OFFICE OF ADMINISTRATION

AUG 3 ̅ 2006

MEMORANDUM FOR: Carolyn Federoff, President, American Federation of Government Employees, Council of HUD Locals 222

FROM: Priscilla A. Lewis, Chief, Labor Relations Branch, ARHLL

SUBJECT: Implementation of ePerformance at HUD

To improve the performance management process at HUD, management intends to implement an automated performance management system called, ePerformance. ePerformance is an add-on module to the HUD Integrated Human Resources and Training System (HIHRTS). It is an easy to use, web-based application, which formalizes performance expectations and achievements and provides the foundation for meaningful manager/employee interaction. It will document the linkage of strategic goals and objectives to critical elements and performance standards, and the features of the system will allow users to create and route performance plans between the supervisor and the employee or the rating official and the reviewing official, as required in the performance appraisal process. The system will automatically calculate the employee's summary rating; allow the user to print a plan at anytime; and transmit the summary rating directly to the National Finance Center for processing.

Management intends to rollout this new automated system concurrent with the expansion of the performance management Beta Site for the Fiscal Year 2007 appraisal cycle. The following organizations will be included for the development of the S.M.A.R.T. (Specific, Measurable, Attainable, Relevant, Time Bound) standards: Office of Fair Housing and Equal Opportunity; Government National Mortgage Association; Office of Healthy Homes and Lead Hazard Control; Office of the Chief Financial Officer; Office of the Chief Information Officer; and the Office of the Chief Procurement Officer. Employees, managers, and supervisors in these organizations will receive orientation training on HUD's performance management programs, how to develop critical elements and performance standards that are S.M.A.R.T., and how to use ePerformance automation. Training will also be provided to the employees of the Office of Community Planning and Development and the Office of Administration on how to input and maintain their S.M.A.R.T. performance plans in ePerformance. Attached for your convenience is a comprehensive package of information on ePerformance, prepared by the Department of Treasury's Performance Management Liaison Group, which includes a description of the system and the electronic signature process.

Please submit any bargaining proposals you may have relating to the implementation of the ePerformance system within ten (10) calendar days after receipt of this memorandum. In the meantime, we would like to schedule a system demonstration for you or your designated representative(s). Please let me know whom I should contact to schedule the demonstration.

If you have any questions concerning this matter, please contact me at (202) 708-3373.

Attachments

cc:
Edward Eitches, Headquarters
James Lee, Richmond, Virginia
Lisa Lowery, Knoxville, Tennessee
Marinella Murillo, San Antonio, Texas
Videssa Wood, Atlanta, Georgia
Sherry Norton, Jacksonville, Florida
Patricia Petry, Fargo, North Dakota

HR Connect
ePerformance Presentation

Performance Management Liaison Group

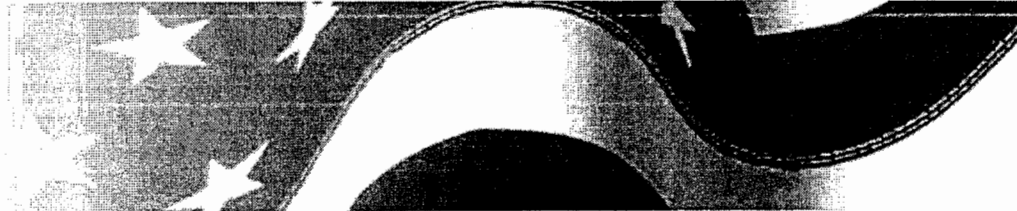Colleen Conley, HRCPO Project Manager
Alan Dalton, HRCPO Consultant

November 29, 2005

Topics

- ePerformance: Improving the Performance Management Process

- Why ePerformance?

- ePerformance Flexibilities

- ePerformance Features for Treasury

- Lessons Learned

- Demo

ePerformance: Improving the Performance Management Process

What is ePerformance?

- ePerformance is HR Connect's Performance Management module

- ePerformance is a Performance Management System
  - guides employees and managers through the steps of the performance review process,
  - formalizes performance expectations and achievement
  - provides the background for quality manager and employee discussions

Why ePerformance?

- Leverage new web based ePerformance functionality
  - Easy to use web based solution

- Fully integrated with HR Connect PAR Processing, ESS and MSS

- Technical architecture fully sized for ePerformance for all Treasury bureaus

- Eliminates the paper chase and reduces the amount of follow-up

- Reduce cycle time

- Pent-up demand for increased functionality in the Performance Management area

- Automatic rating updates from ePerformance to NFC

- Improve collaboration and facilitates better employee-manager interaction

What can ePerformance do for HR Connect Users ?

- **ePerformance Simplifies the Process and Improves Data Confidence**

- **On Demand Access to Key Information**
  - Real-time view of status; including complete, missing, and overdue
  - Line of sight into proficiencies via integration with positions
  - Reporting and analytics across the Department

- **Flexible**
  - Automated calculation of plan ratings
  - Electronic routing to Employees, Managers, HR

- **Drives Organizational Performance**
  - Automates goal setting and alignment across the enterprise
  - Facilitates communication for goals, strategies, and initiatives
  - Links vision, goals, objectives

ePerformance Flexibilities

- HR Connect's new ePerformance provides the ability to:
  - Map commitments to strategic plan/objectives
  - Create, route and print plan from online
  - Multi-level approvals
  - Provide progress reports of plans
  - Automatically calculate rating
  - Transfer rating to NFC

- Templates for Performance Plans and their content can be customized for each bureau and grade level (e.g. SES or GS-15)

- Setup tables are setid specific to allow for organization specific data elements.

ePerformance Flexibilities

- Allows for employees or managers to perform most steps in the process flow to meet the business process needs of individual offices.

- Printable performance documents can be customized to provide standard documents for each template.

