and confidence in my supervisor (2006 FHCS #7)	Not asked	56%	Not asked	65%

d

**Figure H-13: Demonstration Projects**



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## Appendix H

**Dimension:** Effective Implementation

**Element:** Employee Support for the APS

**Indicator:** Extent to which employees support the manner in which the program has been implemented

No data

## *Appendix I: OPM Contact and Staff Acknowledgements*

**OPM Contact:** Patsy Stevens, 202/606-1574 or [patsy.stevens@opm.gov](mailto:patsy.stevens@opm.gov)

**Acknowledgements:**

In addition to the contact above, Chuck Grimes, Digna Carballosa, Joe Moore, and Tracy Hilliard made major contributions to the report.



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