

National Archives and Records Administration

NARA 355-S1

March 8, 2017

SUBJECT: NARA 355-S1, Senior Executive Service Performance Management System

1. System Coverage.

The National Archives and Records Administration (NARA) (hereafter referred to as the agency) Senior Executive Service (SES) performance management system applies to all career, non-career, limited term and limited emergency NARA senior executives covered by subchapter II of chapter 43 of title 5, United States Code, with the exception of SES in the Office of the Inspector General.

2. Definitions.

- a. *Annual summary rating* means the overall rating level that an appointing authority assigns at the end of the appraisal period after considering (1) the initial summary rating, (2) any input from the executive or a higher level review, and (3) the applicable Performance Review Board's (PRB) recommendations. This is the official final rating for the appraisal period.
- b. *Appointing authority* means the department or agency head, or other official with authority to make appointments in the Senior Executive Service.
- c. *Appraisal period* means the established period of time for which a senior executive's performance will be appraised and rated.
- d. *Critical element* means a key component of an executive's work that contributes to organizational goals and results and is so important that unsatisfactory performance of the element would make the executive's overall job performance unsatisfactory. Critical elements may include the possession and demonstration of competencies critical to success in the position. Such elements shall be used to measure performance only at the individual level.
- e. *Initial summary rating* means an overall rating level the rating official derives from appraising the senior executive's performance during the appraisal period in relation to the critical elements and performance standards and requirements and forwards to the PRB.
- f. *Oversight official* means the agency head, or the individual specifically designated by the agency head, who provides oversight of the performance management system and issues performance appraisal guidelines.
- g. *Performance* means the accomplishment of the work described in the senior executive's performance plan.

- h. *Performance appraisal* means the review and evaluation of a senior executive's performance against critical elements and performance standards and requirements.
- i. *Performance management system* means the framework of policies and practices that an agency establishes under subchapter II of chapter 43 of title 5, United States Code, for planning, monitoring, developing, evaluating, and rewarding both individual and organizational performance and for using resulting performance information in making personnel decisions.
- j. *Performance requirement* means a description of what a senior executive must accomplish, or the competencies to be demonstrated, to be rated at a specific level of performance. Performance requirements must include quality indicators and generally include other performance measures such as quantity, timeliness, cost savings, manner of performance, or other factors.
- k. *Performance standard* means a normative description of a single level of performance and also provides the benchmark for developing performance requirements against which actual performance will be assessed.
- l. *Progress review* means a review of the senior executive's progress in meeting the performance requirements. A progress review is not a performance rating.
- m. *Quality indicator* means descriptive language that explains how the rating official will determine the work product is acceptable. These indicators often are expressed as smaller, verifiable accomplishments ("mini-results") that must be completed successfully to produce the principal result identified in the performance objective.
- n. *Senior executive performance plan* means the written critical elements and performance requirements against which performance will be evaluated during the appraisal period by applying the established performance standards. The plan includes all critical elements, performance standards, and performance requirements, including any specific goals, targets, or other measures established for the senior executive. The performance plan template, included in this performance management system, is the senior executive performance plan.
- o. *Strategic planning initiatives* means agency strategic plans as required by the GPRA Modernization Act of 2010, annual performance plans, organizational work plans, and other related initiatives.

3. **Appraisal Period.**

- a. **Appraisal Period.** Executives must be appraised at least annually on their performance against their critical elements and performance standards and requirements and an annual summary rating must be assigned for the relevant period of performance for each year. The agency appraisal period is October 1 of each year through September 30 of the following year.

- b. **Minimum Period.** The minimum period of performance that must be completed before a performance rating can be given is 90 days.
- c. **Adjusting Appraisal Period.** The agency may end an appraisal period at any time after the minimum appraisal period is completed, but only if the agency determines there is an adequate basis on which to appraise and rate the performance of senior executive(s) and the shortened appraisal period promotes the effectiveness of the administration of the appraisal system.
- d. **Transition Period.** The agency may not appraise and rate any career executive within 120 days after the beginning of a new Presidential administration.

4. **Summary Performance Levels.**

The system includes five summary performance levels: Level 5 – Outstanding, Level 4 - Exceeds Fully Successful, Level 3 - Fully Successful, Level 2 - Minimally Satisfactory, and Level 1 – Unsatisfactory.