- Proxy features allow proxy to create plan and / or enter the rating

- Workflow automation for process enablement

ePerformance Roll-Out

- Deployed to Treasury Departmental Offices Senior Executives January, 2005

- Deployed to all DO Office of the Chief Information Officer (OCIO) Employees in August, 2005
  - 40 Managers and Supervisors
  - 142 Total Employees

- Scheduled to deploy to Internal Revenue Service (2 Business Units) in December, 2005
  - 9,600 managers will use ePerformance to prepare 96,000 performance ratings throughout the year

ePerformance Road Map

HR Connect ePerformance

Phase 1 — Create Plans	Phase 2 — Mid Year/Final Reviews	Future Enhancements
• Standardized SES Performance Plan Template	• Mid Year review Held	• Human capital management by integrating competencies assigned to jobs
• Link Commitments to Treasury Strategic Plan or Organizational Goals	• Integrated performance notes and comments	• Additional reporting: e.g., Competency assessment report
• Ability for proxy to create your plan	• Email notifications	• Integrate with enterprise LMS
• Online review and updates by Employee or Manager	• Additional reporting/analytics: Plan Status, Missing Documents	
• Ability to print documents	• Flexibility to create templates for non-SES use	
• Real time reporting on completed plans status	• Integrated overall rating calculation	
	• Multi-tiered approval levels online	
	• Final rating to NFC	
	• Mass create plans for next year	
	• Multi-bureau-capability	

ePerformance Features for Treasury

- Application version 8.3 for base HR and 8.8 for ePerformance
  - Integration between environments using views from 8.8 to 8.3

- 'Reports To' field on Position Data used for routing:
  - We are not using the delivered approval processes

- Manager vacancy:
  - PeopleCode changed to allow the employee to select another manager from search box

- Single sign-on

- Changes to reduce the number of clicks required

- Custom 'data tracking' to track plan status

- Document copy feature: leverage SQL and logic from delivered 'Create Plan' functionality

11

ePerformance Features for Treasury

- Document transfer functionality

- Mass copy of documents to multiple employees

- HR functionality to view and transfer documents

- Missing and Document Status reports

- Private notes associated to documents

Lessons Learned

- Anticipate high volume peak workloads

- Include HR and LR Representatives in the training to address Performance Management content, business process and policy questions

- Don't underestimate the business process

- Develop a strong support structure for post-go-live

The ePerformance module within HR Connect is designed to be a very flexible, highly configurable application. Many variations of both the performance documents and the process for Performance Management are possible. This document gives what may be considered a default or standard process and explains some options for changing the process. This document contains images of three different performance documents to show some options for customizing documents to meet specific agency requirements.

This document focuses on the three roles that are primarily responsible for the Performance Management process for an individual employee – the employee (Employee), the employee's manager (Rating Official), and the manager's manager (Reviewing Official). There are other roles that participate in the Performance Management process – the Administrator, who helps set up the templates and maintains table-driven data, and the HR staff, who monitor the process and transfer documents as required. These support roles are not discussed in this document.

The Performance Management process is divided into three phases in this document. In the first phase, the employee and the rating official collaborate to create and establish a performance plan. This phase takes place at the beginning of the performance year. In the second phase, the rating official and the employee collaborate to maintain the performance plan, including a mid-year review if applicable. This phase takes place during the performance year. In the third phase, the rating official and the reviewing official collaborate to assign a final rating for the employee.

