

# NETL's Performance Management and Awards System (PMAS)



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EEO/Diversity Symposium**

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[www.netl.doe.gov](http://www.netl.doe.gov)



# National Energy Technology Laboratory (NETL)



- **One of DOE's 18 national labs**
- **Government owned / operated**
- **Sites in:**
  - Alaska
  - Oklahoma
  - Pennsylvania
  - West Virginia
- **More than 1,100 federal and support contractor employees**



# NETL's Mission

- **Resolve the environmental, supply, and reliability constraints of producing and using fossil resources**
- **Develop new and improved energy technologies to ensure that the Nation has clean, affordable, and reliable energy supplies.**



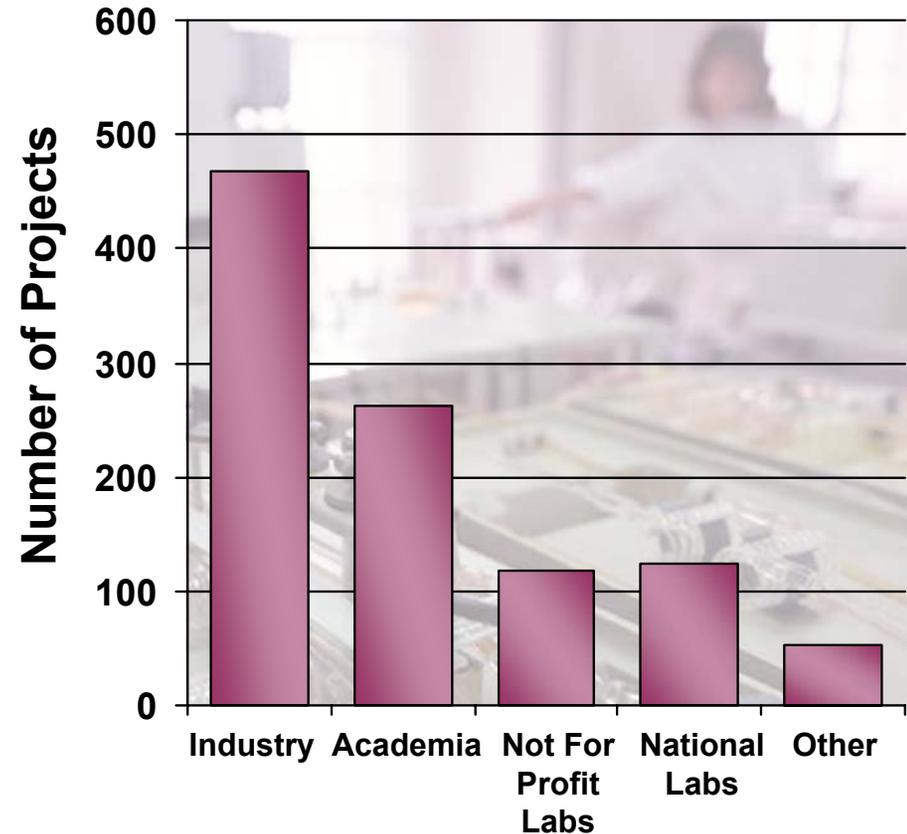
# What NETL Does

- Shape, fund, and manage extramural RD&D
- Conduct onsite research
- Support energy policy development

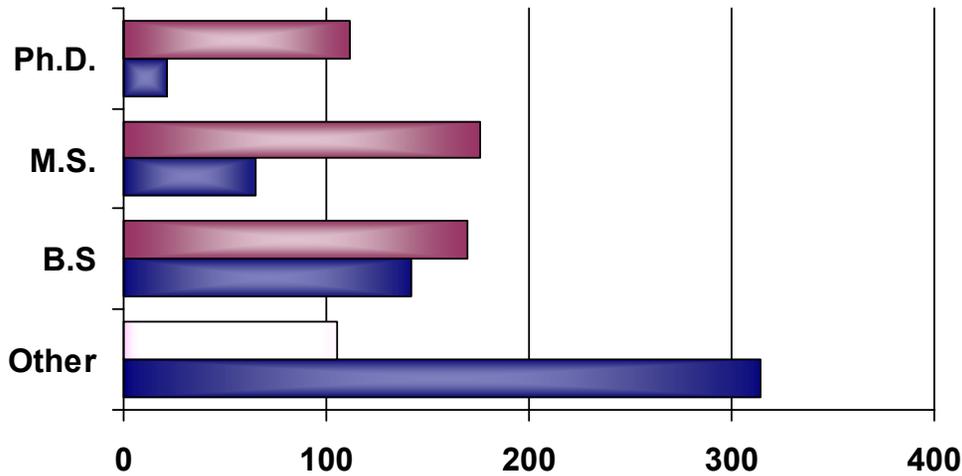


# Shape, Fund, and Manage Extramural RD&D

- **1,300 research activities in all 50 states and several foreign countries**
- **Total award value \$8 billion**
- **Private sector cost-sharing of \$2.2 billion**
  - Leverages DOE funding
  - Ensures relevance
  - Accomplishes mission through commercialization