5. **Planning Performance: Critical Elements.**

a. Supervisors must develop performance plans in consultation with the senior executives and communicate the plans to them in writing, including through the use of automated systems, on or before the beginning of the appraisal period or upon appointment to a new senior executive position.

b. Each senior executive performance plan shall include, as a minimum, the following critical elements and performance requirements:

(1) **Critical Element 1 - Leading Change.**

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

(2) **Critical Element 2 - Leading People.**

Designs and implements strategies that maximize employee potential, connects the organization horizontally and vertically, and fosters high ethical standards in meeting the organization's vision, mission, and goals. Provides an inclusive workplace that fosters the development of others to their full potential; allows for full participation by all employees; facilitates collaboration, cooperation, and teamwork, and supports

constructive resolution of conflicts. Ensures employee performance plans are aligned with the organization's mission and goals, that employees receive constructive feedback, and that employees are realistically appraised against clearly defined and communicated performance standards. Holds employees accountable for appropriate levels of performance and conduct. Seeks and considers employee input. Recruits, retains, and develops the talent needed to achieve a high quality, diverse workforce that reflects the nation, with the skills needed to accomplish organizational performance objectives while supporting workforce diversity, workplace inclusion, and equal employment policies and programs.

(3) Critical Element 3 - Business Acumen.

Assesses, analyzes, acquires, and administers human, financial, material, and information resources in a manner that instills public trust and accomplishes the organization's mission. Uses technology to enhance processes and decision making. Executes the operating budget; prepares budget requests with justifications; and manages resources.

(4) Critical Element 4 - Building Coalitions.

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

(5) Critical Element 5 - Results Driven.

This critical element includes specific performance results expected from the executive during the appraisal period, focusing on measurable outcomes from the strategic plan or other measurable outputs and outcomes clearly aligned to organizational goals and objectives. At a minimum, the performance plan will include performance requirements that contain measurable results and their quality indicators describing the range of performance at Level 3 for each result specified. It is recommended to also establish the threshold indicators for Levels 5 and 2. Indicators must reflect the same level of performance as the respective performance standard contained in section 6. In addition to the quality indicators, applicable measures of quantity, timeliness, and/or cost-effectiveness may be included to describe the appropriate level of outcome(s) expected.

The Results-Driven critical element must also identify clear, transparent alignment to agency strategic planning initiatives (e.g., relevant agency or organizational goals/objectives with cited page numbers from the Strategic Plan, Congressional Budget Justification/Annual Performance Plan, or other organizational planning document) in the designated section for each performance requirement in the Results Driven critical element.

- c. Executive performance plans must include the Government-wide SES performance requirements in critical elements 1 through 4 as written and may include additional agency-specific performance requirements written as competencies or specific results/commitments/measurable activities associated with the critical element.
- d. Senior executive performance plans must include specific results focused performance requirements (e.g., outcomes and outputs) that align to agency goal(s) and objective(s) listed under the Results-Driven element. Performance requirements for the Results Driven element must include quality indicators that identify how well work must be performed and describe how the rating official will know the work is acceptable. Other measures, targets, and timelines may be included, as appropriate.
- e. The performance requirements in the executive performance plan describe performance at the Fully Successful level, as established in the Fully Successful performance standard contained in section 6 of this document.
- f. Each critical element must be assigned a weight, with the total weights adding to 100 points.
 - (1) The minimum weight that may be assigned to the Results Driven critical element is 20 points.
 - (2) The minimum weight that may be assigned to any of the other four critical elements is 5 points.
 - (3) No single performance element may be assigned a greater weight than the Results Driven element.
 - (4) Element weights may vary depending on the responsibilities of the individual executive.
 - (5) Weights will be determined annually and be approved by the head of the agency.

g. The gaining organization must set performance goals and requirements for any detail or temporary assignment of 120 days or longer and appraise the performance in writing, including through an automated system. The executive's rating official will factor this appraisal into the initial summary rating.

6. Planning Performance: Performance Standards for Critical Elements.

The performance standard for each critical element is specified below.

a. **Level 5:** The executive demonstrates exceptional performance, fostering a climate that sustains excellence and optimizes results in the executive's organization, agency, department or Government-wide. This represents the highest level of executive performance, as evidenced by the extraordinary impact on the achievement of the organization's mission. The executive is an inspirational leader and is considered a role model by agency leadership, peers, and employees. The executive continually contributes materially to or spearheads agency efforts that address or accomplish important agency goals, consistently achieves expectations at the highest level of quality possible, and consistently handles challenges, exceeds targets, and completes assignments ahead of schedule at every step along the way.