Phase 1 – Performance Plan Creation

Step 1 – Employee Creates Document

The employee logs into ePerformance.
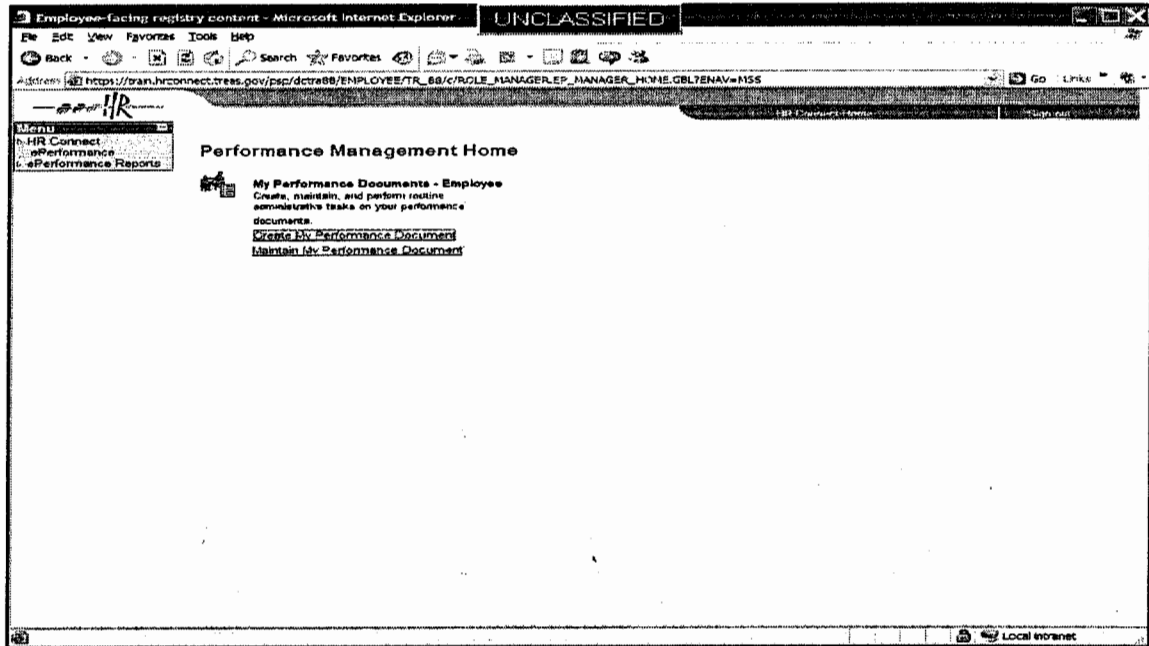
The employee selects the menu item Create Performance Document and specifies the correct template.
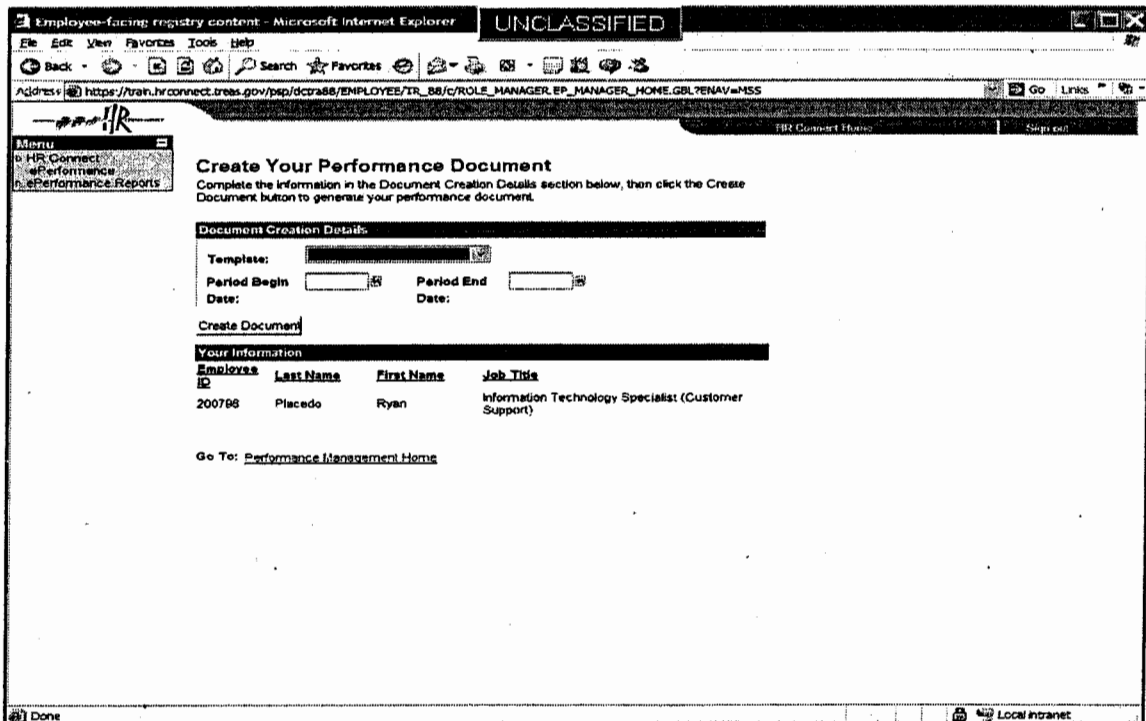
The Period Begin and Period End dates default in when the template is selected. These dates can be edited.
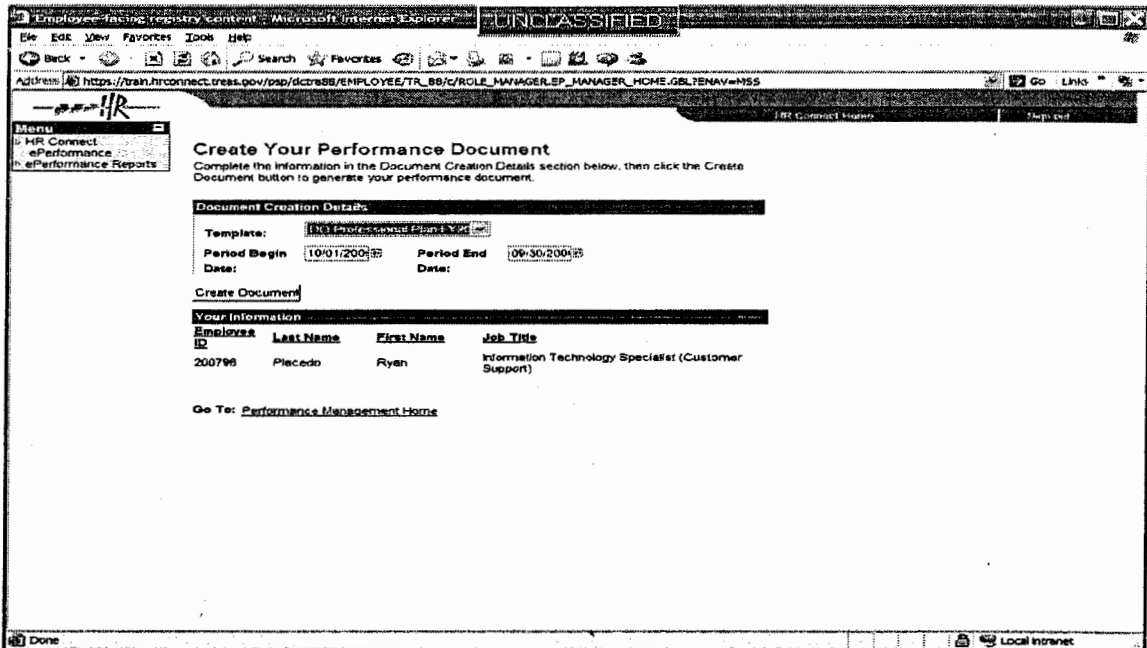
When the dates and template are correct, the employee selects the Create Document button. The document is created. The document status is 'In Progress'. The employee completes any required information in the plan. This information will vary by employee group, and may include such items as a text description of goals and measures, performance elements selected from a list, or ties between performance elements and organizational goals or strategic plans.
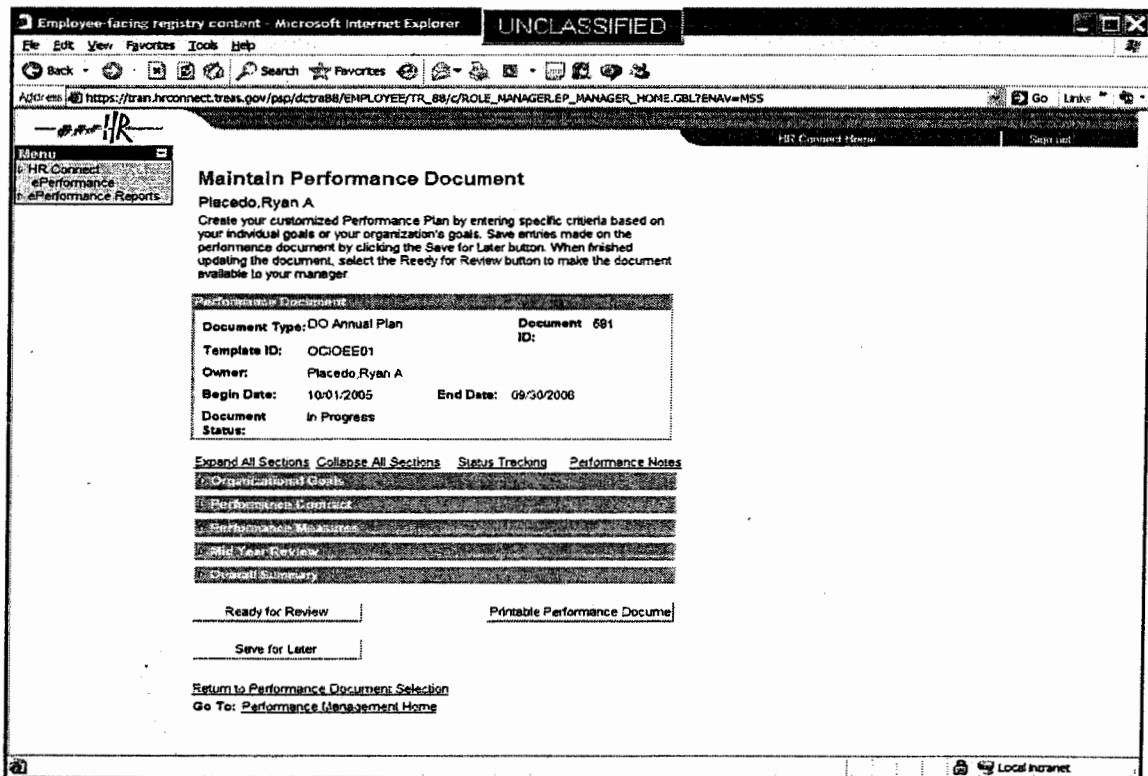
The next xx images show some of the possibilities for data entry

This is a text entry box for an Employee Contract. The text box can hold approximately 35,000 characters. There is a spell-check function, but the text box does not currently support the kinds of advanced formatting such as multiple colors, bold text, or bulleting that are included in word processing software such as MS Word.