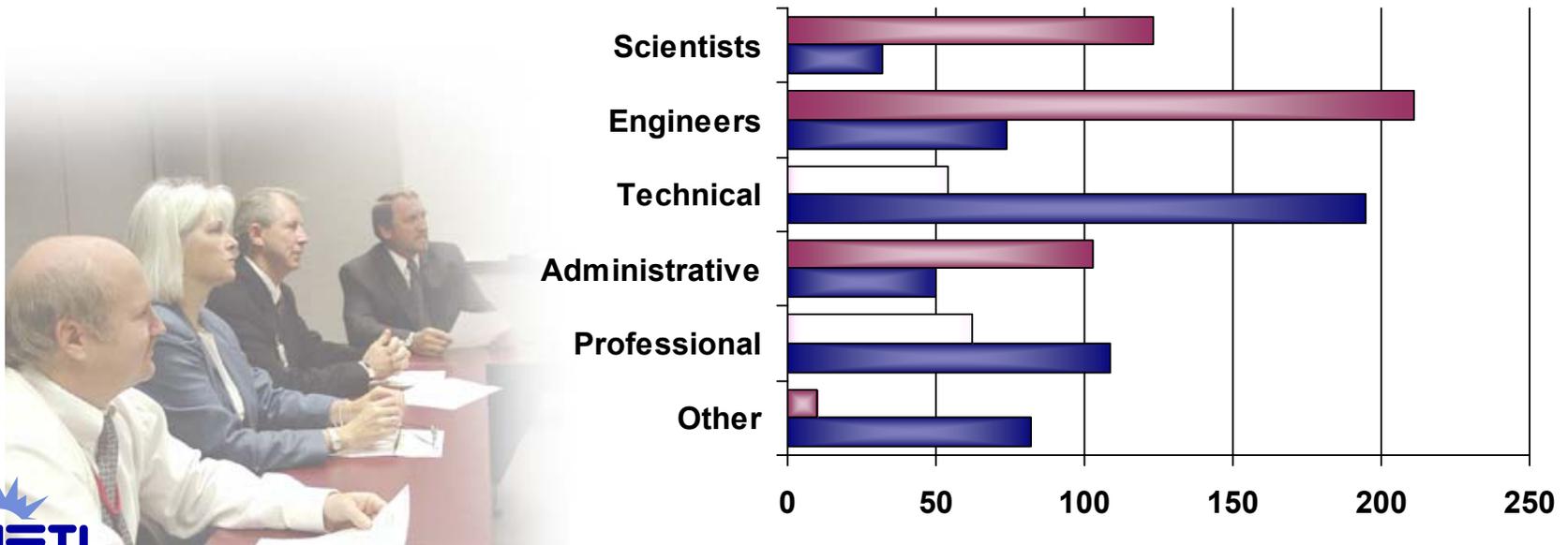


# A Well-Trained Workforce



*Workforce (05/31/04)*

■ 563 Federal Employees  
 ■ 542 Onsite Contractors



# Back to the Beginning....

## A Centralized Performance Management System

- **Civil Service Reform Act of 1978 brought performance appraisal to the center of many aspects of personnel management.**
- **System was standardized, used five rating levels and established strict links between ratings and awards.**
- **Over the years, dissatisfaction with this one-size-fits-all approach increased; grievances also increased.**
- **Rating inflation grew steadily and entire system lost its credibility.**



# NPR Recommendations for Change

- In 1993, National Performance Review (NPR) recommended a decentralized approach to performance management.
- NPR proposed that decentralized systems be developed together with managers, employees and Union representatives.



