

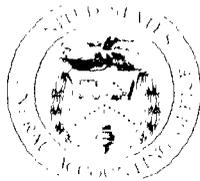
GAO

Report to the Ranking Minority
Member, Subcommittee on Federal
Services, Post Office, and Civil Service,
Committee on Governmental Affairs,
U.S. Senate

October 1990

PERFORMANCE MANAGEMENT

How Well Is the Government Dealing With Poor Performers?



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United States
General Accounting Office
Washington, D.C. 20548

General Government Division

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October 2, 1990

The Honorable Ted Stevens
Ranking Minority Member
Subcommittee on Federal Services,
Post Office, and Civil Service
Committee on Governmental Affairs
United States Senate

Dear Senator Stevens:

In response to your request, this report discusses how the federal government identifies and deals with employees whose performance has been judged as less than fully successful (i.e., poor performers). The report contains our views on how the management of the process for handling such individuals could be improved. It also presents options for congressional consideration aimed at easing the difficulties supervisors face when dealing with certain employees who have been poor performers for lengthy periods.

Copies of this report are being sent to other appropriate congressional committees, the Director of the Office of Personnel Management, agency personnel directors, and other interested organizations. Major contributors to the report are listed in appendix XI.

Sincerely yours,

A handwritten signature in cursive script that reads "Bernard L. Ungar".

Bernard L. Ungar
Director, Federal Human Resource
Management Issues

Executive Summary

Purpose

For years, the common public perception has been that the federal government does little to deal with poor performers. To what extent are federal supervisors identifying poor performers? Are supervisors who do identify poor performers able to deal with them?

These are two key questions that GAO sought to answer in this review. This report, a follow-on to an earlier effort in the Social Security Administration, provides a governmentwide perspective.¹

The work was requested by the Subcommittee on Federal Services, Post Office, and Civil Service, Senate Committee on Governmental Affairs.

Background

To comply with the Civil Service Reform Act of 1978, federal agencies implemented performance management systems that require supervisors to establish performance plans specifying employee job tasks and performance expectations; monitor, evaluate, and discuss actual performance in relation to established standards; and prepare a written performance appraisal categorizing the employee's overall performance for the rating period.

Employees whose work is below fully successful are considered to be poor performers. The agencies' process for dealing with these employees is to provide assistance so that they can improve their performance to the fully successful level. However, if improvement does not occur, supervisors are expected to propose actions against these employees. These actions can include reassignment, demotion, or removal.

To obtain the information for this report, GAO visited 2 locations within each of 10 federal agencies, 3 state governments, 3 local governments, and 12 private corporations. It also sent questionnaires to a governmentwide random sample of 550 supervisors to obtain their experiences in identifying and dealing with poor performers during fiscal year 1988. GAO did not evaluate the appeals process.

Results in Brief

Contrary to general perceptions, supervisors were generally willing to deal with their poor performers and expressed a willingness to deal with them in the future. Although implementing the process was considered unduly difficult and time-consuming, supervisors were generally able to

¹Poor Performers: How They Are Identified and Dealt With in the Social Security Administration (GAO/GGD-89-28, Jan. 27, 1989).

correct or otherwise deal with the performance problems they identified. Actions were generally taken to deal with employees whose performance remained unacceptable.

Many supervisors indicated that they found it especially difficult to deal with employees from the estimated 5 percent of their work force who were performing at the level between fully successful and unacceptable (minimally successful). Because supervisors are limited by law in the actions they can take to deal with certain individuals who continue to perform at this level, the government has had to tolerate less than fully successful performance for extended periods of time.

About half of the supervisors said they had experienced difficulty in implementing the process for dealing with poor performers. These supervisors cited the significant amount of calendar time that can be involved, a perceived lack of management support, difficulties in using performance standards, a perceived lack of authority to propose performance actions, and a reluctance to go through appeal or arbitration. In spite of such problems, most supervisors expressed a willingness to work with poor performers in the future.

Because identifying and dealing with poor performers involves subjectivity, the current legislative and regulatory framework for dealing with federal employees places heavy emphasis on protecting employees against unfair or arbitrary treatment. Although these safeguards have resulted in a process for dealing with poor performers that may never be perceived as "quick and easy" by supervisors, there does appear to be some potential for making it less difficult.

Individual motivation is a key factor in dealing with poor performers. Therefore, agency management must focus on creating an environment within which supervisors are encouraged and motivated to identify poor performers and are properly trained and supported when they attempt to deal with them. GAO also believes Congress should consider various options, such as those described in this report, to ease the difficulties supervisors encounter when dealing with performance at the minimally successful level for extended periods of time.

Principal Findings

Supervisors Have Been Able to Deal With Many of the Poor Performers They Identified

According to the questionnaire responses GAO received, about 5.7 percent of the estimated 1.6 million employees supervised by the respondents performed below the fully successful level in fiscal year 1988. About 62 percent of the employees who were identified in the responses as poor performers either improved their performance to fully successful, voluntarily agreed to vacate their positions, or had performance actions such as demotion or removal proposed against them. The remaining 38 percent were still poor performers at the time GAO completed its work. GAO's analysis at the 20 locations it visited showed similar results.

The federal government's process for dealing with poor performers is similar in several respects to the process used by the state and local governments and private corporations GAO visited. One major difference is that in many of the nonfederal agencies, employees whose performance remains at the minimally successful level are subject to demotion or removal. At the federal level some employees are subject to demotion or removal for prolonged minimally successful performance, but others, such as General Schedule and Wage Grade employees, are not.

Seven of the eight private corporations and two of the four state or local governments GAO visited that had a minimally successful rating category said their supervisory options for dealing with these employees included demotion or removal.

Federal legislation governing General Schedule and Wage Grade employees authorizes demotion or removal only for unacceptable performance. Therefore, supervisory options for dealing with minimally successful performers from these employee groups are limited to reassignment or denial of within-grade pay increases.

The options of reassignment and denial of within grade pay increases provide little leverage for federal supervisors and little incentive for employees to improve poor performance, especially since employees near the top of their grade are due such increases only once every 2 or 3 years. Thus, the minimally successful performance can last for extended time frames. For example, about 83 percent of the poor performers identified by supervisors were considered to have been minimally successful, and about 27 percent were minimally successful for 12 months or more.

The Process for Identifying and Dealing With Poor Performers Can Be Difficult to Implement

GAO found that many of the supervisors who identified poor performers needed to work with them for long periods of time. In the cases GAO analyzed where employees improved to fully successful, supervisors had worked with the employees for periods of time ranging from less than a month to 44 months. The average period of time was 10 months. About 60 percent of the employees who were still poor performers at the time of GAO's review had been receiving assistance from 9 to 18 months.

About 10 percent of the supervisors who responded to GAO's questionnaire said they would be unlikely to propose a performance action against a poor performer in the future. The two most frequently cited reasons for this were the time involved and a perception that they did not have management support. About one-third of the 10 percent cited the difficulty in using performance standards to measure performance and a reluctance to go through the appeal or arbitration processes.

Although no one specific problem in dealing with poor performers was cited by more than 22 percent of the supervisors, 51 percent of the supervisors identified some type of problem. This indicates that dealing with poor performers can often be difficult.

A Greater Management Commitment Would Enhance Efforts to Deal With Poor Performers

To make it easier for supervisors to identify and deal with poor performers, top management needs to be committed to, and actively involved in, creating an environment in which managers and supervisors are encouraged to undertake this important task and are supported throughout the process.

GAO believes that agencies could better demonstrate that commitment and provide a more positive environment for supervisors in several ways. They could begin by improving their oversight of the process for identifying and dealing with poor performers. At 16 of the 20 locations GAO visited, personnel officials said they did not receive or maintain statistics on how poor performance cases were being resolved or how long it took to deal with performance problems. Without such information, it is difficult to identify problem areas, hold supervisors accountable, or become aware of situations where supervisors may need assistance.

Agencies could also improve supervisory training and ensure that supervisors receive a greater degree of technical assistance from agency personnel offices. Of the supervisors responding to GAO's questionnaire, 15 to 29 percent said they had not received training in such areas as the

use of performance standards or assisting poor performers. GAO found that supervisors who either received no training or considered it to be inadequate were more negative than others in their views on dealing with poor performers.

Recommendations to the Director of OPM

GAO recommends that the Director of OPM stress the need for a greater commitment and active involvement from top management in identifying and dealing with poor performers.

GAO also recommends that OPM assist federal agencies in demonstrating this commitment by

- ensuring that all agencies provide periodic training and the necessary technical assistance to prepare managers and supervisors to deal adequately with poor performers; and
- requiring agencies to establish methods and procedures for overseeing how well poor performers are being identified and dealt with, including ensuring that the time spent in implementing the process is not more than warranted.

Matters for Congressional Consideration

Congress should also consider ways to ease the difficulties supervisors encounter when dealing with General Schedule and Wage Grade employees whose performance remains at the minimally successful level after being given a reasonable opportunity to improve. GAO identified four options for congressional consideration ranging from administrative to legislative action. (See p. 27.)

Agency Comments

OPM agreed with GAO's recommendations and indicated that it would prefer implementing GAO's suggested options for dealing with minimally successful performers through legislation that would more closely link pay with performance and provide agencies with the authority to act against any employee performing below the fully successful level after being given a reasonable opportunity to improve. (See app. I.)

The three federal employee unions commenting on GAO's report generally agreed with the information it presented. However, two of the three disagreed with some of GAO's views on minimally successful performers. (See pp. 46, 82, 84, and 85.)

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Abbreviations

CPDF	Central Personnel Data File
DCI	data collection instrument
GAO	General Accounting Office
GM	General Management
GS	General Schedule
MSPB	Merit Systems Protection Board
OPM	Office of Personnel Management
PMRS	Performance Management and Recognition System
SES	Senior Executive Service
WG	Wage Grade

Introduction

The Subcommittee on Federal Services, Post Office, and Civil Service, Senate Committee on Governmental Affairs, requested that GAO obtain information on the extent to which federal agencies were identifying and dealing with employees who are poor performers.

In January 1989, we issued a report on the results of our review of these activities at the Social Security Administration.¹ This report discusses how 2 locations in each of 10 federal agencies identified and dealt with poor performers. It also incorporates the results of a questionnaire sent to a random sample of supervisors throughout the government.

The Civil Service Reform Act of 1978 requires federal agencies to establish appraisal systems for assessing employees' performance and prescribes the actions that can be taken against unacceptable performers. The act intended to streamline the process for dismissing poor performers. It attempted to balance the public's need to have its business performed competently with the rights of employees to be selected and removed solely on the basis of their competence on the job.

Under laws existing prior to the Reform Act, an employee could only be dismissed for unacceptable performance if dismissal would improve the efficiency of the federal service. Agencies found it very difficult to prove this to the degree required by the courts. Under current procedures, an agency may reduce in grade or remove an employee for unacceptable performance without having to demonstrate that the efficiency of the government would be improved.

Agencies Use Performance Management Systems to Assess the Performance of Their Employees

The Reform Act requires federal agencies to establish systems that provide employees with feedback on how well they carry out their job responsibilities in relation to management's expectations. The Office of Personnel Management (OPM) is responsible for playing a major role in this process by developing the policies under which each agency is to operate and reviewing their performance appraisal systems to determine whether they meet the act's requirements.

As required by the Reform Act, the federal agencies we reviewed had performance management systems that required supervisors to (1) establish performance plans that specify each employee's job tasks and

¹Poor Performers: How They Are Identified and Dealt With in the Social Security Administration (GAO/GGD-89-28, Jan. 27, 1989).

the performance standard that is expected, (2) monitor employee performance against performance expectations, and (3) prepare periodic performance appraisals to determine the employee's level of performance.

Performance Planning

Supervisors are to begin the appraisal process by preparing a performance plan. This plan should be prepared in consultation with the employee and contain the employee's job tasks and the standards by which the employee's performance will be assessed.

In the plan, an employee's job tasks can be divided into critical and non-critical tasks. Critical tasks are required by OPM regulation and are defined as major job tasks that are of sufficient importance that performance at the unacceptable level requires corrective action and may be the basis for removing the employee or reducing his or her grade level. Noncritical tasks, which are optional, are defined as job tasks that are important enough to require measurement but are not a key element of the employee's job.

Agencies' procedures require that, to the extent possible, each performance standard be specific and permit appraisal based on objective criteria clearly stated in terms of quality, quantity, and/or timeliness.

Performance Monitoring

Periodically throughout the appraisal period, the supervisor is expected to discuss the performance plan with the employee. The employee is to be informed of the level of performance and how it compares with the standards contained in the performance plan.

At any time during the appraisal period, a supervisor can compare an employee's performance against performance standards. The supervisor should call to the employee's attention areas in which performance indicates a need to improve and take positive steps to help the employee improve his or her performance to at least the fully successful level.

Performance Appraisal

At the end of the appraisal period, the supervisor must determine the employee's level of achievement toward reaching each individual job task by comparing actual performance against established standards. OPM requires agencies to have at least three levels for assessing individual job tasks. All of the agencies we visited used either three or five, with the middle level constituting fully successful performance.

The levels of performance assigned to an employee's job tasks are to be used as the basis for making a summary assessment of the employee's performance, which, according to OPM regulations, must be made at one of five levels. As is the case with individual job tasks, performance at the middle level is considered to be fully successful. The two levels above fully successful constitute excellent and outstanding performance, while the two levels below are for performance that is minimally successful and unacceptable.

An Objective of Agencies' Performance Management Systems Is to Identify and Deal With Poor Performers

When employees are performing at either the minimally successful or unacceptable levels, agencies' policies and procedures require supervisors to assist these individuals to improve their performance to the fully successful level and to take appropriate action when efforts are not successful. The process for dealing with poor performers can be undertaken at any time during the appraisal period. It usually begins with informal counseling and closer supervision.

OPM guidance suggests that when a supervisor discusses poor performance with an employee, the supervisor make a note to the file, with a copy to the employee, which documents the matters discussed and any assistance offered. If unacceptable performance continues, the supervisor must inform the employee that he or she is being given an opportunity period to improve performance. Neither the Reform Act nor OPM regulations require that this notification be in writing; however, OPM strongly recommends a written notice to maintain a complete agency record.

Supervisors who give an employee an opportunity period to improve performance identify the employee's deficiencies, the action to be taken by the employee to improve his or her performance, the assistance to be provided by the supervisor, and the length of the opportunity period. The agencies we visited did not require a specific length of time for the opportunity period, stating instead that supervisors were expected to give the poor performer a reasonable period to improve his or her performance, depending on the circumstances in each case. Five of the agencies provided general guidance related to the timing of opportunity periods. Three of the five suggested a minimum time frame, and two provided information on how long an opportunity period might normally be expected to last. Of these latter agencies, one said an opportunity period would normally last 60 days; the other considered a reasonable period to be from 30 to 60 days.

If an employee's performance is unacceptable at the conclusion of the opportunity period, action can be proposed to remove or demote the employee. The Reform Act requires that the employee is entitled to advance written notice of the proposed action that identifies specific instances of unacceptable performance by the employee and an opportunity to respond to the proposed action. The employee is also entitled to a written decision that specifies the instances of unacceptable performance on which the action is based. Most federal employees who are removed or demoted have the right to appeal to the Merit Systems Protection Board (MSPB), which is responsible for adjudicating employee appeals of removals and demotions for unacceptable performance.² In instances where an appeal is made, the burden of proof is on the employing agency. If employees are in an organization represented by a union, they can either use the grievance and arbitration process contained in the labor-management contract or appeal to MSPB, but not both.