The text can be typed directly into the text box or copied from an existing document and pasted into the text box.

This is an example of data from drop-down lists. Note that the header information is different in this template – there is much more employee information. Note also that this template allows entry of performance plans for reasons other that the annual appraisal. In this case, plans can be entered for suppression or release of Within-Grade Increases, among other reasons.
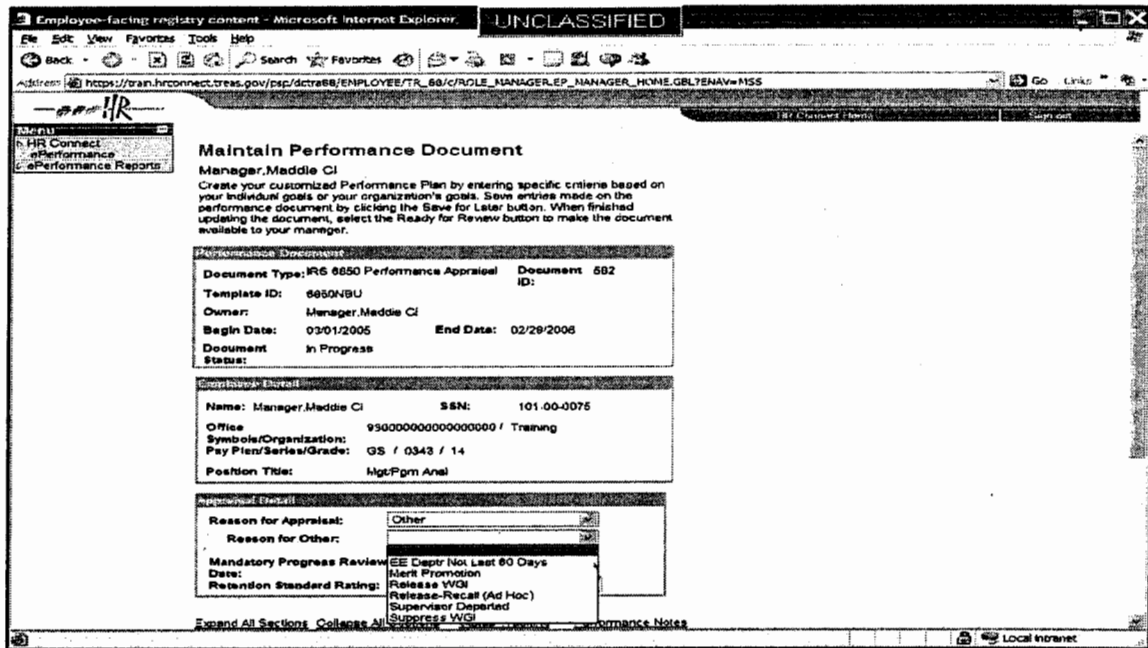
This is an example of selecting Critical Job Elements from a list.
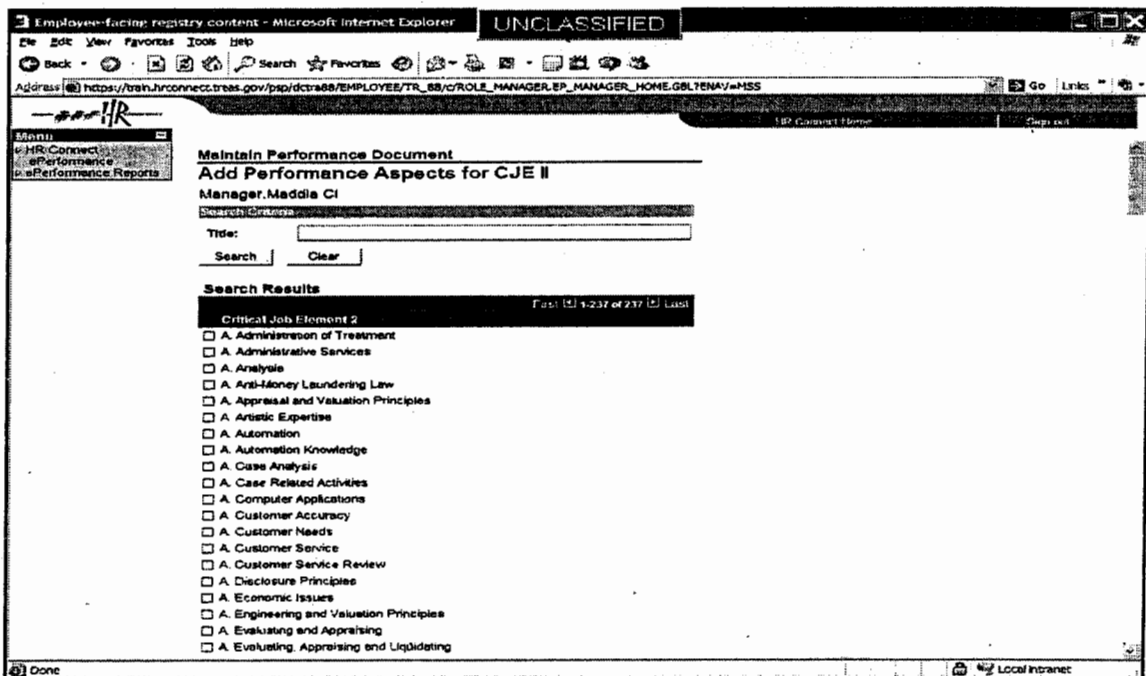
Once the employee has entered all required information, he or she forwards the document to the manager for review.