Performance at this level may be demonstrated in such ways as the following examples:

- (1) Overcomes unanticipated barriers or intractable problems by developing creative solutions that address program concerns that could adversely affect the organization, agency, or Government.
- (2) Through leadership by example, creates a work environment that fosters creative thinking and innovation; fosters core process re-engineering; and accomplishment of established organizational performance targets.
- (3) Takes the initiative to identify new opportunities for program and policy development and implementation or seeks more opportunities to contribute to optimizing results; takes calculated risks to accomplish organizational objectives with positive results.
- (4) Accomplishes objectives even under demands and time pressure beyond those typically found in the executive environment.
- (5) Achieves results of significant value to the organization, agency, or Government.
- (6) Achieves significant efficiencies or cost-savings in program delivery or in daily operational costs of the organization.

b. **Level 4:** The executive demonstrates a very high level of performance beyond that required for successful performance in the executive's position and scope of responsibilities. The executive is a proven, highly effective leader who builds trust and instills confidence in agency leadership, peers, and employees. The executive

consistently exceeds established performance expectations, timelines, or targets, as applicable.

Performance at this level may be demonstrated in such ways as the following:

- (1) Advances progress significantly toward achieving one or more strategic goals.
- (2) Demonstrates unusual resourcefulness in dealing with program operations or policy challenges.
- (3) Achieves unexpected results that advance the goals and objectives of the organization, agency, or Government.

c. **Level 3:** The executive demonstrates the high level of performance expected and the executive's actions and leadership contribute positively toward the achievement of strategic goals and meaningful results. The executive is an effective, solid, and dependable leader who delivers high-quality results based on measures of quality, quantity, efficiency, and/or effectiveness, within agreed upon timelines. The executive meets and sometimes exceeds challenging performance expectations established for the position.

Performance at this level may be demonstrated in such ways as the following:

- (1) Seizes opportunities to address issues and effects change when needed.
- (2) Finds solutions to serious problems and champions their adoption.
- (3) Designs strategies leading to improvements.

d. **Level 2:** The executive's contributions to the organization are acceptable in the short term but do not appreciably advance the organization towards achievement of its goals and objectives. While the executive generally meets established performance expectations, timelines and targets, there are occasional lapses that impair operations and/or cause concern from management. While showing basic ability to accomplish work through others, the executive may demonstrate limited ability to inspire subordinates to give their best efforts or to marshal those efforts effectively to address problems characteristic of the organization and its work.

e. **Level 1:** In repeated instances, the executive demonstrates performance deficiencies that detract from mission goals and objectives. The executive generally is viewed as ineffectual by agency leadership, peers, or employees. The executive routinely does not meet established performance expectations/timelines/targets and fails to produce – or produces unacceptable – work products, services, or outcomes.

7. **Monitoring Performance.**

- a. **Monitor and Provide Feedback.** Throughout the appraisal period, a supervisor must monitor senior executive performance in accomplishing elements and requirements and provide feedback, including advice and assistance on improving performance, when needed and encouragement and positive reinforcement as appropriate. Supervisors and senior executives should engage in frequent two-way conversations regarding progress toward meeting the critical elements in the senior executive's performance plan. Such conversations should include the following: status updates; identification of obstacles that impede progress in attaining milestones; indicators of success or needs for improvement; and a need to revise the senior executive's performance plan to account for changing objectives, priorities and any other factors affecting the senior executive's performance toward work assignments or responsibilities.
- b. **Progress Review.** Each senior executive must receive at least one progress review during the appraisal period. At a minimum, the executive must be informed how well he or she is performing against performance requirements.

8. Rating Critical Elements.

Rating officials will use the following narrative formula to derive the rating for the Results Driven element, and for other elements with more than one performance requirement (if applicable).

- a. **Outstanding (Level 5):** A majority of the performance requirements for the critical element are rated at Outstanding, with none below Exceeds Fully Successful.
- b. **Exceeds Fully Successful (Level 4):** A majority of the performance requirements for the critical element are rated at Exceeds Fully Successful, with none below Fully Successful.
- c. **Fully Successful (Level 3):** A majority of the performance requirements for the critical element are rated at Fully Successful, with none below Fully Successful.
- d. **Minimally Satisfactory (Level 2):** One or more performance requirements for the critical element are rated at Minimally Satisfactory.
- e. **Unsatisfactory (Level 1):** One or more performance requirements for the critical element are rated at Unsatisfactory.
- f. **Note:** For levels 5, 4, and 3, when no majority exists, the rating official will use his or her judgment to determine the critical element rating.