# **NPR Recommendations for Change (continued)**

- **Systems should be more flexible and decentralized.**
- **Pass/Fail should be possible.**
- **Appraisals should establish and maintain individual accountability.**



# Government-Performance and Results Act (GPRA)

- **The Government Performance and Results Act of 1993 (GPRA) provides for establishment of strategic planning and performance plans for program activities.**
- **NETL shifted its focus to the challenges of the Government Performance and Results Act (GPRA).**
- **NETL's performance management system was revised to provide a link between institutional strategic goals and individual employee performance goals.**

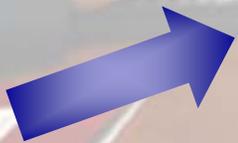


# New Challenges, New Opportunities

**METC**



**PETC**



**FETC**



**NETL**



# NETL's Journey

- In 1993, before the merger, part of our organization implemented a formal 360 feedback system with the five-level performance system.
- System was designed by a process improvement team during the TQM initiative.
- In 1997, after merger, NETL formed the Performance Management Advisory Committee (PMAC) which oversees performance management and award policy.
- PMAC is sponsored by the Labor/Management Partnership Council (LMPC).



# Performance Management and Award Committee (PMAAC)

## *FY04 Members*

**Larry Gillham**, Contract Specialist, Acquisition & Assistance Division

**Gary Covatch**, Project Manager, Gas Supply Projects Division

**Rich Killmeyer**, Research Scientist, Fuels and Process Chemistry Division

**Dale Schmidt**, Technical Advisor, Office of Coal & Environmental Systems

**Lilas Soukup**, Information Technology Specialist, Information Technology Division

**Donna Tamilya**, Human Resources Specialist, Human Resources Division

**Bernadette Ward**, Program Analyst, Program Support & Analysis Division

Awards Advisor:

**Teresa Jones**, Human Resources Specialist

LMPC Sponsors:

**Eric Bell**, Union Vice-President, AFGE Local 1916, Office of Public Affairs

**Tom Torkos**, Associate Director, Office of Business and Logistics



# Design and Implementation of PMAS

- **Merger of the two centers motivated a much needed improvement in cross-organizational teaming.**
- **PMAC pioneered an employee-driven Team Award, organizational award pots, and 360° feedback/scoring approaches.**
- **In September 1995, NETL was one of the first organizations to implement a pass/fail rating system with 360° feedback.**



# **“Revolution in Accountability”**

- **In 2000, NETL shifted its focus to the challenges of GPRA.**
- **Established accountability for organizational goals to the employee level.**
- **Measured results achieved not only in programmatic responsibility but also key administrative requirements.**
- **Established an operating plan scorecard for each NETL organizational component.**
- **Spotlighted link between employee and organizational success with rewards.**