The document is in "In Progress" status when created. The "In Progress" status is very similar to having a document in draft form. In order to advance the document to the next status, the document must be forwarded to the manager for review by selecting the Ready For Review button. The employee may also save the document but not forward it, using the Save For Later button, or print the document.
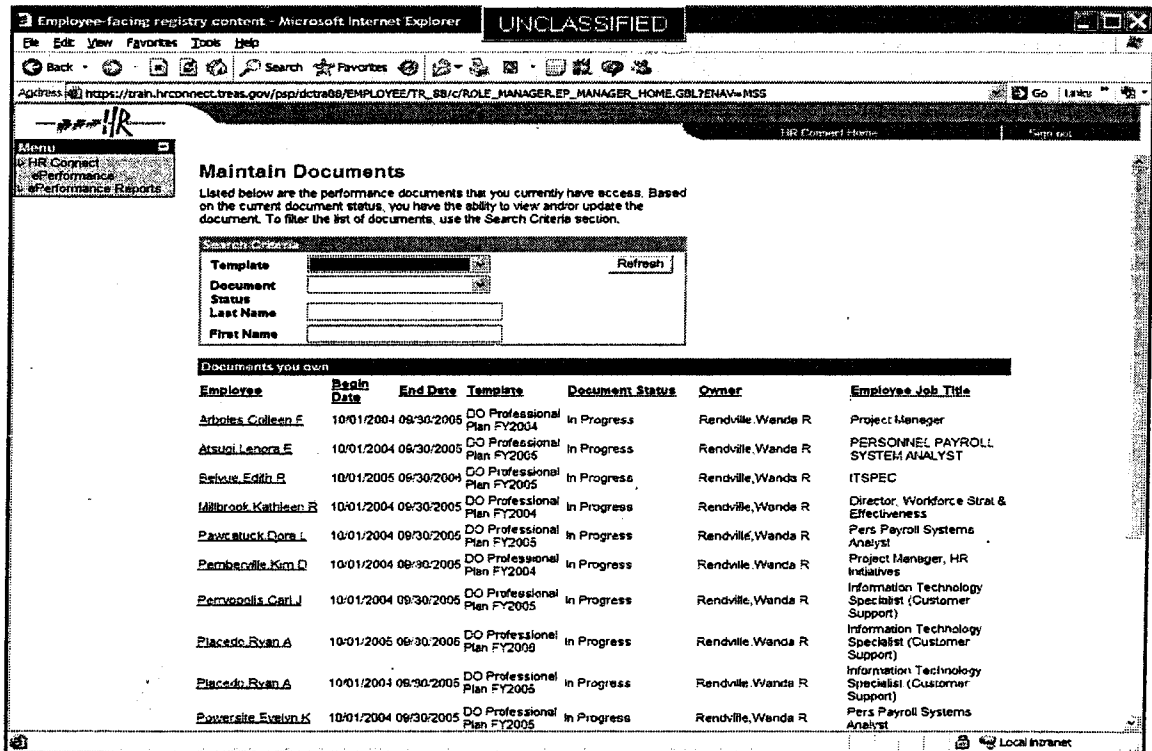
Step 2 – The manager reviews and establishes the document

The manager logs into ePerformance.

Performance Management Home

My Performance Documents - Employee
Create, maintain, and perform routine
administrative tasks on your performance
documents.
Create My Performance Document
Maintain My Performance Document

Performance Documents - Manager
Create, maintain, and perform routine
administrative tasks on performance documents
for employees in my organization.
Create Performance Documents
Maintain Performance Documents
Transfer Performance Documents
Copy Performance Documents

The manager page contains all features found on the employee's page. In addition, the manager's page contains features that allow the manager to manage and participate in the Performance Management process for his or her employees.

The manager selects plans created by employees and reviews them.

Maintain Documents

Listed below are the performance documents that you currently have access. Based
on the current document status, you have the ability to view and/or update the
document. To filter the list of documents, use the Search Criteria section.

Search Criteria

Template		Refresh
Document Status		
Last Name		
First Name		

Documents you own

Employee	Begin Date	End Date	Template	Document Status	Owner	Employee Job Title
Arboles Colleen F	10/01/2004	09/30/2005	DO Professional Plan FY2004	In Progress	Rendville, Wanda R	Project Manager
Atsugi Lenora E	10/01/2004	09/30/2005	DO Professional Plan FY2005	In Progress	Rendville, Wanda R	PERSONNEL PAYROLL SYSTEM ANALYST
Belvue Edith R	10/01/2005	09/30/2004	DO Professional Plan FY2005	In Progress	Rendville, Wanda R	ITSPEC
Millbrook Kathleen R	10/01/2004	09/30/2005	DO Professional Plan FY2004	In Progress	Rendville, Wanda R	Director, Workforce Strat & Effectiveness
Pawcatuck Dora L	10/01/2004	09/30/2005	DO Professional Plan FY2005	In Progress	Rendville, Wanda R	Pers Payroll Systems Analyst
Pemberville Kim D	10/01/2004	09/30/2005	DO Professional Plan FY2004	In Progress	Rendville, Wanda R	Project Manager, HR Initiatives
Perryopolis Carl J	10/01/2004	09/30/2005	DO Professional Plan FY2005	In Progress	Rendville, Wanda R	Information Technology Specialist (Customer Support)
Placedo Ryan A	10/01/2005	09/30/2006	DO Professional Plan FY2006	In Progress	Rendville, Wanda R	Information Technology Specialist (Customer Support)
Placedo Ryan A	10/01/2004	09/30/2005	DO Professional Plan FY2005	In Progress	Rendville, Wanda R	Information Technology Specialist (Customer Support)
Powersite Evelyn K	10/01/2004	09/30/2005	DO Professional Plan FY2005	In Progress	Rendville, Wanda R	Pers Payroll Systems Analyst

All the portions of the body of the document that were editable by the employee are editable by the manager. Note that the template and the Period Begin / Period End dates are not editable, either by the manager or by the employee. Documents that have incorrect dates or that are created with the wrong template must be deleted and a new document must be created.

When the manager receives the plan from the employee, the document status is "In Progress", or draft form. The manager reviews the data entered by the employee. The manager can edit the data, or return the document to the employee for revision by selecting the "Return to Employee" button. If no changes are required, or after changes have been completed, the manager can finalize the performance plan by selecting the Establish Plan button. This puts the plan into "Plan Established" status. The manager may also save the document but not finalize it, using the Save For Later button, or print the document. The manager also has the option to delete the plan.

Once the plan is established, the data entry fields become read-only, except for fields that are expected to be entered later, such as fields associated with the mid-year progress review.

This is the final step in the document creation phase. The document is ready to be used by the manager and employee.

Phase 2 – Manage Performance

Step 1 – Maintain the Performance Plan

The reviewing official signs in to ePerformance and selects the plan from the Maintain Performance Documents link in the Manager section.

