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New Delivery Performance Measures Could Enhance Managers’ Pay for Performance Program

What GAO Found

Key features of the PFP program are quantitative corporate and unit indicators of performance and individual performance elements that are used to rate participants and provide the basis for awards. Quantitative performance targets are established for corporate and unit indicators. Corporate indicators apply to all participants and include measures of timely delivery, productivity, revenue, and net income, among others. Unit indicators apply to selected groups of participants and vary according to the groups’ responsibilities and span of control. Individual performance elements are tailored to the participant group and, within some groups, to individuals. Individual performance elements may be defined by narrative standards or may be quantitative indicators defined with specific target performance levels. The overall PFP rating is based on results of corporate and unit indicators and individual performance elements and is used to determine the salary adjustment and any lump sum award.

PFP indicators related to three USPS strategic goals—increasing efficiency, improving service, and generating revenues—collectively account for two-thirds of the average participant’s rating (see fig.). However, indicator weights vary considerably by participant group, based on the responsibilities and span of control of various positions.

To view the full product, including the scope and methodology, click on GAO-08-996. For more information, contact Phillip R. Herr at (202) 512-2834 or herrp@gao.gov.