The other category of poor performance is minimally successful, and actions that can be taken to deal with these individuals vary. Continued minimally successful performance can lead to removal if the employee is a member of the Senior Executive Service (SES). Also, under the Performance Management and Recognition System (PMRS),³ minimally successful performers do not receive a full general pay increase and such performance can lead to reassignment, demotion, or removal. However, minimally successful performance by General Schedule (GS) and Wage Grade (WG) employees can only result in reassignment or the denial of any within grade salary increase they may be due. The law only authorizes the removal or demotion of a GS or WG employee if performance is unacceptable.

Objective, Scope, and Methodology

Our objective was to determine how federal agencies were identifying and dealing with poor performers. For the purpose of this review, we considered poor performers to be those employees performing below the fully successful level—either at minimally successful or unacceptable. Our review did not include an assessment of how poor performers in SES were identified and dealt with. We visited 2 locations within each of 10 federal agencies. Using information obtained from OPM, the agencies and

²Whether an employee has appeal rights is governed by such factors as the nature of the employee's appointment and his or her tenure. For example, probationary employees do not have appeal rights.

³PMRS is the pay for performance system established for the government's General Management (GM) 13 through 15 managers and supervisors.

locations were judgmentally selected to obtain a mix of those with relatively large numbers of identified poor performers and those with few or no poor performers.

To learn how organizations outside the federal government dealt with poor performers, we visited 3 state governments, 3 local governments, 12 private corporations within the geographical areas of the GAO regional offices involved in this review, and sent a letter of inquiry to the states we did not visit. We did not verify the information obtained from these organizations because their policies and procedures were not the subject of this review. We were primarily interested in identifying any aspects of their operations that might be used as ideas for improving how the federal government deals with poor performers.⁴ Appendix II lists the locations we visited.

We visited OPM and MSPB to determine their responsibilities and to obtain information on how well the agencies' processes were working. We also interviewed personnel officials at each agency's headquarters and at each of the 20 locations to determine policies and procedures for identifying and dealing with poor performers and to obtain their opinions on how well the process was working in their location. Additionally, we interviewed 68 judgmentally selected managers and supervisors at the 20 locations. In selecting these, we included both managers and supervisors who had poor performers and those who did not.

The 20 locations we visited employed about 85,000 persons in fiscal year 1988. According to agency records at the 20 locations, 373 employees received less than fully successful appraisals in fiscal year 1988. We designed a data collection instrument (DCI) to obtain information on how these poor performers were dealt with and the results of supervisors' efforts to improve their performance. Supervisors completed DCIs on 340 of these employees. The DCIs for the remaining 33 employees were not completed because the supervisors were no longer at the agencies. We verified the information in about 18 percent of the DCIs to personnel records to test the accuracy of the responses we received.

To obtain additional information on how the government identifies and deals with poor performers, we sent a questionnaire to a random sample of 550 supervisors selected from OPM's database of 252,366 civilian

⁴Where appropriate, we have incorporated a discussion of state and local governments' and private corporations' procedures into the text of this report.

supervisors. The purpose of the questionnaire was to obtain supervisors' opinions and perceptions on the quality of the standards used to measure performance, the process for dealing with poor performers, management support of the process, and taking performance actions against poor performers. We also obtained information on their experiences in dealing with poor performers in fiscal year 1988. We mailed the questionnaire in April 1989 with a follow-up mailing in May 1989.

Of the 550 supervisors in our sample, 396 (72 percent) returned usable questionnaires. The supervisors who responded were employed in 28 federal agencies (see app. III). The questionnaires we received represented approximately 181,704 of the 252,366 civilian supervisors identified by OPM's database. Our sample was designed to yield estimates that are precise within ± 5 percent of the true population at a 95-percent confidence level. However, in some instances where only a subset of the population responded to a question, our results could be less precise because of the decrease in sample size. Estimates with sampling errors greater than ± 5 percent are noted in the report. A copy of the questionnaire is in appendix IV.

As part of our effort to analyze the data and develop the report issues, we convened an eight-member panel of consultants representing private corporations, academia, and the federal government. We discussed the issues and findings in this report with them to obtain their views on how the process for dealing with poor performers was working and how it might be improved. Panel members are listed in appendix X.

Our review, which was done in accordance with generally accepted government auditing standards, did not include an assessment of the government's appeal or arbitration processes. It took place between June 1988 and August 1989. Our scope and methodology are discussed in greater detail in appendix VI. This appendix also contains the universe estimates and estimate ranges that appear in this report.

Written comments on a draft of this report were provided by the Director of OPM, the Executive Director of the National Federation of Federal Employees, the Field Services Department Director of the American Federation of Government Employees, and the National President of the National Treasury Employees Union. OPM's comments are summarized and evaluated in chapters 2 and 4 and are included in appendix I along with our additional analysis. The comments received from the employee unions are discussed in chapter 4 and included in appendixes VII, VIII, and IX.

Supervisors Have Been Able to Deal With Many of the Poor Performers They Identified

Contrary to general perception, most supervisors have been dealing with their poor performers. Supervisors often assisted poor performers by recommending formal training or by providing on-the-job training, additional supervision, and counseling on job performance. When employees' performance remained unacceptable, supervisors proposed performance actions against them.

We found that 62 to 70 percent of the poor performers identified by supervisors either improved their performance to fully successful, voluntarily agreed to vacate their positions, or had performance actions such as demotion or removal proposed against them. Also, about 76 percent of the supervisors responding to our questionnaire indicated a willingness to deal with poor performers in the future.

We found, however, that supervisors were experiencing problems dealing with GS and WG employees who continued to perform at the minimally successful level. Unlike PMRS and SES employees, whose continued performance at the minimally successful level can lead to demotion and/or removal, supervisors' options for dealing with poor-performing GS and WG employees are limited to reassignment or the denial of their periodic within-grade increases. For employees near the top of their grade, such increases are due only once every 2 or 3 years. Thus, these options provide employees with little incentive to improve. The limited supervisory options for dealing with such situations have resulted in employees remaining in the minimally successful rating category for extended periods of time.

The federal process used to deal with poor performers has many similarities to the process used by the state and local governments and private corporations that we visited. One notable exception, however, relates to how many of these organizations dealt with the group of employees causing problems for federal supervisors—minimally successful performers. Of the eight corporations that had this rating category, seven had a policy that such employees could be removed if their performance did not improve.

Most Supervisors Are Not Ignoring Performance-Related Problems

OPM's Federal Personnel Manual states that one purpose of the performance appraisal system is to help managers and supervisors recognize and deal more effectively with performance deficiency problems. The policies and procedures at the 10 agencies we visited state that supervisors are expected to assist poor performers and propose performance actions against employees who are performing at the unacceptable level after being provided with an opportunity to improve.

All of the poor performers whom supervisors have identified and may be dealing with are not necessarily documented through the appraisal process. For example, supervisors are authorized to work with poor performers without preparing performance appraisals. Also, poor performers may either improve their performance or vacate their position at any time during the appraisal period.

Consequently, there are more poor performers throughout the government than the number that are formally appraised as such. For example, OPM data show that about 0.6 percent of federal employees were rated below fully successful in fiscal year 1988. However, according to the questionnaire responses we received from supervisors, an estimated 89,500, or 5.7 percent, of the estimated 1.57 million employees they supervised performed below the fully successful level at some time during fiscal year 1988.¹ We estimated that these employees received annual salaries of approximately \$2.7 billion.

The information in table 2.1 was compiled from the questionnaire and the 340 DCIs to show the results of supervisors' efforts to deal with their poor performers. Overall, our questionnaire analysis showed that about 98 percent of an estimated 50,014 supervisors who had poor performers provided counseling, additional supervision, and/or training to assist these individuals.

¹This report contains information from (1) a questionnaire sent to a random sample of supervisors from OPM's database and (2) DCIs. Unless otherwise stated, the results from the questionnaire are extrapolated to represent the universe. The DCI information represents the actual number of DCIs that were completed.

Chapter 2
Supervisors Have Been Able to Deal With
Many of the Poor Performers They Identified

Table 2.1: Status of Employees Who Were Identified as Poor Performers

Status of employee	Employees in questionnaires		Employees in DCIs	
	Number	Percent	Number	Percent
Improved to fully successful	71	38	116	34
Voluntarily agreed to:				
Demotion	0	0	4	1
Reassignment	15	8	28	8
Resignation	13	7	16	5
Retirement	9	5	11	3
Other	3	2	17	5
Subtotal	40	22	76	22
Performance action proposed	4	2	46	14
Still a poor performer	70	38	102 ^b	30
Total	185	100	340	100

Note: The employees in our DCIs were rated as either minimally successful or unacceptable. The employees identified as poor performers in the questionnaires were not necessarily rated as such.

^aThe questionnaire data in this table are not extrapolated to represent the universe.

^bAt the time of our review, these employees had been poor performers for an average of 12 months and the range was 2 to 32 months.

Table 2.2 shows the results of the 46 proposed actions—15 for demotion and 31 for removal—identified from the DCIs. As the table shows, proposals for demotion and removal were often resolved in other ways.

Table 2.2: Results of Proposed Demotions and Removals

	Demotion	Removal
Actions completed:		
Demotion	8	1
Removal	0	11
Reassignment	5	4
Resignation	0	7
Retirement	0	7
No action taken	0	1
Subtotal	13	31
Actions in process	2	0
Total	15	31

The following examples obtained from the DCIs illustrate how some supervisors have dealt with their poor performers.

- Bill, a GS-11 computer programmer, was informed of his poor performance on October 3, 1988. His supervisor counseled and worked with him

informally, and on November 1, 1988 (about 1 month later), his performance improved to fully successful. According to Bill's supervisor, Bill just needed an additional push to get some tasks accomplished in a more timely manner.

- On July 1, 1988, Bob, a GS-12 engineer, was informed of his poor performance. According to his supervisor, Bob was not self-motivated and historically had not been a strong performer. The supervisor increased the amount of supervision and put Bob on a performance improvement plan. On October 4, 1988 (about 3 months later), Bob improved his performance to fully successful.
- John, a GS-12, was informed at a counseling session on February 8, 1988, that his performance was less than fully successful. To assist John, his supervisor (1) provided him with an opportunity period to improve his performance, (2) increased the amount of his supervision, (3) provided on-the-job training, (4) counseled and worked with him informally, and (5) referred him to counseling services. The efforts were unsuccessful, and the consensus among supervisory and training officials was that John could not perform at the GS-12 level. On April 15, 1988, the supervisor proposed that John be removed; on May 16, 1988 (about 3 months after he was informed of his poor performance), John was removed.

As shown in the following examples obtained from our DCI analysis, supervisors were sometimes willing to spend significant amounts of time assisting their poor performers.²

- Joe, a GS-13 engineer, was informed during a counseling session on June 18, 1986, that although there were several things he did well, one area of his work was minimally successful. The supervisor increased the level of supervision, and on November 1, 1988 (over 28 months later), Joe's performance improved to fully successful.
- Sarah, a minimally successful GM-15, was informed during a counseling session on March 15, 1988, that her performance was less than fully successful. The supervisor indicated that Sarah was not able to delegate tasks and had trouble following up on assignments and bringing them to completion. Sarah's supervisor counseled her, provided on-the-job training and increased supervision, and arranged for Sarah to receive formal training. Sarah's performance did not improve. On February 12,

²Supervisors usually begin to deal with a poor performer by providing informal counseling and supervision. In our DCI, we did not ask supervisors to distinguish between the time spent working with poor performers informally and the time spent during formal opportunity improvement periods. We also did not ask supervisors to comment on the reasonableness of time frames for specific cases of poor performance.

1989 (about 11 months after she was informed of her poor performance), she voluntarily agreed to accept a demotion to a GS-14 position.

The supervisors of the 116 employees in our DCI analysis who improved to fully successful worked with their employees an average of about 10 months before their performance improved to that level. The times ranged from less than a month to 44 months. The median time was 8 months.³ Supervisors said they spent over 1 year each assisting 31 of these employees. The time supervisors spent assisting the employees in our DCIs is included in appendix V.

Even though the process can take a significant amount of time, about 76 percent of the supervisors responding to our questionnaire indicated a willingness to continue to deal with poor performers in the future.

Supervisory Options for Dealing With GS and WG Minimally Successful Performers Are Limited

About 83 percent of an estimated 89,500 poor performers identified by supervisors were performing at the minimally successful level. We do not have data on how many of these poor performers were GS, WG, or PMRS employees. However, it is probable that most of the poor performers were in the GS and WG groups since these groups constitute about 93 percent of the total number of employees in the three groups combined.

The minimally successful performance level poses a problem for supervisors of GS and WG employees because they are limited in the actions they can take to deal with employees who remain at this level for extended periods of time. These employees cannot be rated as unacceptable because their performance in relation to the standards by which they are assessed has not been poor enough to warrant such a rating. Similarly, their performance has not been determined to be good enough to meet the standards for a fully successful rating. According to OPM regulations and discussions with OPM officials, supervisors can only reassign such employees or deny their within-grade pay increases. These options provide little leverage for the supervisor and little incentive for the employee to improve performance, especially since employees near the top of their grade are due such increases only once every 2 or 3 years. Thus, the minimally successful performance can last for extended periods of time.

³Data show that the agencies that provided criteria for an opportunity period did not deal with their poor performers any faster than the agencies that did not.

Some Supervisors View Limited Options for Dealing With Certain Minimally Successful Employees as a Problem

An estimated 33,955, or 19 percent, of the supervisors in our questionnaire indicated that not being able to demote or remove a minimally successful employee has decreased the likelihood that they will deal with these employees in the future. Further, about 69 percent of the 88 personnel officials, managers, and supervisors we interviewed said that minimally successful performers are a problem. The following are examples of comments we received from interviews and questionnaires regarding the minimally successful performance level.

- One manager we interviewed said that minimally successful employees do not present any problem in his division because they are all rated “fully successful.”
- Another manager indicated that existing regulations were not very helpful in dealing with minimally successful employees because little can be done other than to reassign them and they can remain in that level of performance “forever.”
- A supervisor commented, “I have seen people that are minimal that are dead ended in jobs they never leave . . . and they are poor performers for years and years.”
- Another supervisor said “The inability to remove a marginal employee is a serious problem. I recommend that, after two 90-day improvement periods, those remaining marginal become subject to removal, etc.”
- A third supervisor said that “the minimally successful performer is the most difficult to deal with since there are so many gray areas.”

GS and WG Employees Can Remain Minimally Successful for Extended Periods of Time

Some employees remain at the minimally successful level for an extended period of time. For example, the 194 employees in our DCI analysis who were rated minimally successful performed at this level from 11 days to about 44 months, and averaged about 10 months. Because 58, or about 30 percent, of these minimally successful performers were still receiving assistance at the time we completed our analysis, the final average for the group will be even longer.

The responses to our questionnaire also provided evidence of the extended periods of time during which employees can remain minimally successful. An analysis of these responses from supervisors indicated that about 4.7 percent of their approximately 1.57 million subordinates had performed at the minimally successful level at some time during fiscal year 1988. An estimated 20,189, or 27 percent, of these individuals were said to have been performing at this level for 12 months or more.

Table 2.3: Number of Months Employees Were Minimally Successful Performers

Range of time performance was minimally successful	Percent^a
Less than 6 months	46
6 to less than 12 months	27
12 months or more	27

^aThe sampling error for these estimates is greater than 5 percent. See appendix VI.

One of the cases cited in our earlier report on the Social Security Administration illustrates the amount of effort exerted and the frustration experienced by supervisors when attempting to help minimally successful employees improve their performance. In a progress report, a supervisor told an employee that her performance for the previous 3 months was minimally successful and that her within-grade increase would be denied. The employee continued to perform at the minimally successful level for over 3 more years. During that time, we identified at least 10 progress reviews held with the employee as well as an offer of additional training, which the employee declined. Finally, after 3 1/2 years, the supervisor stopped formal efforts to encourage the employee to improve, even though her performance was still only minimally successful.