When the document is in "Plan Established" status, the data entry fields are locked. If events during the performance year require a change to be made, the document must first be unlocked.

If the manager wishes to make the change, he or she unlocks the plan by selecting the Update Plan button. This places the plan back into "In Progress" status and makes the data entry fields editable. After making the changes, the manager can reestablish the plan. If the manager wishes to have the employee make the change, he or she selects the Return to Employee button. This places the plan back into "In Progress" status and makes the data entry fields editable. After making the changes, the employee selects the Ready For Review" button to send the document back to the manager. The document must be established again by the manager.

Step 2 – Midyear Progress Review

For plans that require a midyear progress review, the manager expands the section that contains the information about the progress review.

The plan above contains only a text box to record comments about the progress review. Additional information could be added, such as the date of the review.

The manager selects the Midyear Review Held button to change the plan status to "Midyear Review Held".

When the plan reaches this status, the Mid Year Review text becomes editable. Also, the document can no longer be deleted. The document can still be updated or returned to the employee.

This is the final step in the manage performance phase. The document is ready to be rated when the end of the performance period is reached.

Phase 3 – Rating and Review

Step 1 – Lock Document For Rating

From the time the document is created and forwarded to the manager for review, the document is viewable to both the manager and the employee. At the end of the performance period, the manager first locks the document so that it is no longer visible to the employee. The document will remain locked from view of the employee until the rating and review process is complete. The manager locks the document by selecting the Ready For Final Rating button.