9. Deriving the Summary Rating.

- a. **Critical Element Point Values.** Once the rating for each critical element is determined, the following point values will be assigned to the element ratings:

- (1) Level 5 = 5 points.

- (2) Level 4 = 4 points.
- (3) Level 3 = 3 points.
- (4) Level 2 = 2 points.
- (5) Level 1 = 0 points.

b. **Derivation Formula.** The derivation formula is calculated as follows:

- (1) If any critical element is rated Level 1 (Unsatisfactory), the overall summary rating is Unsatisfactory. If no critical element is rated Level 1 (Unsatisfactory), continue to the next step.
- (2) For each critical element, multiply the element rating level point value by the weight assigned to that element.
- (3) Add the results from the previous step for each of the five critical elements to come to a total score.
- (4) Assign the initial summary rating using the ranges below:
 - (a) 475-500 = Level 5.
 - (b) 400-474 = Level 4.
 - (c) 300-399 = Level 3.
 - (d) 200-299 = Level 2.
 - (e) Any critical element rated Level 1 = Level 1.

- (5) Example, with the initial summary rating determined to be Level 4 (Exceeds Fully Successful):

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

- c. **Initial Summary Rating.** The rating official will develop an initial summary rating in writing, including through the use of automated systems, and share the rating with the senior executive.
- d. **Opportunity for Written Response.** A senior executive may respond in writing, including through the use of automated systems, to the initial summary rating.
- e. **Opportunity for Higher Level Review (HLR).** Upon a senior executive's request, the agency must provide an opportunity for review of the initial rating before the rating is presented to the PRB. The agency may designate who will provide HLR for its executives, except that a review may not be provided by a member of the PRB or an official who participated in determining the initial summary rating.
- (1) When an agency cannot provide a review by a higher-level official because no such higher-level official exists in the agency (e.g., the agency head provided the initial summary rating, the higher-level reviewer position is vacant, etc.), the agency must offer an alternative review by an official the agency deems appropriate.
 - (2) An official providing HLR or an alternative review may not change the initial rating but may recommend a different rating to the PRB. Copies of findings and recommendations by the HLR official or the official

performing an alternative review must be given to the senior executive, the rating official, and the PRB.

- f. **Forced Distribution.** A forced distribution of rating levels is prohibited.
- g. **Job Changes or Transfers.** When a senior executive who has completed the minimum appraisal period changes jobs or transfers to another agency, the supervisor must appraise the executive's performance in writing, including through the use of automated systems, before the executive leaves; the appraisal will be given to the executive and forwarded to the gaining agency.
- h. **Transferred Ratings.** When developing an initial summary rating for an executive who transfers from another agency, a supervisor must consider any applicable ratings and appraisals of the executive's performance received from the former agency.
- i. **Extending the Appraisal Period.** If the agency cannot prepare an executive's rating at the end of the appraisal period because the executive has not completed the minimum appraisal period or for other reasons, the agency must extend the executive's appraisal period. Once the appropriate conditions are met, the agency will then prepare the annual summary rating.
- j. **Annual Summary Rating.** The annual summary rating must be assigned by the appointing authority (and may not be delegated to an official who does not have authority to make SES appointments) only after considering the recommendations of the PRB. The annual summary rating must be communicated to the executive in writing, including through the use of automated systems, normally within 3 months of the end of the appraisal period.

10. **Performance Review Boards.**

- a. **PRB.** The agency shall establish one or more PRBs to make written recommendations on each executive's annual summary rating, performance-based pay adjustment, and performance award to the appointing authority.
- b. **Membership.** Each PRB must have 3 or more members selected by the agency head or designee(s) in a manner that ensures consistency, stability, and objectivity in SES performance appraisal. PRB appointments must be published in the Federal Register before service begins.
- c. **Career Membership.** More than one-half of the PRB's members must be career appointees when considering a career appointee's appraisal, performance-based pay adjustment, or performance award.
- d. **Review Ratings.** The PRB must review and evaluate the initial performance appraisal and summary rating, any senior executive's response, and any higher-level official's findings and recommendations on the initial summary rating or the results of an alternative review. The PRB may conduct any additional review needed to make written

recommendations to the appointing authority on annual summary ratings, performance awards, and performance-based pay adjustments for each senior executive. PRB members may not be involved in deliberations involving their own appraisals, performance-based pay adjustments, and performance awards.