OPM regulations require agencies' performance appraisal systems to have five summary rating levels, including a level for minimally successful performance. Also, several agencies are using a minimally successful category for rating individual performance elements. Because the Civil Service Reform Act only provides supervisory options for dealing with unacceptable performance by GS and WG employees, supervisors are limited in the options they can take to deal with individuals whose performance falls into the minimally successful category.

Legislation Contains Additional Options for Supervisors to Consider When Dealing With PMRS and SES Employees

There is precedent under current federal law for taking additional actions to deal with the minimally successful performer. For example, 5 U.S.C. 4314(b)(4) states that any senior executive who twice in any period of 3 consecutive years receives less than fully successful ratings shall be removed from the Senior Executive Service.

Also, Public Law 101-103, enacted in September 1989 to extend PMRS for GM-13 through -15 employees, provides for placing any employee whose performance has been rated less than fully successful on a performance

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improvement plan. If the employee fails to attain at least the fully successful level after a reasonable time, the employee can be reassigned, reduced in grade, or removed.

In May 1990, the administration submitted a proposal to reform the pay of federal white collar (PMRS and GS) employees. Under the proposal, employees performing at the fully successful level or above would be eligible for performance-based additions to their pay. However, employees judged to be doing less than fully successful work would not receive any pay increases.

**State and Local
Government and
Private Corporation
Supervisors Have
More Options for
Dealing With
Minimally Successful
Performers**

The performance appraisal systems and the processes for dealing with poor performers used by the state and local governments and private corporations we visited are generally similar to those of federal agencies. The state and local governments' and private corporations' systems generally require supervisors to (1) establish performance plans containing tasks and standards, (2) monitor employee performance against expectations, and (3) prepare performance appraisals. When a poor performer is identified, these systems generally allow for a period within which to improve performance. However, contrary to federal supervisor options for minimally successful GS and WG employees, some nonfederal supervisors have the additional options of demotion and removal.

We visited a total of 18 state and local governments and private corporations. Of the 17 from which we received information regarding an opportunity period for improvement, 16 said that they provided one. Their responses as to how long their opportunity periods lasted are summarized in table 2.4.

Table 2.4: Opportunity Periods of State and Local Governments and Private Corporations

Time frame	Number
1.5 months	1
3 months	4
4 months	1
1 to 3 months	3
1 to 4 months	1
2 to 4 months	1
	1

Like federal agencies, the state and local governments and private corporations generally use the opportunity period to discuss the (1) employee's current level of performance, citing those areas requiring improvement; (2) specific level of performance expected in each of the identified deficiencies; (3) time frames for improvement; and (4) steps management will take to support improvement. If job performance remains unacceptable at the end of an opportunity period, the state and local governments' and private corporations' procedures generally call for action to remove, demote, or reassign the employee.

We found that in the private sector and at the state and local levels, removal and demotion actions can also be taken for minimally successful performers. Of the 12 private corporations we visited, 8 had a rating category equivalent to minimally successful, and 7 had a policy that minimally successful employees could be removed. For example, one corporation's procedures stated that the minimally successful employee is someone who is not consistently meeting the requirements of the job. The procedures further stated that the corporation could not afford to have someone in that situation very long and that there either must be improvement, early consideration for reassignment, or a decision to remove the employee. Of the six state or local governments we visited, four had a rating category equivalent to minimally successful; two had a policy allowing minimally successful employees to be demoted or removed. Thirteen of the other states we contacted also had such a rating category, and 12 allowed minimally successful employees to be demoted or removed.

Seventeen of the organizations we visited also provided an avenue of appeal. At the state and local governments we visited, the process was similar to that of the federal government in that employees could appeal to state or local personnel boards. However, the process for the private corporations we visited differed in that the highest level of appeal—other than filing a lawsuit—was the corporation president or chief executive officer.

The relationship between employers and employees in the private sector—even with regard to performance problems—is generally perceived as being governed almost exclusively by the doctrine of “employment-at-will,” which can be characterized as the right of an employer to fire an employee for any reason and at any time. However, the employment-at-will doctrine has been significantly eroded as a result of several

A fourth option would be to amend the Civil Service Reform Act to provide supervisors with the additional options of demoting and/or removing GS and WG employees who perform at the minimally successful level for extended periods. On a case-by-case basis, supervisors could choose from among the available options after giving due consideration to the individual facts and circumstances. Employees would, of course, retain their rights to appeal or arbitration. This option would enable supervisors to deal more effectively with poor-performing GS and WG employees and would make supervisory options for doing so more consistent with those now available for PMRS and SES personnel.

We favor a combination of the third and fourth options. Such actions would result in more consistency across employee groups regarding the opportunity to earn extra pay for good performance and the denial of pay increases for poor performance. They would also result in more consistency across employee groups regarding the case-by-case options from which supervisors can choose for dealing with poor performance. Finally, such actions could be taken without affecting employee rights for appeal or arbitration.

Matters for Congressional Consideration

Congress should consider ways to ease the difficulties supervisors encounter when dealing with GS and WG employees who have performed at the minimally successful level for lengthy periods. The range of options considered should include the following:

- have agencies change performance standards so that what is now considered to be minimally successful performance becomes unacceptable;
- eliminate the minimally successful rating category by law or OPM regulation;
- enact legislation to link pay to performance more closely for GS and WG employees, while giving supervisors authority to deny pay increases to long-term minimally successful performers; and
- enact legislation to give supervisors the additional options of demoting and/or removing GS and WG employees who remain at the minimally successful level after being given a reasonable opportunity to improve.

Agency Comments

OPM concurred in our reservations about the first two options we presented. With regard to option 2, OPM pointed out that because agencies have some discretion in determining the number of rating levels to

and have resulted in performance at the minimally successful level for extended periods of time.

One option for enabling supervisors to deal more effectively with minimally successful performers would be to redefine performance standards so that performance currently considered minimally successful would become unacceptable. Making the standards more stringent could result in some minimally successful employees moving to the unacceptable rating category. In all probability, however, there would still be employees who would meet the revised standards for minimally successful performance and remain at that level for extended periods. Also, the inconsistency in supervisory options across employee groups would remain.

A second option would be to eliminate the minimally successful rating category completely so that employees who would otherwise have been rated as minimally successful would have to be rated as either unacceptable or fully successful. This could be accomplished if agencies opted to or were required to eliminate the minimally successful rating category from assessment of individual job tasks and if OPM changed its regulations regarding summary ratings for GS and WG employees. The problem with this option, however, is that—in all likelihood—the performance of many employees who are minimally successful would not be considered poor enough to be rated as unacceptable and would thus be rated as fully successful. Therefore, although the rating category would be eliminated, the type of performance it identifies would not. Also, the disparity in supervisory options across employee groups would still exist.

A third option would be to enact legislation that more closely links pay to performance for GS and WG employees. Such legislation could give supervisors the discretion to deny pay increases to employees who perform below the fully successful level for extended periods without a legitimate reason. Alternatively, legislation could be enacted to prohibit pay increases to employees rated below the fully successful level as provided for by the administration's May 1990 proposal for white collar (PMRS and GS) employees. Denying pay increases to poor performers could serve as an incentive for them to either improve their performance or vacate their positions. It would also put them on a more consistent basis with PMRS and SES personnel relative to pay for performance. However, this action would not by itself preclude the employee from choosing to continue performing at the minimally successful level for an extended period. Neither would it completely eliminate the inconsistency in supervisory options across employee groups.

The Process for Identifying and Dealing With Poor Performers Can Be Difficult to Implement

Although most supervisors have been dealing with their poor performers, a significant number have not. Personnel officials, managers, and supervisors believed that poor performers were not always being identified through the appraisal process because supervisors did not want to follow the process for dealing with them.

Many of the supervisors we contacted indicated that identifying and dealing with poor performers can be a difficult and time consuming task. An estimated 91,770, or 51 percent, of the supervisors experienced one or more problems, including the amount of time involved in dealing with such individuals, difficulty in using existing performance standards to measure performance, a perception that they did not have sufficient authority or lacked management support in proposing performance actions, and a reluctance to go through the appeal or arbitration process. Although no one problem was cited by more than 22 percent of the responding supervisors, taken collectively, these problems indicate that the task of identifying and dealing with poor performers may be more difficult than it needs to be.

Not All Supervisors Are Identifying Poor Performers

Personnel officials, managers, and supervisors said that poor performers are sometimes rated fully successful, and thus not formally identified, because supervisors did not want to use the process to deal with them. Our questionnaire analysis provided further evidence that not all supervisors are identifying poor performers. An estimated 19,730, or 11 percent, of the supervisors would be unlikely to use their agency's process to deal with poor performers in the future, primarily because the process takes too long and uses too much of their time. Other reasons cited by respondents included the view that the process disrupted working relationships and that they were aware of problems encountered by other supervisors who had used the process to deal with their poor performers.

According to the questionnaire responses of those supervisors who had poor performers, an estimated 4,130, or 8 percent, had poor performers that they did not assist. Rather than deal with these individuals, the supervisors indicated that they reduced the employee's workload, gave the employee easier work, hoped that the situation would work itself out, or reassigned the employee to another unit.

Some examples of supervisors' questionnaire comments concerning this matter follow.

be used in assessing individual job tasks, the minimally successful category could be eliminated for such tasks without legislative change. However, as also pointed out by OPM, the use of this approach would deny agencies the flexibility of having a minimally successful rating category.

OPM agreed with our third option—adopting pay for performance for GS and WG employees. Concerning our fourth option, OPM agreed that supervisors need additional authority to deal with employees who continue to perform at the minimally successful level after being given a reasonable opportunity to improve. OPM suggested that such authority could be provided by changing the wording of the law to authorize performance-based actions against employees who continue to perform “below the fully successful level.”

OPM prefers this approach for dealing with minimally successful performers because it would retain the flexibility agencies now have to use or not use the minimally successful rating level while at the same time allowing supervisors to act against employees rated as minimally successful in one or more individual performance elements. OPM also pointed out that this approach would conform with the approach recently adopted under the PMRS program. We believe that OPM’s proposal provides a viable way to implement our fourth option.

working with individuals whose performance had improved. As pointed out in chapter 2, this took as long as 44 months.

Some of the comments we received from supervisors regarding time included the following.

- It takes months of a supervisor's time to develop sufficient documentation to remove or demote an employee.
- It takes so long to get rid of someone that supervisors just "put up with" the poor performer.
- The actions leading to an employee's removal are too long and take an inordinate amount of the supervisor's time.
- Even with the Civil Service Reform Act, it is still very difficult and extremely time-consuming to take removal action.

Based on an analysis of our questionnaire responses, an estimated 18,354, or 10 percent, of the supervisors would be unlikely to propose a performance action in the future. Of these, an estimated 11,930, or 65 percent, would be unlikely because the process took too much of their time.²

Supervisors Have Difficulty Using Standards to Measure Performance

To evaluate the performance of their subordinates effectively, federal agency supervisors must have valid performance standards and reliable methods of monitoring and measuring performance in relation to prescribed standards. Federal law (5 U.S.C. 4302(b)(1)) requires that each performance appraisal system shall provide for performance standards that will "to the maximum extent feasible, permit the accurate evaluation of job performance on the basis of objective criteria related to the job in question. . ." The Federal Personnel Manual states that, to the extent feasible, performance standards should be realistic, reasonable, objective, and measurable.

The agencies' performance standards describe measures of performance in both non-numeric terms (i.e., descriptive words) and numeric terms (i.e., quantifiable). Table 3.1 summarizes supervisors' opinions on the adequacy of performance standards.

²The sampling error for this estimate is greater than 5 percent. See appendix VI.

- A supervisor said that the easiest approach (and one proven successful by other supervisors) was to ignore the problem and assign any essential work to other employees.
- A supervisor responded that he would not propose a performance action. He wrote that, historically, his organization has passed on problem employees to a new supervisor instead of dealing with the problem or confronting the employees. He said that if he inherited a problem employee, he would not put his neck on the line to attempt to correct a long-standing deficiency unless he was positive that management would support the action.
- A supervisor commented that most supervisors try to ignore the problem if possible and hope it will go away.
- A supervisor said that the system puts a burden on the supervisor to prove and re-prove the employee's failings to a point that it is not worth the time and effort for supervisors to pursue that course of action.
- A supervisor commented that she had a poor performer who had been an ongoing problem. The employee had been placed in jobs she was unable to handle for the last 5 years. Rather than dealing with the real problem of her inability to supervise and handle multiple tasks with constant interruptions, she was passed around, consequently causing problems for many people.

Over 60 percent of the 88 personnel officials, managers, and supervisors interviewed at the 20 locations we visited also expressed a concern that not all supervisors were identifying their poor performers. Some of the reasons they gave for this nonidentification were that

- the process is too time-consuming,
- supervisors want to avoid confrontation, and
- supervisors believe they lack management support.

Supervisors Believed That Dealing With Poor Performers Took Too Much of Their Time

Our questionnaire analysis showed that supervisors spent an average of about 5 hours a week providing assistance to each poor performer they had; our DCI analysis showed that this time commitment could extend for several months.¹ For example, of the 102 employees who were identified in our DCIs as poor performers and who were still in that category at the time we completed our review, 38 had been rated as unacceptable. Fourteen of these individuals had been assisted for periods of time ranging from 13 to 32 months and actions to deal with them still had not been proposed. Supervisors also had to spend long periods of time

¹The sampling error for this estimate is greater than 5 percent. See appendix VI.

Supervisors Perceive a Lack of Management Support

An estimated 28,907, or 16 percent, of the supervisors perceived a lack of adequate management support for taking performance actions against unacceptable performers. Examples of their comments follow.

- Most upper level managers are reluctant to support actions dealing with employee performance. They often use a common “cop out” such as “the employee’s performance is your own/our failure to deal with performance.” The end result often leads to frustration and a passive attitude with first and second level supervisors and managers.
- Increasingly, management is apathetic to supervisors trying to work through or with a performance problem. Often, evidence and documentation clearly indicate the problems, yet management refuses to be responsive to the supervisor.
- Management discourages giving anyone a less than fully successful rating because of the problems that can arise if the employee decides to fight the rating.
- Higher levels of management and some involved in personnel work may be supportive to little or no extent, often creating confusion and frustration for the employee and supervisor.

The following DCI case highlights the lack of management support that can be experienced by a supervisor.

Jack, a GS-13 management analyst, was first recognized as a poor performer on March 27, 1988. He was provided with informal feedback, counseling, and written comments on his completed work. During his progress review on June 29, 1988, his supervisor provided him with written comments on the specific tasks that needed to be improved so that he could be rated at the fully successful level. Jack’s supervisor also offered to meet weekly with him to discuss assignments and performance, recommended specific training that could improve performance, and referred him to a counseling service. Jack was given until September 30, 1988, to improve.

Before the end of the rating period, the supervisor recognized that Jack’s performance had further deteriorated and sought assistance from both her immediate supervisor and Employee Relations. It was decided that Jack’s rating would be delayed and he would be given a 60-day written notice to improve. Jack’s supervisor started writing the notice in August 1988; it was not completed until October 7, 1988. According to the supervisor, the notice was delayed because of the complexity of Jack’s position, coupled with Employee Relations’ concern that all documentation be absolutely defensible (e.g., the deficiencies be accurately

Table 3.1: Supervisors' Opinions Concerning the Adequacy of Performance Standards

	Non-numeric standards		Numeric standards	
	Number	Percent	Number	Percent
Adequate	107,829	75	69,286	64 ^a
Neither adequate nor inadequate	20,189	14	18,354	17
Inadequate	16,519	11	20,648	19

^aThe sampling error for this estimate is greater than 5 percent. See appendix VI.