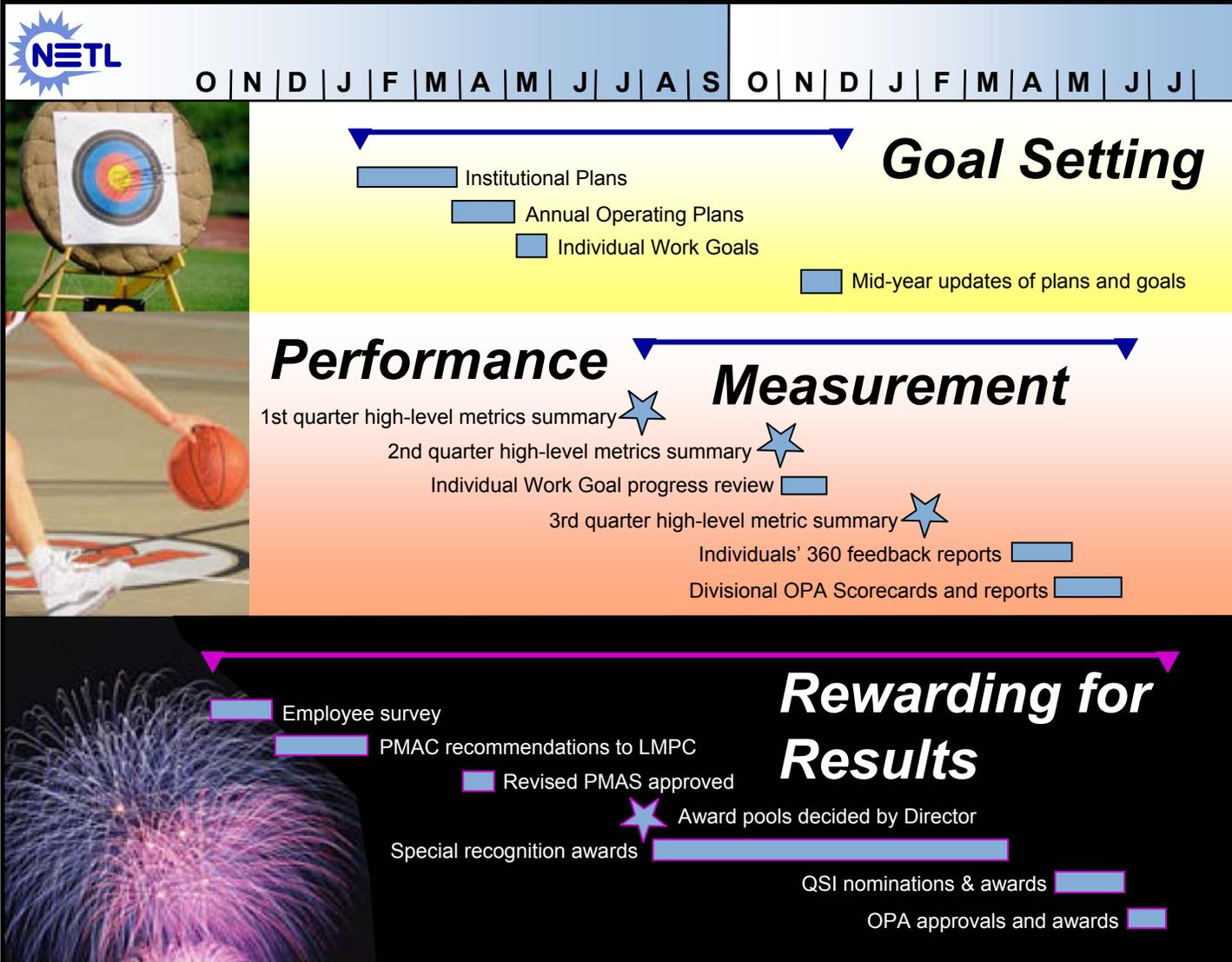


# NETL's Approach to Performance Management

- **NETL's PMAS integrates all components of a comprehensive performance management system.**
  - Goal Setting
  - Performance Measurement
  - Rewarding for Results
- **Maximum performance from each employee is critical to the success of each organizational component.**



# NETL PMAS Process



# Goal Setting

## Align Employee Performance with Strategic Goals

- **Improve link between individual performance and organizational results.**
- **Employee, with supervisor, develops Individual Work Goals (IWGs), which align to the Organizational/Strategic Plans.**
- **Employee, with supervisor, chooses stakeholders (supervisor, customers, peers, subordinates) for performance feedback.**



# Goal Setting

## *An Integrated Planning Process*



# Performance Measurement

## Individual Performance

- **Performance Appraisal is a 2-level, generic system: “Meets/Exceeds Expectations” or “Fails to Meet Expectations”.**
- **IWGs establish a covenant between the supervisor and employee for being accountable in meeting mission objectives.**
- **Input measured from informal, voluntary 360° feedback process.**
- **Supervisor determines rating based on 360° feedback, work goal accomplishments and other relevant factors.**



# Non-Supervisory Critical Elements and Standards

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- **Element 1 – JOB PERFORMANCE**
    - Accomplishments
    - Quality of Work Results
    - Responsibility and Accountability
    - Integrated Safety Management



# Elements and Standards

## 2

- **Element 2 – ORGANIZATIONAL VALUES**
  - Focus on Stakeholders
  - Commitment to NETL Excellence
  - Working Together
  - Ethical Behavior



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# Elements and Standards

# 3

- **Element 3 – INTERPERSONAL SKILLS**
  - Professionalism
  - Communication

# Performance Measurement

## Organizational Performance

- Establishes direct line between employee productivity, award systems, and the mission of the organization.
- Each organizational component establishes formal Operating Plan with goals and metrics, approved by Management.
- Operating Plan Scorecard:
  - Serves as report on the progress toward achieving organizational goals.
  - Management reviews, measures, approves and rewards organizations that have achieved their goals.
  - Minimum percentage of goal completion is required to receive an Organizational Performance Award.