Step 2 – Assign Ratings

The manager opens the document and expands the sections that contain elements that will be rated.
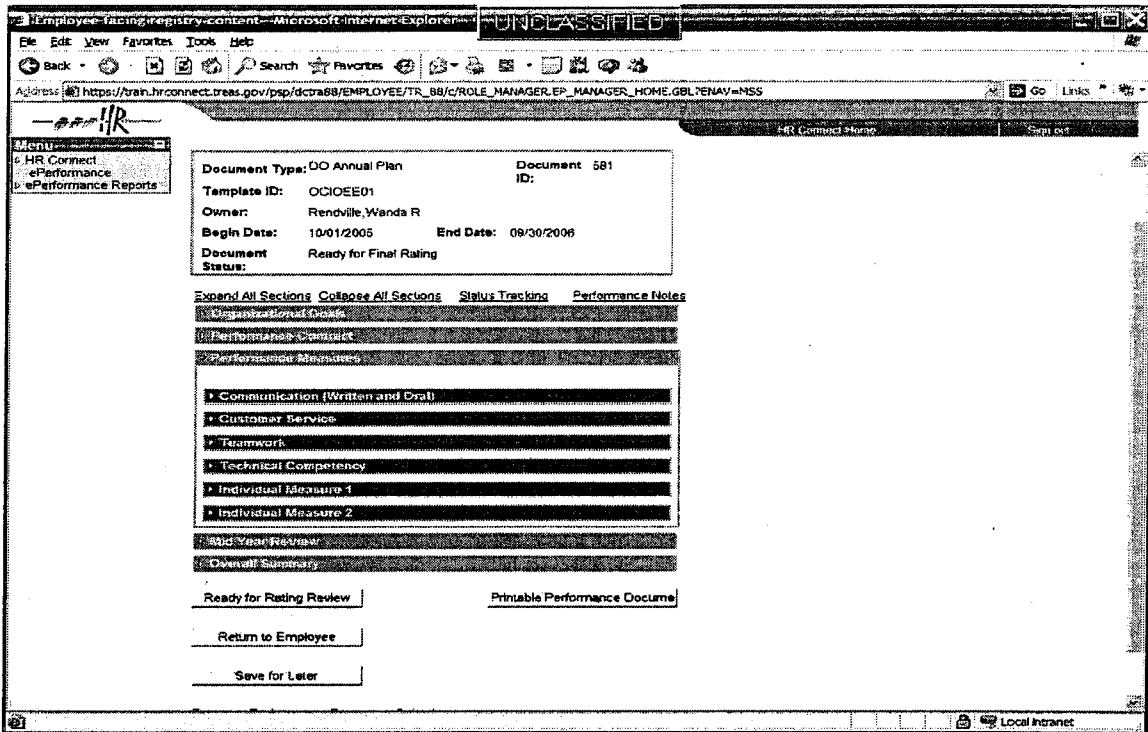
In the plan above, ratable elements are contained in the Performance Measures section. Plans can be designed to contain ratable elements in more than one section. Section labels can be customized.
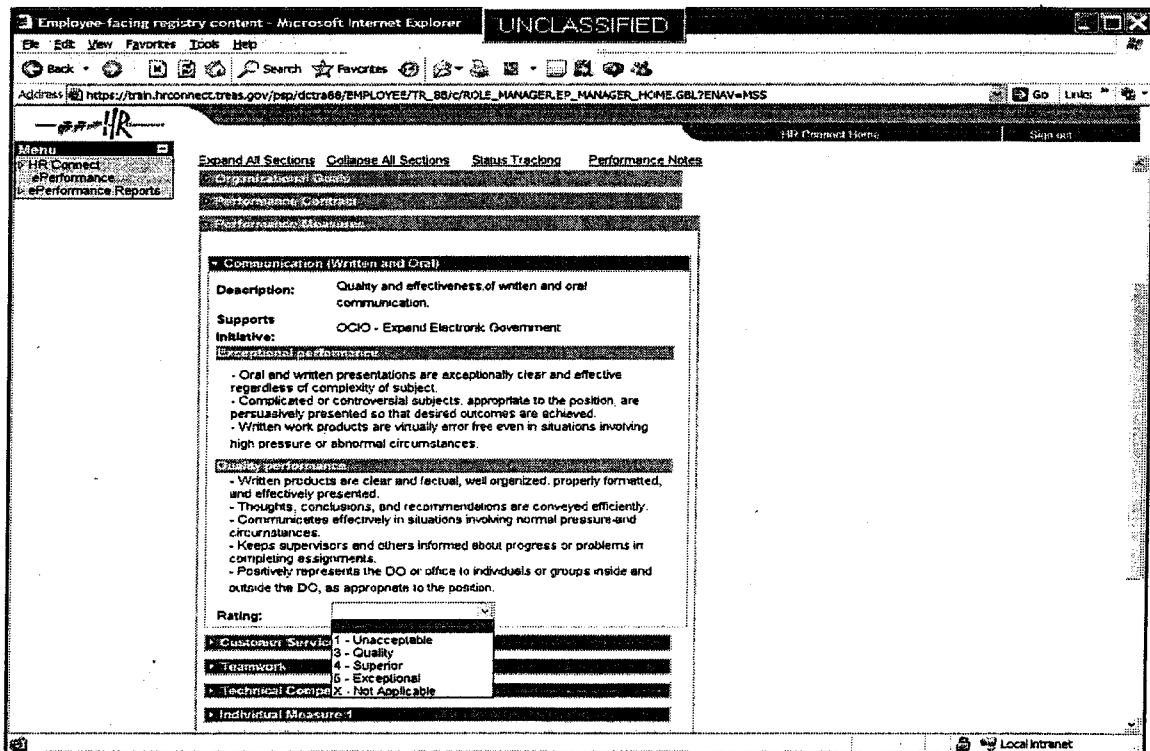
The manager rates each element using the scale specified.
After all ratable elements have been assigned a rating, the manager calculates the overall rating.
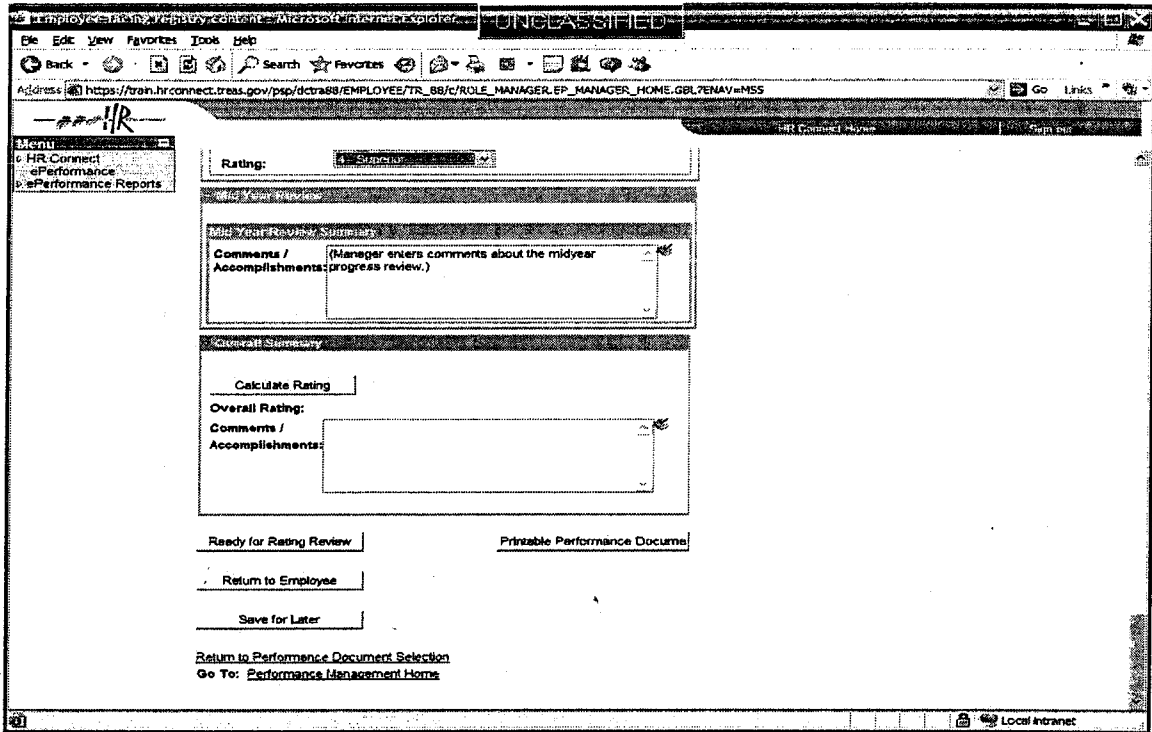
The application calculates the overall rating. The formula for this calculation, including any logic required to enforce calculation rules, is built into the template.
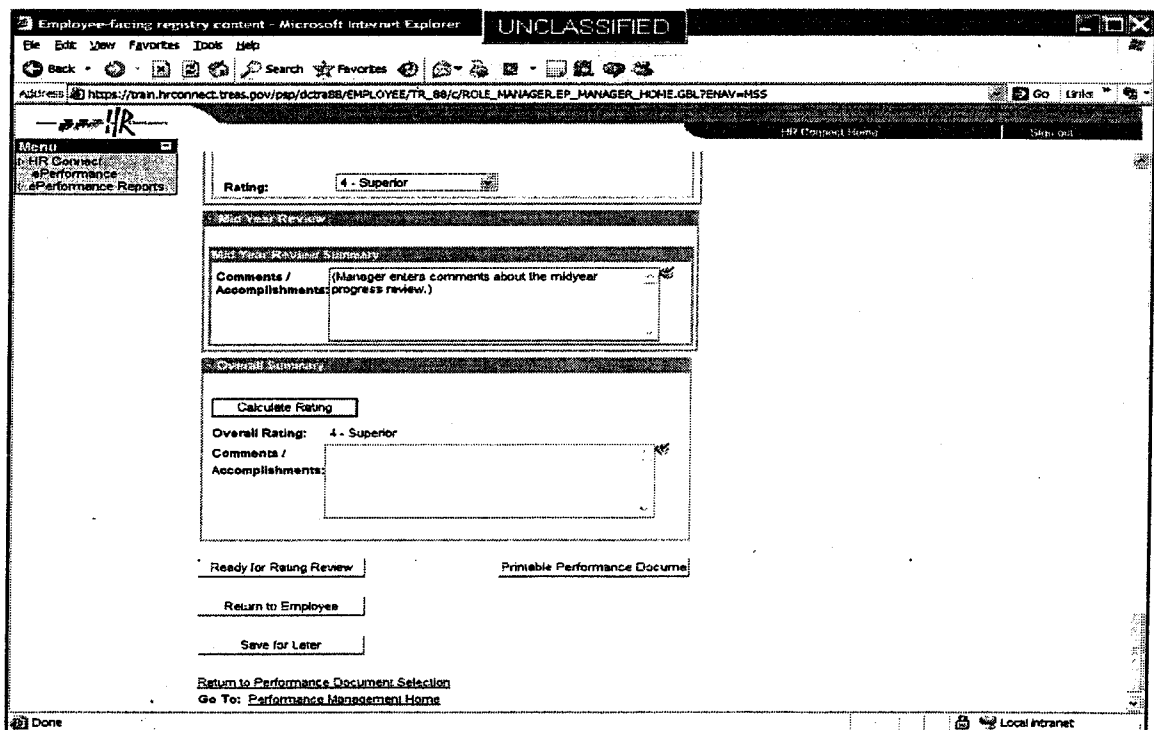
The manager also enters any comments in the text box in the Overall Summary Section.