Among supervisors citing problems with standards, the most frequently stated problem was that it was difficult to measure the employee's performance against the standards. About 33 percent of an estimated 18,354 supervisors who indicated that they would be unlikely to propose a performance action in the future said the standards were not sufficient to support the action.³

Supervisors Perceive a Lack of Authority to Propose Performance Actions

Lack of authority was viewed as a problem by an estimated 39,002, or 22 percent, of the supervisors. This sense of insufficient authority was higher among supervisors who had experience dealing with poor performers than among those who had not. About 32 percent of the supervisors with poor performers perceived a lack of authority.⁴ Only about 18 percent of the supervisors without poor performers had this problem.

Our questionnaire analysis showed that supervisors who believed they lacked authority to propose actions were less likely to do so than supervisors who believed they had the authority. Of the estimated 39,002 supervisors who believed they lacked authority, about 21 percent were unlikely to propose action against poor performers.⁵ Of the supervisors who believed they had authority, only about 7 percent were unlikely to propose action.

³The sampling error for this estimate is greater than 5 percent. See appendix VI.

⁴The sampling error for this estimate is greater than 5 percent. See appendix VI.

⁵The sampling error for this estimate is greater than 5 percent. See appendix VI.

Supervisors Are Reluctant to Go Through the Appeal and Arbitration Process

Over 40 percent of the personnel officials, managers, and supervisors we interviewed said that the potential for an employee using the appeal or arbitration process would affect a manager's or supervisor's willingness to pursue a performance action.

Some of the comments we received are as follows.

- "The appeal/arbitration process is a very definite deterrent due to the fear of the unknown and the fact that you are out on a limb."
- "The supervisor knows that it will be a time-consuming, uphill battle because the burden of proof is on the supervisor."
- "It is a painful process, but it is needed."
- "The balance with respect to documenting and dealing with poor performers is on the side of the employee. The burden of proof rests almost exclusively with the supervisor, requiring much time and an incredible amount of documentation before appropriate action can be taken by the supervisor. Many first line supervisors are reluctant to take action for this reason. The grievance/appeals/arbitration process often assumes the supervisor to be 'guilty' and the problem employee 'innocent.'"

Our questionnaire analysis showed that about 35 percent of the estimated 18,354 supervisors who would be unlikely to propose a performance action in the future did not want to go through the appeal or arbitration process.⁹

Conclusions

The comments from supervisors responding to our questionnaire indicate that identifying and dealing with poor performers can be a difficult and time-consuming task. We agree with this observation. It is difficult to inform employees of performance problems. In addition, the interaction associated with providing employees with the opportunity to improve their performance can result in the preparation of a certain amount of documentation and require a great deal of a supervisor's time.

It would be unrealistic to expect to eliminate all of the difficulty associated with this process. However, it is unfair to expect managers and supervisors to operate in an environment where identifying and dealing with poor performers tends to be much more difficult than it needs to be. The problems experienced by supervisors indicate that this has frequently been the case.

⁹The sampling error for this estimate is greater than 5 percent. See appendix VI.

described within the scope of the performance standards, the marginal level of performance necessary to retain the position be accurately described, etc.).

Jack's performance did not improve during the opportunity period; therefore, his supervisor felt that a proposal to remove him was appropriate. Jack then presented a medical letter and used an excerpt from that letter in an attempt to be reassigned. The excerpt stated that the employee may benefit from a change in assignment. No further explanation or information was requested, and, based on that one statement, Jack was reassigned. The supervisor said that this was at least the second time that Jack has been dealt with through reassignment.

This sense of inadequate support was higher among supervisors who had experience in dealing with poor performers than it was among those who had not. About 24 percent of the supervisors with poor performers perceived a lack of management support.⁶ Only about 13 percent of the supervisors without poor performers perceived this problem.

According to our questionnaire analysis, of the approximately 18,354 supervisors who would be unlikely to propose a performance action in the future, about 58 percent would be unlikely to take action because they believed they did not have management's support.⁷ Our analysis also showed that supervisors who believed they did not have management support to propose actions were less likely to propose actions against unacceptable performers than those supervisors who believed they had support. Of the supervisors who believed they did not have management support, about 31 percent said they were unlikely to propose actions.⁸ Only about 6 percent of the supervisors who believed they had management support were unlikely to propose actions.

⁶The sampling error for this estimate is greater than 5 percent. See appendix VI.

⁷The sampling error for this estimate is greater than 5 percent. See appendix VI.

⁸The sampling error for this estimate is greater than 5 percent. See appendix VI.

Management Commitment Is Needed to Enhance Efforts to Deal With Poor Performers

There are no easy answers to the questions of how to better motivate managers and supervisors to identify poor performers or how to make it easier to deal with them. An essential element, however, is that top management needs to be committed to assisting its managers and supervisors in carrying out this important task and assuring them that they will be supported throughout the process.

We believe that agencies could best demonstrate this commitment and alleviate the burden on the employees' supervisors by improving supervisory training, ensuring that supervisors receive a greater degree of technical assistance from agency personnel officials, and providing more definitive and visible management oversight. Enhanced training and technical assistance could help supervisors to clearly understand their authority and responsibilities and make them aware of the assistance and support that is available to them when working to resolve performance-related problems. Managerial oversight could complement this effort by reinforcing management's interest in the performance management process and identifying situations where supervisors may need assistance.

Supervisors Need Training and Technical Assistance

Supervisors responding to our questionnaire cited a lack of guidance as one of the reasons they would be unlikely to deal with poor performers in the future. Of those supervisors who indicated that they would be unlikely to take performance actions, about 3,212, or 18 percent, have not been given sufficient guidance on using the process.¹

Supervisors need training and technical assistance to assist them in identifying and dealing with poor performers. The Federal Personnel Manual states that no effort should be spared to ensure that supervisors are fully prepared to carry out their supervisory responsibilities. The Manual states that at a minimum, agencies need a formal training program with periodic refresher training for all supervisors. The program should, at a minimum, include training to help supervisors develop and use realistic performance standards and distinguish among various levels of performance to justify rewards or initiate performance action. The Manual also states that agency personnel offices should furnish supervisors with the technical information they need to implement and manage the performance appraisal program.

¹The sampling error for this estimate is greater than 5 percent. See appendix VI.

There are no easy answers that would remedy this situation. We note, however, that supervisors need to believe that management is concerned about poor performers, that there is an interest in getting poor performers to improve, and that assistance will be provided if it is needed. Chapter 4 provides additional insight into the actions that could be taken to help demonstrate such a commitment.

Additional Managerial Oversight Needs to Be Provided

One essential aspect of the performance appraisal process is a provision for continuous review, assessment, and—when needed—revision. Federal personnel instructions require agencies to establish methods and procedures for periodically evaluating the effectiveness of their performance appraisal systems.

At 16 of the 20 locations we visited, however, personnel officials said that they did not receive or maintain statistics on the number of poor performers given opportunities to improve, how poor performance cases were being resolved, or how long it took to deal with performance problems. Moreover, most of the program managers we contacted did not believe they had any responsibilities for managing and monitoring the process for dealing with poor performers.

Management oversight would be particularly useful in helping address two of the problems cited by supervisors in identifying and dealing with poor performers—(1) the difficulty in using standards to measure performance and (2) the concern that working with poor performers takes too much time.

On their questionnaires, supervisors provided the following examples of specific standards they were having problems with and why they were a problem.

- A numeric standard required “three to six successful industrial engineering studies during the year.” The supervisor commented that the problem with this standard is that studies may vary from relatively short duration (i.e., a single issue economic analysis) to a multiyear plant layout. The supervisor also commented that the plant layout may not prove successful or unsuccessful until the facility is occupied.
- A non-numeric standard required that an employee “lead and/or conduct inspections/investigations of a complex and/or specialized nature.” The supervisor said that the problem with this standard is that the actual quality of individual inspections is often unknown because the employee does them away from the office.
- A non-numeric standard required an employee to “process routine and most complex claims timely and accurately, utilizing the appropriate adjudicative technique.” The supervisor said that the problem with this standard is that “timely” and “accurately” are not defined. The supervisor also commented that performance standards need to be well-

According to personnel officials at each of the 20 locations we visited, initial performance management training is provided for its supervisors; however, 7 of the locations did not provide refresher training. Many of the supervisors responding to our questionnaire said they had not received training or believed their training was inadequate in the following areas:

- using performance standards,
- assisting poor performers in improving their performance, and/or
- initiating performance action against unacceptable performers.

Table 4.1 shows the supervisors who said they did not receive training in these areas. Table 4.2 shows, for the supervisors who received training, their opinion of the adequacy of training in the three areas.

Table 4.1: Supervisors Who Did Not Receive Training

Type of training	Number	Percent
Using performance standards	25,695	15
Providing assistance to poor performers	44,967	25
Initiating/proposing performance actions	51,391	29

Table 4.2: Supervisors' Opinions on the Adequacy of Training

Type of training	Adequate		Neither		Inadequate	
	Number	Percent	Number	Percent	Number	Percent
Using performance standards	110,123	74	20,648	14	18,354	12
Providing assistance to poor performers	104,158	78	19,272	14	10,554	8
Initiating/ proposing performance actions	96,817	76	18,354	14	11,471	9

Generally, supervisors who either did not receive training or received training they considered to be inadequate in these three areas were more negative in their perceptions of (1) their authority to propose a performance action, (2) management support, and (3) their willingness to propose actions against poor performers. For example, about 34 percent of the supervisors who did not receive training in the area of proposing performance actions believed they lacked authority to take action against unacceptable performers.² Only about 17 percent of the supervisors who received training believed they lacked authority.

²The sampling error for this estimate is greater than 5 percent. See appendix VI.

instances of reluctance to propose performance actions against unacceptable performers because they perceived a lack of authority and inadequate management support.

Identifying and dealing with poor performers involves subjective judgment. Thus, there are no simple solutions to the questions of how to better motivate managers and supervisors to identify poor performers or how to make it easier to deal with those performers. Some of the obstacles cited by supervisors, such as a perceived lack of authority, may lend themselves to such prescriptive solutions as additional training. But solutions to other obstacles, such as the perceived lack of management support or the amount of time involved, are more complex. In fact, given human nature, well-intended prescriptive actions could provide unintended results. For example, supervisors who find it difficult to confront poor performers because they do not want to engage in adversarial situations might simply stop doing it altogether if additional reporting requirements were imposed that they considered to be unreasonable.

Individual motivation is a key factor regarding the extent to which supervisors deal with poor performers. Thus, it is important for management to create an environment within which supervisors are encouraged and motivated to identify poor performers and supported when they try to deal with them. Toward that end, options 3 and 4, which we discussed in chapter 2, offer the potential for eliminating some of the frustration supervisors experience in dealing with their minimally successful performers. These proposals could provide some incentive for such employees to improve their performance and make it easier for supervisors to deal with them.

Other actions that could provide a more positive environment for supervisors include more definitive and visible involvement and oversight on the part of agency top management and increased training and technical assistance. By making the commitment and becoming more actively involved, management could more clearly demonstrate its interest in helping supervisors identify and deal with their poor performers. Oversight would enable management to identify areas in which further training and support are needed and help to ensure that the process requirements do not result in supervisors spending more time than warranted in dealing with poor performers. Finally, through training and technical assistance, management could help supervisors more clearly understand their authority and assist them in developing better standards for assessing performance.

defined (clear and specific) and that supervisors need methods of collecting and reviewing employee performance that are not labor intensive. He pointed out that if the above conditions are not met, it is most difficult for the supervisor to do his or her job.

- A non-numeric standard required an employee to implement Equal Employment Opportunity/Affirmative Action Program objectives at the first line supervisory level. According to the supervisor, the problem with this standard is that it is too vague. Also, the actions required are beyond the authority of the ratee to implement.

Through oversight, management could take an active interest in identifying such standards and working with supervisors and employees to improve them. Oversight is particularly important in situations where agencies use generic standards that are written to cover all employees who occupy a particular type of job. Because of the general applicability of such standards, it would be difficult for supervisors to initiate action to improve them without management interest and cooperation.

Oversight would also be useful in managing the time period over which supervisors deal with their poor performers. As we pointed out previously, the process for dealing with poor performers usually begins with informal counseling and closer supervision and proceeds to a formal written notice of an opportunity to improve if the informal process is not successful in improving performance. Neither the formal nor the informal processes were monitored by management at the locations we visited to assess the progress employees were making or the problems supervisors were having in dealing with them. The lengthy time of some of the poor performance cases identified in this report strongly suggests that increased management oversight is needed and that progress in dealing with poor performers should be periodically reviewed.

Conclusions

The process for identifying and dealing with poor performers has been used to improve many employees' performance or to take various other performance actions. However, a significant number of supervisors either have not dealt with their poor performers or said they would not deal with them in the future. In addition, approximately 51 percent of the supervisors reported that they experienced difficulties in implementing the process for dealing with poor performers. Performance standards can be difficult to use in identifying poor performance; the process can also be very time consuming. Further, supervisors reported

- giving more attention to working with supervisors and employees to develop and maintain good performance standards; and
- ensuring that managers and supervisors are aware that they have the authority to take performance actions against unacceptable performers.

Additionally, we recommend that OPM require agencies to establish methods and procedures for overseeing how well poor performers are being identified and dealt with. Oversight is important in assessing supervisors' performance in dealing with these individuals, identifying other problems in need of management attention, and helping ensure that the time involved in dealing with individual poor performance cases does not become unreasonable. In making this assessment, agencies should periodically check the progress being made in dealing with persons who have been identified as poor performers.

Agency Comments and Our Evaluation

Comments From OPM

OPM agreed with our recommendations and cited a number of actions that, if fully implemented, should improve the ability of supervisors to identify and deal with their poor performers.

OPM said that it plans to issue memoranda to heads of departments and agencies and directors of personnel urging them and their top managers to make effective performance management a high priority. It also is revising its guide for managers, entitled "Taking Actions on the Problem Employee," and said that the revised guide will place additional emphasis on dealing with poor performers.

OPM also agreed that it should assist agencies in providing the training and technical assistance necessary to effectively deal with poor performers and expressed the view that the preparation of a specialized course on dealing with poor performers could lead to a marked improvement in supervisors' skills and confidence in this area.

OPM also concurred in the need for effective monitoring of performance management activities within agencies. It said that agencies are required to periodically evaluate the effectiveness of their performance management systems and that identifying and dealing with poor performers is

How much time should be spent in dealing with poor performers? This is a difficult question and can vary given individual circumstances. As noted earlier, supervisors usually begin to deal with a poor performer by providing informal counseling and supervision before proceeding to a formal opportunity period. Because employees who are given a formal opportunity period must be told how much time they will be given to improve their performance, management should use this time frame as a basis for assessing progress. However, making such assessments in informal situations will be more difficult. At a minimum, management should stress to supervisors the importance of using milestones even when they are working informally with their employees.

A final issue we identified was the supervisors' concern about the appeal and arbitration processes. Many perceived these processes to be cumbersome, complex, lengthy, and slanted too much in favor of the poor performer. Because an assessment of these processes was outside the scope of our review, we cannot judge the validity of the supervisors' perceptions on this issue. We can only note that this issue is particularly complex in that it involves balancing employee and management rights. The ultimate answer to the supervisors' perceptions may rest with a determination by the executive branch and Congress as to whether the present balance is proper.