e. **Executive Response.** The PRB may not review an initial summary rating to which the executive has not been given the opportunity to respond in writing, including through the use of automated systems.

f. **Agency/Organizational Performance.** The PRB must be provided and take into account appropriate assessments of the agency/organization's performance, as communicated by the oversight official through performance appraisal guidelines, when making recommendations.

11. **Dealing with Poor Performance.**

a. **Performance Actions.** The agency must: 1) reassign, transfer or remove from the Senior Executive Service a career senior executive who has been assigned a Level 1 (Unsatisfactory) final summary rating; 2) remove from the Senior Executive Service an executive who has been assigned two final summary ratings at less than Level 3 (i.e., Level 2 or a combination of Levels 2 and 1) within a three year period; and 3) remove from the Senior Executive Service an executive who receives two Level 1 (Unsatisfactory) final summary ratings within five years. Non-probationary career appointees are removed under procedures in 5 CFR 359 subpart E. Probationary career appointees are removed under procedures in 5 CFR 359 subpart D. (Nothing here shall be interpreted to limit removal of probationary SES employees as permitted by current regulations.) Guaranteed placement in a non-SES position will be provided under 5 CFR 359 subpart G when applicable.

b. **Appeal Rights.** Senior executive performance appraisals and ratings may not be appealed. The executive may file a complaint about any aspect of the rating process the executive believes to involve unlawful discrimination (EEOC) or a prohibited personnel practice (Office of Special Counsel). A career appointee being removed from the SES under 5 U.S.C. 3592(a)(2) shall, at least 15 days preceding the date of removal, be entitled, upon request, to an informal hearing before an official designated by the Merit Systems Protection Board.

12. **Other System Requirements.**

a. **Appraisal Results.** Performance appraisals will be used as a basis for adjusting pay, granting awards, retaining and removing senior executives, and making other personnel decisions. Performance appraisals also will be a factor in assessing a senior executive's continuing development needs.

- b. **Organizational Assessment and Guidelines.** The agency must assess organizational performance (overall and with respect to each of its particular missions, components, programs, policy areas, and support functions). The agency also must ensure its assessment results and evaluation guidelines based upon them are communicated by the oversight official to senior executives, rating officials, higher level review officials, PRB members, and appointing authorities at the conclusion of the appraisal period and before completion of the initial summary ratings so that they may be considered in preparing performance appraisals, ratings and recommendations.
- c. **Oversight.** The agency head or the official designated by the agency head provides organizational assessments and evaluation guidelines and is responsible to oversee the system and to certify: 1) the appraisal process makes meaningful distinctions based on relative performance; 2) executive ratings take into account assessments of organizational performance; and 3) pay adjustments, awards and pay levels based on the results of the appraisal process accurately reflect individual performance and/or contribution to agency performance. The responsible official designated to provide evaluation guidelines and oversee the appraisal system must do so for the entire executive agency.
- d. **Performance Distinctions.** Rating officials and PRBs will make meaningful distinctions based on relative performance that take into account assessment of the agency's performance against relevant program performance measures.
- e. **Differences in Pay Based on Performance.** Differentiation will be evident in the pay adjustments, performance awards, and rates of pay separately. Senior executives who have demonstrated the highest levels of performance will receive the highest annual summary ratings and the largest corresponding performance awards, pay adjustments, and rates of pay. Pay adjustments and performance awards will be made within 5 months following the end of the applicable appraisal period.

13. **Training and Evaluation.**

- a. **Training.** The agency will provide information and training to agency leadership, supervisors, and senior executives on the requirements and operation of the agency's performance management and pay-for-performance systems.
- b. **Communication of Results.** The agency will communicate annually the distribution of ratings from the previous appraisal period and the average pay increases and awards associated with each rating level. Agencies must protect the privacy of the ratings received by individual senior executives.
- c. **Evaluation.** The agency will periodically evaluate the effectiveness of the performance management system(s) and implement improvements as needed.

14. **Additional Agency-Specific Policies.**

NARA has no agency-specific policies.