When the plan has been rated and the overall rating has been calculated, the manager forwards the plan to the reviewing official by selecting the Ready For Rating Review button.

Step 3 – Rating Review

The reviewing official signs in to ePerformance and selects the plan from the Maintain Performance Documents link in the Manager section.

All fields in the plan are read-only for the reviewing official. The reviewing official cannot make changes to the document. If changes are required, the reviewing official selects the Return To Rating Official button, and the document is returned to the rating official in editable form. The rating official makes changes and returns the document for review. If no changes are required, the reviewing official selects the Rating Reviewed button. Selecting this button does three things. First, it sends the rating and other appraisal information to the HR Connect Administer Workforce Manage Performance page, setting the interface flag so that the rating will be sent to NFC in the next interface run. Second, it returns ownership of the document to the rating official in read-only form. Third, it unlocks the document so that the employee can once again view it.

This is the end of the Rate and Review phase. Other actions are possible: the employee or manager can copy the document forward to create the plan for the next performance

year, and the manager can rework the document to correct an error or to reflect the results of a LR / ER action.

Electronic Signature in
HR Connect's ePerformance

May, 2006

Electronic Signature in HR Connect's ePerformance

Overview

Performance Management processes in the US Treasury typically require signatures from employees, rating officials and/or rating reviewers at key milestones throughout the performance cycle such as the plan creation, mid-year reviews and the final rating processes. This has traditionally required the print-out of the Performance Management plan and the presentation to the employee and other reviewers for the traditional 'wet' signature on the form.

For purposes of this document, electronic approvals represent a process that can include electronic signatures or embedded tracking information that indicate approval.

OPM guidance on electronic signatures establishes minimum requirements for the use of electronic signatures in the performance management process. The guidance delegates responsibility to each agency to authorize the use of electronic signatures in the performance management process.

HR Connect's ePerformance application offers effective methods for electronic signature to replace the traditional 'wet signature' process at various steps during the performance cycle.

Introduction

Obtaining signatures during the Performance Management cycle at Treasury has required that the extra steps of printing out the performance document and obtaining traditional signatures from employees, raters and reviewers. This manual process adds time, and paper to the process. Routing these paper forms for signature involves the use of fax machines, mail delivery and/or couriers. These manual steps are costly in terms of time, efficiency, and integrity.

HR Connect's ePerformance application offers features that support the electronic signature process. These features include: date / time / userid stamps for actions taken in ePerformance as well as the print-out of the corresponding dates / names of the employee, rater and reviewing official on the printable performance management document. Using the electronic signature features reduces the manual steps that are required to obtain traditional signatures and improves the efficiency of the process.

OPM Requirements

OPM's electronic signature requirements for performance appraisals are similar to those included in The Guide to Processing Personnel Actions for SF 50/52's and NIST FIPS 113. You can find the OPM requirements for SF 50/52's in chapter 3 of The Guide to Processing Personnel Actions. The requirements dealing specifically with electronic signatures are:

- the signal or symbol must be unique to the signer;
- the "signature" must be capable of being verified and must be linked to the data being transmitted, including the effective date;

- control features must be in place to insure the authenticity of data on the form, including the electronic signature; and
- such controls must provide reasonable assurance that deliberate or inadvertent manipulation, modification or loss of data on the electronically stored form is detected.

As with any sensitive document, an agency must take appropriate measures to ensure the security of the performance appraisals and the privacy of the individuals involved.

As early as 1951, the Federal Government recognized that a signature did not have to be handwritten and that "any symbol adopted as one's signature when affixed with his knowledge and consent is a binding and legal signature." (Comptroller General (CG) Decision B- 104590, September 12, 1951.)

Although not directly related, another very important CG decision affects the ability to use electronic signatures in performance management processes. In 1991, NIST asked for a decision regarding whether or not Federal agencies could use Electronic Data Interchange technologies to create valid contractual obligations that can be recorded consistent with the documentary evidence requirement for Government obligations. In a CG decision (B-245714 dated December 13, 1991), the CG concluded that valid obligations could be made using computer technology. The results of this decision regarding contracts also can be applied to valid performance plans and appraisals.

- communication is still one of the most important factors in the performance management process;
- face-to-face progress reviews and appraisal discussions lead to more effective performance management, and
- a hard copy of the "signed" appraisals for the three most recent ratings of record must be in the employee's Official Personnel Folder when the employee leaves an agency.

OPM Review of HR Connect ePerformance

In an email dated December 16, 2005, the Office of Personnel Management confirmed the eSignature features in the HR Connect ePerformance application. In addition, OPM stated the following: "a hard copy of the signed appraisals for the three most recent ratings of record must be in the employee's Official Personnel Folder..." will change once the eGovernment initiatives are complete." As a result of this statement, the HR Connect Program Office has interpreted this to mean that a paper copy of the Performance Management document along with a written signature are required on the Performance Management document that is retained in the employee file. For this reason, the HR Connect Program Office has determined that:

1. HR Connect's ePerformance includes features to support electronic signature
2. OPM regulations require a paper document with a handwritten signature

Overview of Electronic Signature Features in HR Connect's ePerformance

HR Connect's ePerformance application includes features to track the following activities with a unique userid, date and time stamp and audit tracking of each action:
- performance plan established
- performance mid-year review conducted
- performance final (annual) rating complete
- lock the finished review and avoid printing the documents.
- routing between the employee and supervisor as well as anyone else within the routing activity is documented through an "audit trail".
- electronically validated and "signed",

Recognition of these features will allow managers to bypass the manual signature tracking activities that are currently processed.

Treasury Applications Using Electronic Signature

Authority for recognition of electronic signature is available from OPM, OMB as well as federal law and mandates (Paperwork Reduction Act). Other applications within Treasury that recognize the validity of the electronic signature include:

- HR Connect PAR Request and Processing
- Travel Request
- Time and Attendance

Record Retention

After the Performance Appraisal is finalized, the score is updated and stored in ePerformance as well as transmitted to NFC to update the employee record. The Performance Management records are retained in HR Connect indefinitely. The records are not archived to another system or otherwise purged from HR Connect.

Although there may be a future adjustment to this practice, the minimum periods of record retention for Performance Management documents will be followed.

Conclusion

By the end of calendar year 2006, HR Connect's ePerformance application will be implemented across two Treasury bureaus including the IRS and OIG.

The official endorsement and approval of the electronic signature features within HR Connect's ePerformance application will provide the customer organizations with the authority to recognize

the electronic signature features which would reduce the cycle time for steps within the performance management process.