Recommendations to the Director of OPM

Within the area of performance management, OPM is responsible for providing personnel leadership to federal agencies. Accordingly, we recommend that the Director of OPM stress the need for a greater commitment and more visible involvement from top managers in identifying and dealing with poor performers. Top management commitment and involvement will show managers and supervisors that the identification and resolution of performance problems are important, are matters of great concern, and that upper management supports the effort.

We also recommend that OPM assist federal agencies in demonstrating this commitment by ensuring that all agencies provide periodic training and the necessary technical assistance to adequately prepare managers and supervisors to identify and deal with poor performers. The training should focus on

- making clear, to managers and supervisors at all levels, the policies and objectives regarding the identification and resolution of employee performance problems;

cause as will promote the efficiency of the service," a requirement not specified in chapter 43. Finally, the agency must be prepared to justify its choice of sanction in light of existing mitigating and aggravating factors. No similar requirement exists for chapter 43 actions.

The National Treasury Employees Union also did not believe legislation was needed to deal with minimally successful performers. It suggested requiring agencies to establish written performance standards at all levels of performance as opposed to only the fully successful level. While such action could possibly help supervisors identify poor performers, we do not believe it would directly address supervisors' problems in dealing with poor performers after they have been identified. Because this latter problem is the focus of our attention in presenting the third and fourth options, we continue to believe they are appropriate.

an aspect of performance management. It also identified a number of activities it has undertaken to assist agencies in carrying out this task.

A more detailed discussion of OPM's comments is included in appendix I.

Comments From Federal Employee Unions

Three federal employee unions expressed general agreement with the information contained in our report. (See apps. VII, VIII, and IX.) However, the National Federation of Federal Employees expressed concern with our position on minimally successful performers, pointing out that because their performance was not unacceptable, such employees were performing successfully. The union also questioned whether denial of annual pay increases could serve as incentive for performance improvement, and said that minimally successful performers could, in fact, be fired.

We considered poor performers to be employees who were performing below the fully successful level. Looking at this issue from the taxpayer's point of view, we believe that the fully successful level is the minimum level of performance federal agencies should accept, and therefore disagree with the National Federation of Federal Employees on the acceptability of minimally successful performance. Our view is supported by the options available for dealing with minimally successful performance under SES and PMRS systems.

With regard to denial of within-grade increases, our concern was that employees who have been in grade for longer periods of time do not receive within-grade increases every year. It was our view that denying within-grade increases would provide little incentive if the employee was not scheduled to receive one. Perhaps the union is right in saying that denial of annual pay increases would be no more effective. But at least under that situation, minimally successful performers would not receive pay that was comparable to those who performed at the fully successful level or above.

Finally, while it is true that chapter 75 of title 5 of the U.S. Code, which generally governs disciplinary actions, can be used in some circumstances to reduce in grade or remove poorly performing employees, the requirements are far more administratively burdensome on agencies than performance-based actions governed by chapter 43 of the U.S. Code were designed to be. An agency using chapter 75 procedures must meet a higher standard of proof than that required under chapter 43. The agency must also prove that the action is being taken "for such

KEY ISSUES RELATED TO RECOMMENDATIONS AND CONCLUSIONS

I. Conclusions and Recommendation on Dealing with Poor Performers

Clarification of Agency Flexibility in Establishing the Minimally Successful Performance Level

The report includes a discussion of possible options for dealing with poor performers which culminates in four recommendations for Congressional consideration. (Reference pages 41-44.) When discussing poor performers, the report refers to two categories of employees: minimally successful and unacceptable performers.

Most of the issues raised in the report revolve around perceived difficulties in dealing with the minimally successful performer. In this respect, there appears to be a misconception underlying some of the report's statements and conclusions regarding whether agencies must establish a performance rating level of minimally successful in their performance appraisal plans. Prior to addressing the report's recommendations on dealing with poor performers, we want to clarify that OPM regulations, at 5 CFR Part 430.204(h), require only that agencies must establish five summary performance rating levels, including a level between fully successful and unacceptable for employees in the General Schedule and Prevailing Rate categories. The regulations also give agencies certain discretion in establishing the number of rating levels for individual critical performance elements. Although agencies must provide for at least three rating levels for each critical performance

See comment 1.

Comments From the Office of Personnel Management

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



OFFICE OF THE DIRECTOR

UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
WASHINGTON, D.C. 20415

JUL 23 1990

Richard L. Fogel
Assistant Comptroller General
General Accounting Office
Washington, D.C. 20548

Dear Mr. Fogel:

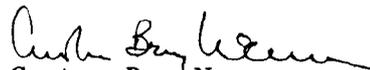
In response to your recent request, I am forwarding the Office of Personnel Management's (OPM) comments on the draft General Accounting Office (GAO) report entitled, Performance Management: How Well is the Government Dealing with Poor Performers.

I would like to commend GAO for undertaking a broad-gauged study on this difficult but important topic. The information contained in the report will be very helpful to agencies and OPM in understanding better the challenging issues and problems faced by managers and supervisors in dealing with poor performers in the Federal workforce. Also useful was the discussion of the draft report between Bernard Ungar and Directors of Personnel held recently at OPM. I am confident that the information, analysis and recommendations in the report will stimulate and support a variety of measures to strengthen the ability of supervisors to identify and deal with poor performers effectively.

Our specific comments on the draft report are grouped into two major categories: comments relating to the report's key conclusions and recommendations and comments dealing with technical aspects of the report's underlying assumptions, characterizations and findings. These comments are contained in the enclosed material. Questions concerning the comments may be directed to Allan D. Heurman of OPM's Personnel Systems and Oversight Group on (202) 606-2910.

We appreciate the opportunity to comment on the report.

Sincerely,


Constance Berry Newman
Director

Enclosure

unacceptable. Further, such activity would not require action by Congress as implied by the later section entitled, "Matters for Congressional Consideration." OPM would also like to point out that agencies currently have the ability to revise standards to reflect performance requirements more accurately. Further, OPM believes that establishing and revising fair and defensible performance standards must be done on a case-by-case basis and relate to performance expectations and mission requirements and not as a response to a general admonition to upgrade performance requirements. Accordingly, OPM suggests that option one be reconsidered.

Option 2

The second option recommends eliminating the minimally successful rating category either through law or regulatory action. As pointed out above, agencies, through the design of their performance appraisal systems, already may choose to do this with respect to rating levels on individual performance elements. Only OPM's regulation requiring agency performance appraisal systems to provide for a minimally successful summary performance rating level would have to be changed to support this option. Although OPM will consider this recommendation, we would prefer a closely related legislative approach, similar to that recently enacted for Performance Management and Recognition System (PMRS) employees (P.L. 101-103, the Performance Management and Recognition System Reauthorization Act), which preserves agency flexibility to rate employees at three to five different levels on individual performance elements, and which allows performance-based reduction in grade and removal actions to be initiated solely on the basis of determining that an employee's performance falls below the fully successful level for one or more

See comment 3.

element, including a description at the fully successful level (5 CFR 430.204(e), there is no requirement to establish a minimally successful performance level for individual elements.

Many agencies have used this flexibility and have established performance appraisal systems which provide for only three ratings levels on individual performance elements. These systems do not utilize the minimally successful rating level on individual performance elements. The only level of performance below fully successful in these systems is unacceptable. Thus, for agencies who have three rating level systems (for individual performance elements), personnel actions to reduce in grade or remove employees may be initiated when an employee's performance is determined to be at the unacceptable level on one or more critical performance elements, irrespective of the employee's summary performance rating. (Note that 5 CFR §432.104 provides for taking reduction-in-grade and removal actions based on unacceptable performance in one or more critical elements.)

Option 1

With this flexibility in mind, we find that the first option, which would encourage agencies to change employees' individual performance standards so that current minimally successful performance would be considered unacceptable performance, is not effectively precluded or limited by OPM regulation as the discussion implies. That is, by eliminating the standard of minimally successful, an agency gains the ability to determine that performance below the fully successful level is

See comment 2.

Option 4

The fourth option addresses the possibility of amending the Civil Service Reform Act of 1978 to allow for reduction-in-grade and removal actions based on minimally successful performance by a GS or WG employee. While this approach directly addresses the minimally successful issue, we would suggest an alternative approach. Specifically, combine the flexibility agencies now have to eliminate the minimally successful level for individual elements (see discussion on pages 1 and 2) with the authority for agencies to initiate performance based actions on the basis of determining that the employee is not performing at the fully successful level. This approach would give agencies the same flexibility with respect to non-PMRS employees that they now have with respect to PMRS employees, i.e., to eliminate, or retain, the minimally successful performance level and to initiate an action based on a determination that performance is below the fully successful level, without needing to assign either an unacceptable or minimally successful rating. It should be pointed out that this approach should also contain the provision, as is the case with the PMRS system, that agencies must provide employees performing below the fully successful level with an opportunity to correct their deficiencies through a performance improvement plan (PIP) prior to a determination being made on whether or not to propose a removal or reduction in grade action.

This approach should help deal with chronically poor performers as intended by option 4, preserve agency flexibility in designing performance appraisal systems, and avoid the difficulty of "selling" a legislative change which would permit management action against an employee who received a rating that indicates "successful" performance (as in "minimally successful"). In further support of this

critical elements. This differs from the non-PMRS law and regulations which require a determination that the employee's performance is unacceptable in one or more critical elements. This difference in the kind of determination required - that the performance is unacceptable for non-PMRS employees vs. that the performance is below fully successful for PMRS employees - can be a substantive one where agencies have five level systems, including minimally satisfactory.

OPM supported the revision to the PMRS system and has recently issued regulations, at 5 CFR Parts 430 and 432, implementing the new provisions of law relating to actions based on below fully successful performance. This approach preserves flexibility and permits agencies to take timely action in dealing with poor performers. It also closely relates to GAO's option number four discussed on page 43 of the report. (See also our comments below on option 4.)

Option 3

The third option recommends the enactment of legislation which would more closely link pay to performance for GS and WG employees. OPM does, of course, support this type of approach and, as the report recognizes, the Administration has a Pay Reform bill currently pending before Congress which includes provisions for denying basic pay increases to employees who are performing below the fully successful level. However, as the discussion in the report points out, measures of this nature will not completely address the types of problems identified by supervisors and managers in dealing with poor performers, especially those employees who are chronically marginal performers.

high priority and to apply the flexibilities in the current government-wide system in ways that recognize and reward good performers and take appropriate actions to deal with poor performers. Further, we are revising and updating a very useful and popular guide for managers ("Taking Action on the Problem Employee") dealing with employees with conduct and performance deficiencies. The revised guide will place additional emphasis on dealing with poor performers. Finally, OPM has recently released a draft FPM Chapter 432, "Performance Based Reduction in Grade and Removal Actions," to agencies and major unions for review and comment. This FPM material includes extensive guidance on identifying and dealing with poor performers.

Second Recommendation

We also support the second GAO recommendation, which calls for OPM to assist agencies in providing periodic management and supervisory training, as well as the needed technical assistance in dealing effectively with poor performers. While we believe that the focus of training and technical assistance should encompass the full range of performance management skills and techniques, we can see the possibility that a specialized course on dealing with poor performers could lead to a marked improvement in supervisors' skills and confidence in this particular area.

OPM's regulations at 5 C.F.R 430.208 require that "agencies must provide appropriate training and information to supervisors and employees on the appraisal process." The appraisal process, as described at C.F.R. 430.204 (i) and (j), includes

approach, agencies, to OPM's knowledge, have not experienced any difficulties in implementing the revised job retention provisions of the new PMRS legislation.

II. Recommendations to the Director of OPM

Chapters 3 and 4 provide a discussion of supervisory and managerial perceptions of the procedural difficulties involved in dealing with the poor performers as well as the management initiatives which could help ease some of these difficulties. Included in the discussions are recommendations for OPM action. The following comments address these recommendations.

First Recommendation

The first recommendation is that OPM be more active in stressing the need for top agency management to become more visibly involved and to make a greater commitment to identifying and dealing with poor performers effectively. We agree with this recommendation, particularly in light of the results of the study which indicate that, in many cases, supervisors do not feel that they have management's support or sufficient authority to initiate or take performance-based actions. OPM has several current initiatives underway which should contribute to this objective, including commissioning a major study by the National Academy of Sciences to examine successful performance appraisal systems and techniques in the private sector which can be applied in the Federal system to manage and measure employee performance more effectively. In addition, OPM plans to issue memoranda to heads of departments and agencies and Directors of Personnel urging them and their top managers to make effective performance management a

Third Recommendation

The final recommendation is that OPM require agencies to establish methods and procedures for overseeing how well poor performers are being identified and dealt with. We concur with the need for effective monitoring of performance management activities within agencies. Again, we believe that OPM's regulations at 5 C.F.R. 430.208 establish such a requirement, i.e., agencies "must establish methods and procedures to evaluate periodically the effectiveness of the system(s) and to implement improvements as needed." In our view, this requirement necessarily encompasses the evaluation of how well agencies identify and deal with poor performers, including whether there is timely identification of and feedback to employees with performance problems, and whether agency action is taken as appropriate to deal with poor performers.

Agency systems developed in accordance with statutory and regulatory requirements are reviewed by OPM to ensure that each such system meets all requirements. In addition, OPM has issued FPM guidance providing information and possible methods for evaluating all aspects of performance appraisal systems. Further, OPM has several activities underway aimed at enhancing the evaluation and oversight of Federal personnel management programs, including efforts to assist agencies in improving their internal oversight programs. Among these activities is a recent project coordinated by OPM's Agency Compliance and Evaluation (ACE) office which involved a review of agency performance management systems. ACE has produced a draft report entitled. "OPM

supervisory assistance to improve employees' substandard performance, and taking appropriate personnel actions when employees' performance continues to be unacceptable. It is our expectation that agencies understand the importance of complying with OPM's regulatory requirements, but OPM may need to increase its efforts to encourage and assist agencies in seeing that this type of training is provided to their managers and supervisors.

OPM's nationwide training program includes several courses on dealing with problem employees, e.g., "Performance Management: Coaching and Appraisal," "Performance Management: Individual Performance Planning," and "Supervising Performance, Conduct and Leave." Also, OPM currently is engaged in an extensive review and "overhaul" of its training curriculum in key personnel management areas, including that of performance management. As part of this review, OPM will consider the benefits of adding a course which has as its primary objective the improvement of supervisors' practical skills in dealing with poor performers. Finally, OPM will consider recommending to agencies that training and information on the appraisal process be offered on a recurring basis to help ensure that supervisors and managers keep their skills up to date and recognize the importance of proper implementation of the performance appraisal system.

The following are GAO's comments on OPM's letter dated July 23, 1990.

GAO Comments

1. We revised the wording on pp. 2, 13, 22, 24, and 28 to more clearly show that OPM requires agencies to establish the minimally successful rating category for summary performance ratings and that agencies have discretion in the number of rating levels they establish for individual job tasks. It should also be noted that although agencies do have the flexibility to use only 3 rating levels for individual job tasks, 4 of the 10 agencies we visited used 5.

As pointed out by OPM, agencies may initiate personnel actions when an employee's performance is determined to be at the unacceptable level for one or more critical elements, regardless of the employee's summary rating. This does not, however, eliminate problems supervisors experience in dealing with employees who are viewed as performing at the minimally successful versus unacceptable level.

2. We have clarified our discussion of option one so as not to imply that changing performance standards would be precluded by OPM regulation. As we pointed out in the report, option one does not appear to offer a complete solution, because even if the standards were made more stringent, there would still be employees who would perform at the minimally successful level. Like OPM, we view other options as offering better solutions to the problem.