# Performance Measurement

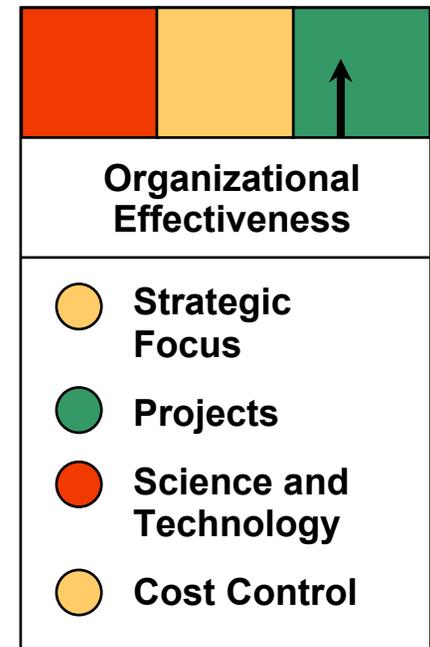
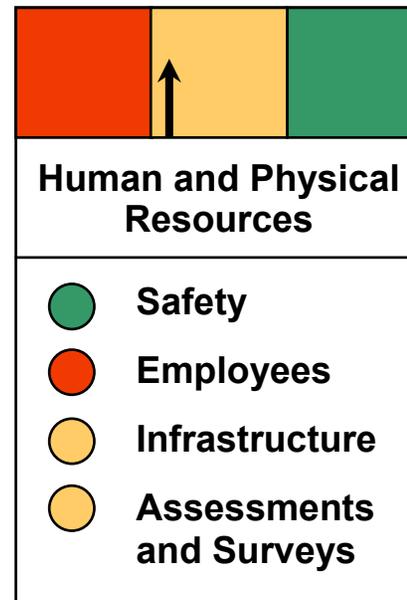
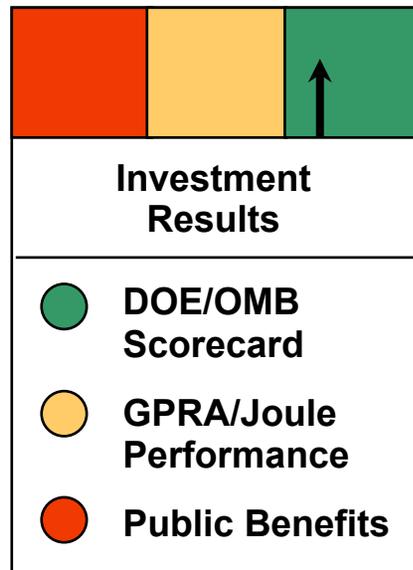
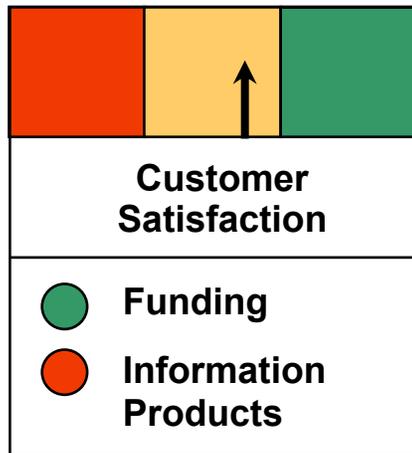
## NETL High-Level Metrics

- Performance measurement parameters are incorporated into a “dashboard” to improve focus on the most critical performance trends
- The instrument panel is used for steering the organization
  - Green indicates expectations are being met
  - Yellow raises caution
  - Red triggers management attention



# Performance Measurement

## *“Dashboard” Improves Focus on Most Critical Performance Trends*



# NETL Rewarding for Results

- **Organizational Performance Award**
  - Designed to measure and reward results in accordance with strategic/organizational planning documents.
  - All employees of organizational unit receive equal award amount.
- **Special Recognition Award**
  - Award is based on individual or team performance.
  - Organizational award pot available to recognize employees with Special Act and On-the-Spot Awards
  - Time-Off Award
- **Quality Step Increase**
  - QSIs capped at 5% of the total number of NETL employees on the rolls, and distributed equally among Associate Directorate Offices.



# PMAS Summary

- **Features:**

- Inlusiveness: Performance Process applies to non-supervisory employees; Award Process applies to all Non-SES employees.
- Simplicity: Pass/Fail System; IWG; feedback from stakeholders.
- Flexibility: PMAS is a process with continuous improvement from year to year.
- Balance: Direct line between employee performance expectations and recognition systems, and the mission of the organization.
- Defined Roles: Employees with supervisors determine appropriate work goals and stakeholders.
- Opportunity: Recognition, both monetary and non-monetary, available to those who meet/exceed their goals.
- Fairness: All employees are accountable for meeting mission objectives. All employees have the opportunity to be recognized for meeting mission objectives.



# PMAS Benefits

- **Resulted In:**
  - Improved goal setting and accomplishment, organizational discipline, employee satisfaction, accountability, tangible rewards.
  - Receipt of OPM's **PILLAR** (Performance, Incentives, and Leadership Linked to Achieve Results) Award on 8/27/2002.
- **“THAT WHICH GETS MEASURED, GETS DONE!”**