3. As previously noted, we have revised the report to address agencies' flexibility with respect to establishing rating levels for individual job tasks. This, however, does not eliminate the problem. While the minimally successful rating category could be eliminated, the type of performance it identifies would remain.

Government-Wide Review: Performance Management Systems at Federal Installations." This study involved many aspects of performance management, such as training for supervisors and employees, as well as documentation and support for performance-based actions taken by agencies. The draft report is currently undergoing internal OPM clearance.

ACE also has undertaken several projects involving the evaluation of agencies' abilities to monitor the effectiveness of their performance management systems. In February 1989, ACE published a "Survey of Agency Personnel Management Evaluation Programs," which contains an assessment of all areas of coverage by agencies' internal Personnel Management Evaluation (PME) programs, including performance management. As a result of that survey and its recommendations, OPM has established three interagency task forces whose purpose is to enhance agency oversight capabilities by (1) developing guidelines for agencies' internal PME programs; (2) developing and exchanging ADP resources for PME; and (3) developing PME guidance for small agencies.

Finally, OPM will continue to produce the "Annual Report to the President and the Congress on the Effectiveness of the Performance Management and Recognition System." The first three reports provide a broad range of information concerning the effectiveness of the system with regard to quality of performance standards and elements, perception of equity, inflation of ratings, training, and agency efforts to improve effectiveness. A fourth report is now in preparation.

Federal Agencies Represented in Our Questionnaire

Department of the Air Force
Department of the Army
Department of Commerce
Department of Defense
Department of Education
Department of Energy
Department of Health and Human Services
Department of Interior
Department of Justice
Department of the Navy
Department of the Treasury
Department of Transportation
Department of Veterans Affairs
Federal Communications Commission
Federal Home Loan Bank Board
Federal Trade Commission
General Services Administration
Interstate Commerce Commission
National Aeronautics and Space Administration
National Labor Relations Board
National Mediation Board
National Science Foundation
National Archives and Records Administration
Office of Personnel Management
Securities and Exchange Commission
Small Business Administration
Smithsonian Institution
United States Information Agency

Locations Visited During Our Review

Federal agencies	Location
Forest Service Regional Office Regional Office	Denver, CO San Francisco, CA
Department of the Air Force Ogden Air Logistics Center Hill Air Force Base San Antonio Air Logistics Center Kelly Air Force Base	Ogden, UT San Antonio, TX
Environmental Protection Agency Headquarters Regional Office	Washington, DC Atlanta, GA
General Services Administration National Capital Region Regional Office	Washington, DC Atlanta, GA
Department of Housing and Urban Development Headquarters Regional Office	Washington, DC Denver, CO
Department of Labor Regional Office Regional Office	Atlanta, GA Denver, CO
National Aeronautics and Space Administration Goddard Space Flight Center Langley Research Center	Greenbelt, MD Hampton, VA
Federal Aviation Administration Headquarters Southern Region	Washington, DC Atlanta, GA
Internal Revenue Service District Office Service Center	Atlanta, GA Atlanta, GA
Department of Veterans Affairs Medical Center Medical Center	Richmond, VA Augusta, GA
State governments	
Commonwealth of Virginia	Richmond, VA
State of Georgia	Atlanta, GA
State of Colorado	Denver, CO
Local governments	
City of Virginia Beach	Virginia Beach, VA
City of Atlanta	Atlanta, GA
City of Denver	Denver, CO
Private corporations	
Blue Cross and Blue Shield of Virginia	Richmond, VA
Philip Morris U.S.A.	Richmond, VA
Humana, Inc.	Virginia Beach, VA
Sovran Financial Corporation	Norfolk, VA
E.I. du Pont de Nemours and Company, Inc.	Richmond, VA
Norfolk Southern Corporation	Atlanta, GA
Weyerhaeuser Paper Company	Plymouth, NC
Martin Marietta Corporation	Denver, CO
Sears, Roebuck, and Company	Denver, CO
US West	Denver, CO
Delta Air Lines, Inc.	Atlanta, GA
Coca-Cola USA	Atlanta, GA

**Appendix IV
Questionnaire Used in Our Review**

I. BACKGROUND INFORMATION

1. How long have you held the specific job assignment that you currently hold? (CHECK ONE.) (6)

NOTE: "Specific job assignment" is defined by your current management/supervisory duties and responsibilities.

- 1. Less than 6 months
- 2. 6 months to less than 1 year
- 3. 1 year to less than 2 years
- 4. 2 years to less than 4 years
- 5. 4 years to less than 6 years
- 6. 6 years or more

2. How many employees do you directly supervise, that is, do you personally prepare performance appraisals for?
_____ (NUMBER OF EMPLOYEES) (7-9)

3. Since you became a supervisor, have you received training concerning the performance appraisal process? (CHECK ONE.) (10)

- 1. Yes
- 2. No

4. Since you became a supervisor, have you received training on how to deal with poor performers? (CHECK ONE.) (11)

- 1. Yes (CONTINUE WITH QUESTION 5.)
- 2. No (SKIP TO QUESTION 6.)

5. Did this training specifically cover the following aspects? (CHECK ALL THAT APPLY.) (12-16)

- 1. How to use performance standards
- 2. How to assist employees in improving their performance
- 3. The process for proposing/initiating performance actions
- 4. Counselling employees
- 5. The appeals/arbitration process

II. PERFORMANCE STANDARDS

6. Do the performance plans of the employees that you directly supervise contain standards that are numeric (i.e., standards using numbers, percentages, etc.), non-numeric (i.e., standards using descriptive words rather than numbers or percentages), or a combination of numeric and non-numeric standards? (CHECK ONE.) (17)

- 1. Numeric only
- 2. Non-numeric only
- 3. Combination of both types

IF YOU DO **NOT** USE NUMERIC STANDARDS (i.e., NUMBERS, PERCENTAGES, ETC.) TO RATE EMPLOYEES YOU DIRECTLY SUPERVISE → (SKIP TO QUESTION 10.)

IF YOU USE NUMERIC STANDARDS TO RATE EMPLOYEES YOU DIRECTLY SUPERVISE → (CONTINUE WITH QUESTION 7.)

7. In general, how adequate or inadequate are the numeric performance standards that you use to measure performance, specifically in terms of identifying employees who are performing at less than the "fully successful" level? (CHECK ONE.) (18)

- 1. More than adequate
- 2. Adequate
- 3. Neither adequate nor inadequate
- 4. Inadequate
- 5. Very inadequate

Questionnaire Used in Our Review



U.S. GENERAL ACCOUNTING OFFICE
Washington, D.C. 20548

SURVEY OF PERFORMANCE MANAGEMENT FUNCTIONS

INTRODUCTION

The U.S. General Accounting Office (GAO), an agency of Congress, is conducting a survey to obtain your opinions and information on your experiences as a manager/supervisor of GM, GS, and FWS employees. Specifically, we are interested in issues related to performance management functions.

The questions deal primarily with supervisory responsibilities in identifying poor performers, that is, employees who did not meet the "fully successful" level of their performance standards during fiscal year 1988. Questions are also included which ask about the actions required when dealing with these poor performers.

Please respond to each of the following questions as they relate to the employees that you directly supervise and for whom you are responsible for preparing a summary appraisal. Your responses will be treated confidentially. They will be combined with others and reported only in summary form. The questionnaire is numbered only to aid us in our follow-up efforts, since it might be necessary for us to contact you to clarify a particular response. Such contacts will not affect the confidentiality of your response.

The questionnaire should take only about 20 to 30 minutes to complete. If you have any questions, please call Mr. Jim Bishop on (FTS) 827-6621 or (804) 441-6621.

Please return the completed questionnaire in the enclosed pre-addressed envelope within 10 days of receipt. In the event the envelope is misplaced, the return address is:

U.S. GENERAL ACCOUNTING OFFICE
Norfolk Regional Office
Mr. Jim Bishop
5705 Thurston Avenue
Virginia Beach, VA 23455

Thank you for your help.

GLOSSARY OF TERMS

Because this questionnaire is being sent to supervisors in several federal agencies, we are providing definitions to describe the three levels of performance that we are using in this questionnaire:

Fully Successful - This is the expected level of performance.
NOTE: EPA uses the term "satisfactory".

Minimally Successful - This is the level of performance between "fully successful" and "unacceptable". Your agency may use other terms such as marginal, marginally successful, minimally acceptable, minimally satisfactory, or partially successful.

Unacceptable - This is the level at which performance does not meet established "fully successful" performance standards in one or more critical elements.
NOTE: EPA and NASA use the term "unsatisfactory".

Appendix IV
Questionnaire Used in Our Review

11. What type(s) of problems, if any, are you having using ~~non-numeric~~ performance standards? (CHECK ALL THAT APPLY.) (30-35)

- 1. I AM NOT HAVING PROBLEMS WITH NON-NUMERIC PERFORMANCE STANDARDS
- 2. The standards are unclear
- 3. The standards are too easy to meet
- 4. The standards are too difficult to meet
- 5. It is difficult to measure the employee's performance against the non-numeric standards
- 6. Other (Specify) _____

12. Please provide an example of a non-numeric performance standard that you are having a problem with and explain why it is a problem.

Non-numeric performance standard: (36-37)

Why it is a problem: (38-39)

13. If you had training on using performance standards, how adequate or inadequate was that training? (CHECK ONE.) (40)

- 1. DID NOT HAVE ANY TRAINING ON USING PERFORMANCE STANDARDS
- 2. More than adequate
- 3. Adequate
- 4. Neither adequate nor inadequate
- 5. Inadequate
- 6. Very inadequate

Appendix IV
Questionnaire Used in Our Review

8. What type(s) of problems, if any, are you having using numeric performance standards? (CHECK ALL THAT APPLY.) (17-24)

- 1. I AM NOT HAVING PROBLEMS WITH NUMERIC PERFORMANCE STANDARDS
- 2. The standards are unclear
- 3. The standards are too easy to meet
- 4. The standards are too difficult to meet
- 5. It is difficult to measure the employee's performance against the numeric standards
- 6. Other (Specify) _____

9. Please provide an example of a numeric performance standard that you are having a problem with and explain why it is a problem.

Numeric performance standard: (25-26)

Why it is a problem: (27-28)

IF YOU DO NOT USE
NON-NUMERIC STANDARDS
TO RATE EMPLOYEES
YOU DIRECTLY
SUPERVISE → (SKIP TO QUESTION 13.)

IF YOU USE NON-NUMERIC
STANDARDS TO RATE
EMPLOYEES YOU
DIRECTLY SUPERVISE → (CONTINUE WITH
QUESTION 10.)

10. In general, how adequate or inadequate are the non-numeric performance standards that you use to measure performance, specifically in terms of identifying employees who are performing at less than the "fully successful" level? (CHECK ONE.) (29)

- 1. More than adequate
- 2. Adequate
- 3. Neither adequate nor inadequate
- 4. Inadequate
- 5. Very inadequate

**Appendix IV
Questionnaire Used in Our Review**

20. For those employees that you attempted to assist (see Question 18), what results were achieved from the process? (CHECK ALL THAT APPLY AND FOR THOSE CHECKED, ENTER THE NUMBER OF EMPLOYEES FOR WHOM THE RESULT WAS ACHIEVED.)

NOTE: THE TOTAL NUMBER OF EMPLOYEES SHOULD EQUAL THE NUMBER ENTERED IN QUESTION 18.

- 1. ⁽¹⁶⁶⁾ Employee's performance improved to "fully successful" / / (NUMBER) (167-168)
- 2. ⁽¹⁶⁹⁾ Employee is currently performing at the less than "fully successful" level and is still being assisted / / (NUMBER) (170-71)
- 3. ⁽¹⁷²⁾ Performance action against employee formally proposed in writing (include change to lower grade or removal) / / (NUMBER) (173-74)
- 4. ⁽¹⁷⁵⁾ Employee agreed to reduction in grade / / (NUMBER) (176-77)
- 5. ⁽¹⁷⁸⁾ Employee agreed to reassignment / / (NUMBER) (179-80)
- 6. ⁽¹⁸¹⁾ Employee resigned / / (NUMBER) (182-83)
- 7. ⁽¹⁸⁴⁾ Employee retired / / (NUMBER) (185-86)
- 8. ⁽¹⁸⁷⁾ Other (Please specify)
 _____ .. / / (NUMBER) (188-91)
 _____ .. / / (NUMBER) (190-91)

21. Consider the amount of time that you spend weekly, on the average, providing assistance to an employee whose performance is less than "fully successful". Please provide an estimate of the time you spend per week.

_____ (NUMBER OF HOURS PER WEEK PER EMPLOYEE) (192-93)

22. During fiscal year 1988, were there any cases where employees that you directly supervised were performing at the less than "fully successful" level and you did not attempt to assist them to improve their performance? (CHECK ONE.) ⁽¹⁹⁴⁾

- 1. Yes (INDICATE THE NUMBER OF CASES BELOW AND CONTINUE WITH QUESTION 23.)
 _____ (NUMBER) (195-96)
- 2. No (SKIP TO QUESTION 25.)

**Appendix IV
Questionnaire Used in Our Review**

**III. ASSISTING LESS THAN "FULLY SUCCESSFUL"
EMPLOYEES IMPROVE THEIR PERFORMANCE**

NOTE: For the purposes of this section we are dealing with employees that you believe are performing at the less than "fully successful" level at any time during the appraisal period regardless of whether they have been officially rated as such.

14. During fiscal year 1988, how many employees that you directly supervised were performing at the less than "fully successful" level? (ENTER NUMBER. IF NONE, ENTER ZERO "0".)

_____ (NUMBER) (41-42)

IF ZERO "0" IN QUESTION 14, SKIP TO QUESTION 25.

15. Were any of the employees that you identified in question 14 as performing at the less than "fully successful" level performing at the "minimally successful" level? (CHECK ONE.) (43)

1. Yes (ENTER NUMBER OF EMPLOYEES AND CONTINUE WITH QUESTION 16.)

_____ (NUMBER) (44-45)

2. No (SKIP TO QUESTION 17.)

16. For how long have these employees been performing at the "minimally successful" level? (ENTER NUMBER(S) IN APPROPRIATE CATEGORIES. TOTAL SHOULD EQUAL ENTRY IN QUESTION 15.)

TIME AT MINIMALLY SUCCESSFUL LEVEL	NUMBER OF EMPLOYEES
---------------------------------------	------------------------

0 TO LESS THAN 6 MONTHS / _____ / (46-47)

6 TO LESS THAN 12 MONTHS ... / _____ / (48-49)

12 TO LESS THAN 24 MONTHS .. / _____ / (50-51)

24 TO LESS THAN 36 MONTHS .. / _____ / (52-53)

36 MONTHS OR MORE / _____ / (54-55)

17. During fiscal year 1988, did you attempt to assist the employees you identified in question number 14 to improve their performance? (CHECK ONE.) (56)

1. Yes (CONTINUE WITH QUESTION 18.)

2. No (SKIP TO QUESTION 22.)

18. How many of these employees did you attempt to assist? (ENTER NUMBER.)

_____ (NUMBER) (57-58)

19. What did you do to assist these employees? (CHECK ALL THAT APPLY.) (59-65)

1. Counseled and worked with the employee informally

2. Increased the amount of supervision for the employee

3. Provided on-the-job training

4. Arranged for the employee to receive training

5. Placed the employee on a performance improvement plan

6. Referred the employee to a counseling service

7. Other action (Specify)

**Appendix IV
Questionnaire Used in Our Review**

25. Taking into consideration your agency's procedures for dealing with poor performers, if you have a less than "fully successful" employee in the future, how likely or unlikely would it be that you would attempt to deal with that employee using your agency's process? (CHECK ONE.) ⁽¹³⁰⁾

- 1. Very likely
- 2. Likely } → (SKIP TO Q. 27.)
- 3. Not sure
- 4. Unlikely
- 5. Very unlikely } → (CONTINUE WITH QUESTION 26.)

26. Why would it be unlikely that you would use your agency's process in the future? (CHECK ALL THAT APPLY.)

- 1. ⁽¹³¹⁾ The process takes too long
- 2. ⁽¹³²⁾ The process uses up too much of the supervisor's time
- 3. ⁽¹³³⁾ The process uses up too much of other employees' time
- 4. ⁽¹³⁴⁾ The process disrupts working relationships among staff
- 5. ⁽¹³⁵⁾ Employees make an effort to improve without the process
- 6. ⁽¹³⁶⁾ The performance standards are not sufficient to support or demonstrate poor performance
- 7. ⁽¹³⁷⁾ I have not been given sufficient guidance on using the process
- 8. ⁽¹³⁸⁾ Different units within my agency have provided conflicting guidance on using the process
- 9. ⁽¹³⁹⁾ I am aware of problems encountered by other supervisors who used the process
- 10. ⁽¹⁴⁰⁻⁴¹⁾ There is a lack of management support
- 11. ⁽⁴²⁻⁴⁸⁾ Other (Specify) _____

27. Minimally successful employees cannot be removed or demoted. Does this factor increase, decrease or have no effect on the likelihood of dealing with a "minimally successful" employee? (CHECK ONE.) ⁽¹⁴¹⁾

- 1. Greatly increase likelihood
- 2. Increase likelihood
- 3. Neither increase nor decrease likelihood
- 4. Decrease likelihood
- 5. Greatly decrease likelihood

28. If you had training on how to assist employees improve their performance, how adequate or inadequate was that training? (CHECK ONE.) ⁽¹⁴²⁾

- 1. Did not have any training on how to assist employees improve their performance
-
- 2. More than adequate
- 3. Adequate
- 4. Neither adequate nor inadequate
- 5. Inadequate
- 6. Very inadequate

Appendix IV
Questionnaire Used in Our Review

23. For those cases where you decided not to assist the employee, which of the following reasons entered into your decision? (CHECK ALL THAT APPLY.)

1. Providing assistance takes too long
(107)
2. Providing assistance uses too much of the supervisor's time
(111)
3. Providing assistance uses too much of other employees' time
(101)
4. Providing assistance disrupts working relationships among staff
(111)
5. Employees make an effort to improve without assistance
(120)
6. The performance standards are not sufficient to support or demonstrate less than "fully successful" performance
(111)
7. I have not been given guidance on providing assistance to improve employees' performance
(111)
8. Employee(s) was "minimally successful" and I did not believe assistance would improve performance
(111)
9. Employee's performance was "unacceptable" and I didn't believe assistance would improve performance
(114)
10. I believed that the employee(s) did not want assistance
(118-116)
11. Assistance provided to employees in the past has been ineffective in improving performance
(117-118)
12. Employee(s) demonstrated ability to perform adequately in the past so I felt assistance was not necessary
(119-120)
13. Other reasons (Specify) _____
(121-122)

24. For those cases where you decided not to provide assistance, how did you deal with the employee(s)? (CHECK ALL THAT APPLY.)

1. Gave the employee easier work
(123)
2. Reduced the employee's workload
(124)
3. Let the situation work itself out
(125)
4. Reassigned the employee to another work area within your unit
(126)
5. Reassigned the employee to another unit
(127)
6. Advised the employee to resign
(128)
7. Other (Specify) _____
(129)

**Appendix IV
Questionnaire Used in Our Review**

32. Please use the following chart to show the number of performance actions you have proposed/initiated in fiscal year 1988 against any employee that you directly supervised who was performing at the "unacceptable" level, and the final results of those actions.

[FOR PART (A) ENTER THE NUMBER OF PROPOSED/INITIATED CHANGES TO LOWER GRADE OR REMOVALS IN FISCAL YEAR 1988. IF NONE, ENTER ZERO "0". FOR PART (B) ENTER THE FINAL RESULTS. PLEASE NOTE THAT FOR EACH COLUMN THE ENTRY IN PART (A) SHOULD EQUAL THE TOTAL IN PART (B).]

	<u>PART A</u> PROPOSED/INITIATED CHANGES TO LOWER GRADE	<u>PART A</u> PROPOSED/INITIATED REMOVALS
	_____ (60-80) (NUMBER)	_____ (60-70) (NUMBER)
	<u>PART B</u> FINAL RESULTS	<u>PART B</u> FINAL RESULTS
1. No action taken	_____ (81-82) (NUMBER)	_____ (71-72) (NUMBER)
2. Employee changed to lower grade	_____ (83-84) (NUMBER)	_____ (73-74) (NUMBER)
3. Employee was reassigned	_____ (85-86) (NUMBER)	_____ (75-76) (NUMBER)
4. Employee was removed	_____ (87-88) (NUMBER)	_____ (77-78) (NUMBER)
5. Employee retired	_____ (89-90) (NUMBER)	_____ (79-80) (NUMBER)
6. Employee resigned	_____ (91-92) (NUMBER)	_____ (81-82) (NUMBER)
7. Action in progress	_____ (93-94) (NUMBER)	_____ (83-84) (NUMBER)
8. Other action taken (Please specify)		
_____ ..	_____ (95-96) (NUMBER)	_____ (85-86) (NUMBER)
_____ ..	_____ (97-98) (NUMBER)	_____ (87-88) (NUMBER)

Appendix IV
Questionnaire Used in Our Review

IV. PERFORMANCE ACTIONS

NOTE: Performance actions include:

- a. Change to a lower grade
- b. Removal

Performance actions do not include:

- a. Denial of within-grade salary increases or the loss of one-half of comparability pay
- b. Performance improvement plans

29. In your opinion, to what extent, if at all, does your position include sufficient authority to propose/initiate performance actions against employees who are performing at the "unacceptable" level? (CHECK ONE.) ⁽¹⁴⁴⁾

- 1. To a very great extent
- 2. To a great extent
- 3. To a moderate extent
- 4. To some extent
- 5. To little or no extent

30. In your opinion, to what extent, if at all, would the next higher level of management above you support actions against employees who are performing at the "unacceptable" level? (CHECK ONE.) ⁽¹⁴⁷⁾

- 1. To a very great extent
- 2. To a great extent
- 3. To a moderate extent
- 4. To some extent
- 5. To little or no extent

31. During fiscal year 1988, did you either propose/initiate any performance action against any employee that you directly supervised who was performing at the "unacceptable" level? (CHECK ONE.) ⁽¹⁴⁸⁾

(Please do not include any employees that your subordinates directly supervised.)

- 1. Yes (CONTINUE TO QUESTION 32.)
- 2. No (SKIP TO QUESTION 36.)

**Appendix IV
Questionnaire Used in Our Review**

36. In the future, if you had an "unacceptable" performer, how likely or unlikely would it be that you would propose/initiate a performance action to deal with that employee? (CHECK ONE.) (12)

- | | | |
|--|-----|------------------------------|
| <p>1. <input type="checkbox"/> Very likely</p> <p>2. <input type="checkbox"/> Likely</p> <p>3. <input type="checkbox"/> Not sure</p> | } → | (SKIP TO QUESTION 38.) |
| <p>4. <input type="checkbox"/> Unlikely</p> <p>5. <input type="checkbox"/> Very unlikely</p> | } → | (CONTINUE WITH QUESTION 37.) |

37. Why would it be unlikely that you would propose/initiate a performance action in the future? (CHECK ALL THAT APPLY.)

1. (13) The process takes too long
2. (14) The process takes too much of the supervisor's time
3. (15) Do not want to go through the appeal/arbitration process
4. (16) There is a lack of management support
5. (17) The performance standards are not sufficient to support performance actions
6. (18) I am aware of problems encountered by other supervisors who proposed/initiated a performance action
7. (19) I have not been given sufficient guidance on taking a performance action
8. (20) Different units within my agency have provided conflicting guidance on taking a performance action
9. (21) Other reason(s) (Specify)

38. If you had training related to proposing/initiating performance actions, how adequate or inadequate was this training? (CHECK ONE.) (22)

1. Did not have any training related to proposing/initiating performance actions
2. More than adequate
3. Adequate
4. Neither adequate nor inadequate
5. Inadequate
6. Very inadequate

39. If you have any comments regarding any previous question or general comments concerning performance management functions, please use the space provided below. If necessary, attach additional sheets. (23)

THANK YOU FOR YOUR HELP.
PLEASE RETURN YOUR COMPLETED SURVEY
IN THE ENCLOSED PRE-ADDRESSED ENVELOPE.

**Appendix IV
Questionnaire Used in Our Review**

GPO : (11-81)

33. For the proposed/initiated performance actions indicated in question 32 ("FINAL RESULTS") where NO ACTION was taken, why was this the case? (CHECK ALL THAT APPLY.)

A. CHANGE TO LOWER GRADE PROPOSED OR INITIATED

- 1. [] ⁽¹⁶⁾ There was a lack of documentation to support the action
- 2. [] ⁽¹⁷⁾ The case was settled before action was taken
- 3. [] ⁽¹⁸⁾ Other (Specify) _____

B. REMOVAL PROPOSED

- 1. [] ⁽¹⁹⁾ There was a lack of documentation to support the action
- 2. [] ⁽²⁰⁾ The case was settled before action was taken
- 3. [] ⁽²¹⁾ Other (Specify) _____

34. Of all the performance actions that you proposed/initiated in fiscal year 1988, how many were not supported by your next level supervisor? (ENTER NUMBER AND CONTINUE WITH QUESTION 35. IF NONE, ENTER ZERO "0" AND SKIP TO QUESTION 36.)

_____ (NUMBER) ⁽²²⁻²³⁾

35. In those cases where you did not receive support from your next level supervisor, what were the reasons given for not supporting your proposal? (CHECK ALL THAT APPLY.)

- 1. [] ⁽²⁴⁾ No reason provided
- 2. [] ⁽²⁵⁾ Did not have the time available
- 3. [] ⁽²⁶⁾ Did not want to go through the appeal/arbitration process
- 4. [] ⁽²⁷⁾ Your documentation was not sufficient to support the action
- 5. [] ⁽²⁸⁾ Felt that higher levels of agency management would not support the action
- 6. [] ⁽²⁹⁾ The employee was due to retire
- 7. [] ⁽³⁰⁾ Other alternatives such as reassignment etc. were not considered
- 8. [] ⁽³¹⁾ Other reason(s) _____

Questionnaire Objective, Scope, and Methodology

The purpose of our questionnaire was to obtain information on how supervisors in the federal government identify and deal with employees whose performance is less than fully successful. Using a mail questionnaire, we asked supervisors about performance standards, the process for dealing with poor performers, and performance actions during fiscal year 1988. We defined a supervisor as one who directly supervised at least one employee and was responsible for preparing an employee's summary appraisal.

Instrument Validation and Verification

To validate the questionnaire, we pretested it by administering it to a number of supervisors employed by two federal agencies in our final sample. We selected a headquarters site for one of the agencies and a regional office for the other to test the instrument's universality. During the pretests, we observed respondents while they were completing the questionnaires and asked them to point out any aspect of the instrument that was unclear or otherwise problematic. We also asked for their comments and opinions on the questionnaire and discussed their answers with them to see if they understood the questions. Many of their suggestions were incorporated into the final questionnaire, which we then mailed to the full sample of supervisors.

We reviewed and edited each returned questionnaire for completeness and consistency and entered the responses into a computer database. The resulting database was then verified for its accuracy, and logic checks were performed on the data.

Sampling Methodology

We developed two samples for our questionnaire. The governmentwide sample was selected from a universe of supervisors in the Office of Personnel Management's (OPM) database of civilian supervisors and was designed to provide us with a general view of how federal supervisors were identifying and dealing with poor performers. The other sample was drawn from a universe of supervisors at the 20 locations we visited to expand upon information we received at those sites.

Governmentwide Sample

OPM provided us with a data tape listing names and office mailing addresses of 1,531 government supervisors of General Schedule (GS), General Management (GM), and Wage Grade (WG) employees. The 1,531 supervisors were randomly selected from the Central Personnel Data File (CPDF), an OPM database which contained a total of 252,366 civilian supervisors in September 1988. A GAO statistician reviewed OPM's

Time Supervisors Spent Assisting Poor Performers

Number of months	Number of employees who			Were still poor performers
	Improved	Voluntarily agreed to actions	Had actions proposed against them	
0.0 - 2.9	14	13	5	1
3.0 - 5.9	27	12	12	11
6.0 - 8.9	22	13	10	14
9.0 - 11.9	21	21	4	33
12.0 - 14.9	15	8	8	8
15.0 - 17.9	9	3	1	19
18.0 - 20.9	1	3	1	9
21.0 - 23.9	3	2	1	4
24.0 - 26.9	1	0	1	2
27.0 - 29.9	1	0	2	0
30.0 - 32.9	0	1	1	1
33.0 - 35.9	0	0	0	0
36.0 - 38.9	0	0	0	0
39.0 - 41.9	0	0	0	0
42.0 - 44.9	2	0	0	0
Total	116	76	46	102

Source: GAO analysis of data from the 340 DCIs completed during the review.

important to note that in instances where only a subset of the population responded to a question, sampling errors could be greater than ± 5 percent because of the decrease in sample size.

Survey Response Rates

Supervisors in the governmentwide sample completed questionnaires between April and June 1989. From the 550 supervisors who were sent questionnaires, we obtained a 72-percent usable return rate (percentage usable of total mailed) and a 82.3-percent adjusted usable return rate (usable returns as a percentage of total mailed less ineligible and undeliverables). The final respondent group consisted of 396 supervisors.

Supervisors in the 20 locations sample completed questionnaires between February and May 1989. Of the 1,535 supervisors who were mailed questionnaires, 1,188 returned usable ones to us, a rate of 77.4 percent. The adjusted usable return rate was 84.9 percent.

Table VI.1 summarizes the questionnaire returns.

Table VI.1: Questionnaire Return

Type of return	Governmentwide		20 locations	
	Number	Percent	Number	Percent
Usable returns	396	72.0	1188	77.4
Ineligibles:				
Not supervisors	35	6.4	113	7.4
Left agency/location	26	4.7	9	0.6
Questionnaires returned as undeliverable	8	1.5	14	0.9
Questionnaires delivered but not returned	85	15.5	211	13.7
Total	550	100	1535	100

Note: Figures may not add to 100 percent because of rounding.

Universe Estimates From the Sample Results

The results from our governmentwide sample are limited to the 396 usable returns and represent an estimated 181,704 supervisors, or 72 percent, of the total universe of 252,366. These 181,704 supervisors directly supervised about 1.6 million employees in fiscal year 1988. The 1,188 usable returns of the 20 locations sample represent an estimated 9,551 supervisors, or 76 percent, of the total universe of 12,511 who supervised an estimated 78,000 employees.

random selection process, and we tested the accuracy of the information provided in the file through a telephone survey to a random sample of 50 supervisors. We did not, however, verify the CPDF for completeness.

From the list of 1,531 names, we selected a random sample of 550. We determined that this size would be sufficient to permit generalizations to the universe of 252,366 supervisors at a confidence level of 95 percent and a sampling error, or precision, of ± 5 percent. We drew 550 random cases that did not overlap with our 20 locations sample. Our sample included cases from 39 of the total 104 federal agencies.

20 Locations Sample

From each of the 20 locations that we visited, we requested a list of names and office mailing addresses for supervisors of GS, GM, and WG employees as of December 1988. A total of 12,511 supervisors were identified through the agencies' computerized personnel data files. We did not independently verify the accuracy and completeness of the listings or computer tapes that the agencies provided us.

We used standard statistical techniques to select a stratified random sample of supervisors. Each stratum represented 1 of the 20 locations. The total sample consisted of 1,535 supervisors. We selected specific sample sizes to ensure that the sampling error for each stratum would not be greater than 10 percent, and the sampling error for the entire sample (i.e., the 20 strata combined) would not be greater than 5 percent, at the 95-percent confidence level.

Explanation of Sampling Error

Because we selected a sample instead of surveying all the members of the universe, the results we obtained are subject to some degree of uncertainty, or sampling error. The sampling error represents the expected difference between our sample results, or estimates, and the "true" results that would have been obtained from surveying the entire universe of supervisors. Sampling errors are always stated at a specific confidence level,¹ which is the degree of assurance that can be placed in estimates derived from the sample. In designing our samples we specified that the sampling error should be no greater than ± 5 percent at a confidence level of 95 percent. In other words, we expect the chances are 19 in 20, or the probability is 95 percent, that our sample estimates will be within ± 5 percentage points of the "true" universe values. It is

¹Using Statistical Sampling, Methodology Transfer Paper 6, GAO, Program Evaluation and Methodology Division (Washington, D.C.: Apr. 1986).

**Appendix VI
Questionnaire Objective, Scope,
and Methodology**

**Table VI.2: Universe Estimates and
Sampling Errors (95-Percent Confidence
Interval)**

Variable	Estimate	Lower limit	Upper limit
Number of employees directly supervised by the supervisors represented in our survey (in millions)	1.6	1.4	1.7
Proportion of employees who performed below the fully successful level	5.7%	3.7%	7.7%
Proportion of employees performing below the fully successful level who were identified as minimally successful during fiscal year 1988	82.6%	78.8%	86.4%
Proportion of supervisors who indicated that they assisted poor performers	98.2%	93.7%	99.8%
Average time spent per week with each poor performer	4.9 hrs.	4.0 hrs.	5.8 hrs.
Supervisors' willingness to deal with poor performers in the future			
Likely	76.1%	71.9%	80.3%
Not sure	13.0%	9.7%	16.3%
Unlikely	10.9%	7.8%	14.0%
Proportion of supervisors having poor performers that they did not assist	8.3%	3.1%	13.5%
Supervisors' opinions concerning the quality of non-numeric performance standards			
Adequate	74.6%	69.8%	79.4%
Neither adequate nor inadequate	14.0%	10.2%	17.8%
Inadequate	11.4%	7.9%	14.9%
Supervisors' opinions concerning the quality of numeric performance standards			
Adequate	64.0%	57.9%	70.1%
Neither adequate nor inadequate	16.9%	12.1%	21.7%
Inadequate	19.1%	14.1%	24.1%
Proportion of supervisors indicating that they are unlikely to propose a performance action in the future	10.2%	6.3%	14.1%
Say the standards are not sufficient to support the actions	32.5%	17.8%	47.2%
Believe that they did not have management's support	57.5%	42.0%	73.0%
Say the process takes too much of their time	65.0%	50.1%	79.9%
Do not want to go through the appeals arbitration process	35.0%	20.1%	49.9%
Proportion of supervisors who perceive a lack of authority to take performance actions	21.7%	17.6%	25.8%
Proportion of supervisors with poor performers who perceive a lack of authority	32.1%	23.3%	40.9%
Proportion of supervisors without poor performers who perceive a lack of authority	17.7%	13.3%	22.1%

(continued)

**Appendix VI
Questionnaire Objective, Scope,
and Methodology**

To show the size of our sampling error, upper and lower limits for all estimates that appear in this report are shown in table VI.2.

**Appendix VI
Questionnaire Objective, Scope,
and Methodology**

Variable	Estimate	Lower limit	Upper limit
Proportion of supervisors who did not receive training for proposing performance actions who believed they lacked authority to take action against poor performers	34.2%	25.4%	43.0%
Proportion of supervisors who received training for proposing performance actions who believed they lacked authority	16.7%	12.3%	21.1%
Proportion of supervisors who are unlikely to take performance actions who say they have not been given sufficient guidance on using the process	17.5%	8.0%	31.0%
Proportion of employees indicated by supervisors as performing at the minimally successful level during fiscal year 1988	4.7%	2.5%	6.9%
Number of months employees were minimally successful performers			
0 to less than 6 months	46.0%	35.8%	56.2%
6 to less than 12 months	26.7%	17.7%	35.7%
12 or more months	27.3%	18.3%	36.3%
Proportion of supervisors indicating that the fact that minimally successful employees cannot be removed or demoted decreases the likelihood that they will deal with these employees	19.0%	15.1%	22.9%
Proportion of supervisors expressing that they are having any problems in dealing with poor performers	50.5%	45.6%	55.4%

**Appendix VI
Questionnaire Objective, Scope,
and Methodology**

Variable	Estimate	Lower limit	Upper limit
Proportion of supervisors who believe they lack authority who say they are unlikely to initiate action against poor performers.	21.4%	12.6%	30.2%
Proportion of supervisors who believe they have authority who say they are unlikely to initiate action	7.2%	4.3%	10.1%
Proportion of supervisors who believe they lack adequate management support for taking action against unacceptable performers	16.1%	12.5%	19.7%
Proportion of supervisors with poor performers who expressed a lack of management support	23.9%	15.9%	31.9%
Proportion of supervisors without poor performers who expressed a lack of management support	13.1%	9.2%	17.0%
Proportion of supervisors who believe they do not have management support and who say they are unlikely to propose actions	30.6%	19.1%	42.1%
Proportion of supervisors who believe they have management support and who say they are unlikely to propose actions	6.4%	3.7%	9.1%
Proportion of supervisors who did not receive training for using performance standards	14.7%	11.1%	18.3%
Proportion of supervisors who did not receive training for providing assistance to poor performers	25.1%	20.8%	29.4%
Proportion of supervisors who did not receive training for initiating/ proposing performance actions	28.9%	24.4%	33.4%
Supervisors' opinions regarding the quality of training for using performance standards			
Adequate	73.8%	69.0%	78.6%
Neither adequate nor inadequate	13.8%	10.0%	17.6%
Inadequate	12.3%	8.7%	15.9%
Supervisors' opinions regarding the quality of training for providing assistance to poor performers			
Adequate	77.7%	72.9%	82.5%
Neither adequate nor inadequate	14.4%	10.4%	18.4%
Inadequate	7.9%	4.8%	11.0%
Supervisors' opinions regarding the quality of training for initiating/proposing actions			
Adequate	76.4%	71.4%	81.4%
Neither adequate nor inadequate	14.5%	10.4%	18.6%
Inadequate	9.1%	5.7%	12.5%

(continued)

Appendix VII
Comments From the National Federation of
Federal Employees

GAO-SMK-001327

-2-

June 12, 1990

performance is not unacceptable. We fail to see any problem with the employee continuing as a Federal employee. As you point out, managers currently have statutory authority to withhold within grade increases in such cases.

In your report, however, you state that within grade increase denial does not serve as a sufficient incentive to promote better performance. Yet, paradoxically, the report suggests that denying the annual pay increase to minimally successful workers could serve as an incentive for performance improvement. Unfortunately, the report does not contain any evidence that such a change will be a more effective incentive than the within grade increase denial which you deem to be ineffective. We believe it is inappropriate to make public policy suggestions without factual foundation.

Of more importance, however, is the report's implicit adoption of the concept that minimally successful workers are "poor performers" that cannot be fired. This is blatantly untrue. As stated above, we do not believe it is proper to categorize a minimally successful employee as a poor performer. Moreover, while a minimal successful rating cannot lead to removal under Chapter 43 of Title 5 of the U.S. Code, such a rating, over a period of time, can lead to a removal action under Chapter 75 of Title 5 of the U.S. Code for the efficiency of the service. To suggest otherwise is a disservice to the readers of the report.

We do not believe that the criticisms above should detract from what is otherwise a fine analysis of the performance management system. We look forward to seeing a copy of the final report.

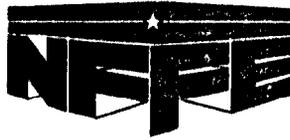
Sincerely,


Steven Kreisberg
Executive Director

See pp. 46-47.

See pp. 46-47.

Comments From the National Federation of Federal Employees



National Federation of Federal Employees

James M. Peirce • President
Ronald W. Kipke • Secretary Treasurer
In reply refer to: GAO-SMK-001327

June 12, 1990

Mr. Richard Fogel
Assistant Comptroller General
General Accounting Office
Washington, DC 20548

Dear Mr. Fogel:

We appreciate your submitting to us for comment your Draft Report concerning Performance Management. We are in general agreement with much of the content of the report but we have a few brief comments that we wish to share with you.

First, GAO's focus on the lack of managerial commitment to the performance management process is clearly the most salient finding of the report. Use of generic performance standards, vague standards, subjective standards, non-measurable standards, etc. have created a situation that undermines effective performance management. Accordingly, supervisors lack confidence in the process since they realize that once the process is exposed in a third party forum they will find it difficult to support their actions. As the report points out the failing of the performance management system in this regard is primarily a management failure to properly implement the system. We believe a focus on training of individual managers and supervisors is necessary in order to effectuate the purposes of the Civil Service Reform Act. If the current program is not working it is because management has failed to make it work.

We are, frankly, confused by your suggestions to resolve the minimally successful category "problem." First, we do not concur with your analysis that such a "problem" indeed exists. After all, a minimally successful rating indicates that an employee is performing successfully since his/her

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See pp. 46-47.

Comments From the National Treasury Employees Union



June 26, 1990

Mr. Richard L. Fogel
Assistant Comptroller General
General Accounting Office
General Government Division
Washington, D.C. 20548

Dear Mr. Fogel;

Thank you for the opportunity to comment on the draft GAO Report concerning: "Performance Management: How Well Is The Government Dealing With Poor Performers?" The issue of agency performance appraisal systems is of primary importance to NTEU and the employees we represent. Clearly, the system envisioned by the Civil Service Reform Act of 1978, (CSRA), has not fully materialized. This observation appears to be supported by the preliminary findings of the GAO study.

As an example, as stated in your draft report, "about half of the supervisors said they had experienced difficulty in implementing a process for dealing with poor performers. Among other things, supervisors cited the significant amount of time that can be involved, a perceived lack of management support, difficulties in using the performance standards, a perceived lack of authority to propose performance actions, and a reluctance to go through appeal or arbitration." These perceptions on the part of supervisors must be addressed in any attempt to formulate proposed solutions to the problems identified by this report.

Supervisors must be motivated, and supported in their efforts to deal with poor performers. NTEU fully supports GAO's recommendation that federal agencies demonstrate their commitment to their supervisors and their employees by, "ensuring that all managers and supervisors receive periodic training and the necessary technical assistance to adequately prepare them to deal with poor performers..." Although 5 CFR 430.204 (i) requires that "each appraisal system shall provide for assisting employees in improving performance rated at a level below fully successful...", the means of providing such assistance is typically left to the imagination of individual supervisors who are ill prepared to deal with this responsibility. Specific training must be provided to supervisors and to employees.

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Comments From the American Federation of Government Employees, AFL-CIO

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO



John N. Sturdivant
National President

Allen H. Kaplan
National Secretary-Treasurer

Joan C. Welsh
Director, Women's Department
6/GAO

June 25, 1990

Mr. Richard L. Fogel
Assistant Comptroller General
U.S. General Accounting Office
441 G Street, N.W., Room 3858C
Washington, DC 20548

Dear Mr. Fogel:

This is in response to your letter dated June 5, 1990, addressed to President John Sturdivant regarding GAO's report on performance management.

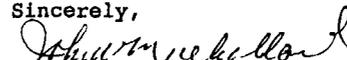
We find your report to be most interesting and the conclusions reached support beliefs of AFGE that the federal government does effectively deal with poor performance. We also agree that the procedures are unduly complicated and not understood, not only by supervisors, but also workers who need to improve their work to increase their performance ratings.

We have found that many supervisors confuse disciplinary matters with performance and because of this, they have difficulty supporting their positions should they be challenged in an appeals process. Disciplinary matters such as tardiness, laziness, and absenteeism should be properly dealt with as disciplinary matters. However, supervisors have not been trained in this process either. As a result, their views of such workers show up in the performance evaluation which should narrowly be applied to how the employees perform their duties outlined in their position descriptions and their performance standards.

As you know, the burden of proof in taking discipline is different under both disciplinary actions and performance actions. When supervisors do not clearly distinguish between the two and save disciplinary complaints against a poor performer for a performance appraisal, they then have difficulty sustaining any action should it be challenged. If supervisors could be trained to clearly delineate between the two and separate personnel actions into disciplinary and performance matters instead of mixing the two, the system would work better.

Thank you for the opportunity to submit our comments.

Sincerely,


John W. Muinholland, Director
Field Services Department

JWM/dao

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Consultant Panel

Gary B. Brumback	Senior Policy Advisor to the Assistant Secretary for Personnel, U.S. Department of Health and Human Services, Washington, DC
Alan K. Campbell	Executive Vice President and Vice Chairman of the Board, ARA Services, Inc., Philadelphia, PA (Vice Chairman of the Center for Excellence in Government)
Dennis M. Devaney	Board Member, National Labor Relations Board, Washington, DC (Former MSPB member and FLRA General Counsel)
John F. Hillins	Vice President, Corporate Compensation, Honeywell, Inc., Minneapolis, MN (Vice President, American Compensation Association, and Chairman of ACA Productivity Task Force)
Patricia W. Ingraham	Associate Professor of Public Administration and Director of the Masters Program in Public Administration, State University of New York, Binghamton, NY (Served as Project Director, Task Force on Recruitment and Retention, National Commission on the Public Service)
Paul D. Mahoney	Director, Office of Management Analysis, Merit Systems Protection Board, Washington, DC
James L. Perry	Professor of Public and Environmental Affairs, School of Public and Environmental Affairs, Indiana University, Bloomington, IN (Past President, Section on Personnel Administration and Labor Relations, American Society for Public Administration; Past Chairman, Public Sector Division, Academy of Management)
Timothy M. Dirks	Chief, Labor Relations Division of the Office of Employee and Labor Relations, Office of Personnel Management, Washington, DC

Appendix IX
Comments From the National Treasury
Employees Union

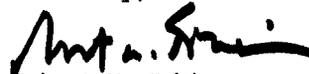
Federal government agencies must also create a work environment which supports and encourages positive supervisory efforts to deal with poor performers. Supervisors must believe that this is an important part of their work responsibility. Without such a positive motivation, the many competing priorities placed upon individual supervisors will effectively negate any efforts to address this problem.

NTEU does not agree with GAO's recommendations for possible congressional action. Simply "eliminating the minimally successful rating category," or "changing performance standards so that what is now considered to be minimally successful becomes unacceptable" is an overly simplistic solution to a complex problem.

NTEU would recommend revising the regulations to require agencies to establish written performance standards at all levels of performance as opposed to only the "fully successful" level. (See 5 CFR 430.204(e)). It is our experience that in agencies that only provide written performance standards at the "fully successful" level, supervisors and employees have great difficulty clearly articulating performance expectations above or below the "fully successful" level. Written performance standards at each level of performance would add a degree of objectivity to the performance evaluation process. It would also address the issue raised by supervisors regarding the difficulty in using performance standards.

Again, thank you for the opportunity to comment on this draft report. If I can answer any additional questions, or provide greater details concerning NTEU's comments or recommendations, please feel free to contact Mark L. Gray, Assistant Director of Negotiations, at 202-785-4411.

Sincerely,



Robert M. Tobias
National President

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