

5/88

COMP

T-36

---

GAO

---

---

GAO'S  
PAY  
FOR  
PERFORMANCE  
SYSTEM

---

---

**GAO System Overview**

---

**Phase in over several years**

**First year -**

- Bonus payments

**Second year -**

- Convert to bands
- Continue bonus payments and start permanent pay increases

---

## GAO Why We Are Going To A Pay-For-Performance System

---

- Base rewards on performance
- Increase number of winners
- Attract high performers
- Increase staff motivation
- Allow staff to influence pay
- Put GAO in line with other agencies

---

**GAO** Why We Are Going To  
Broadbands

---

- Helps support GAO's teamwork environment
- Expands staff assignment opportunities
- Expands range of pay

---

## GAO Why Phased-In Approach?

---

- Consistent with existing appraisal and assessment cycles
- Allows transition into NFC
- Permits phase-in of funding
- Permits staff/manager training
- Permits evaluation of assessment process

---

GAO **Who Is Included In PFP  
System?**

---

**Types of positions included**

- Evaluators
- Evaluator-related specialists

**Guidelines for inclusion**

- Appraised under BARS or GS-15 appraisal system
- Promotions under M.S.P.

---

**GAO** Key Elements in GAO's  
Pay-For-Performance System

---

- Most employees will receive greater rewards in new system
- After conversion to bands, all fully successful employees will obtain salary increases at least equal to those which they would have received under the GS system

---

**GAO** Key Elements in GAO's  
Pay-For-Performance System

---

- After conversion to bands, staff will receive an adjustment to permanent pay to account for the accrued portion of their within-grade pay increase



---

**GAO**    **Key Elements in GAO's  
Pay-For-Performance System**

---

- **The Pay-For-Performance system will not affect comparability adjustments**

---

**GAO** Key Elements in GAO's  
Pay-For-Performance System

---

- The Pay-For-Performance budget will be allocated to divisions, regions and small offices

---

## GAO Why Unit Budgets?

---

- Provides the tools to support unit management responsibility
- Permit greater control over payout decisions
- Minimize competition among units
- Provide for management flexibility

---

## GAO Allocation of Units Budgets

---

- The allocation of the Pay-For-Performance budget will be based upon the number of persons in each band and the anticipated payout distribution

---

## **GAO Examples of Unit Budgets (First Year Payouts)**

---

<b>Unit</b>	<b>Payout</b>
<b>Medium Programming Division</b>	<b>\$206,000</b>
<b>Large Programming Division</b>	<b>\$327,000</b>
<b>Large Region</b>	<b>\$ 81,000</b>
<b>Medium Region</b>	<b>\$ 66,000</b>

---

---

## GAO Who Will Receive Bonuses?

---

- About 50% of affected staff
- About 1,400 evaluator and evaluator-related specialists
- First payouts due October 1989

---

## GAO First Year Payout

---

- 15% (over 400 staff) can receive \$1,500 to \$3,800 in bonuses.
- 35% (over 1,000 staff) can receive \$600 to \$2,100 in bonuses.

---

GAO Comparison with Current System

---

**Current System**

- 12 percent of staff can receive awards of \$500 to \$750

**Under PFP**

- 50 percent of staff can receive bonuses of \$600 to \$3,800



---

## GAO Permanent Pay

---

- Permanent pay will be introduced
- Phase-in leading toward salary increases described in "Green Book"
- Phase-in over several years
- Yearly budget supplementation

*as opposed to yellow  
pages. Do you  
want this?*

---

## GAO Permanent Pay

---

- Pay protection assured for all fully successful staff
- Percentage increases based on bandbase salary

---

## GAO Assessment For Pay

---

- BARS will be the basis of the assessment process
- Unit head will appoint panel
- All staff will be assessed
- Panelists must have knowledge of work

---

GAO Assessment For Pay

---

**Panelists must be from higher band than those assessed**

**Panelists produce ranked list of assessed staff**

- Use BARS appraisals
- Use accomplishments, results and activities
- Use panel discussion

---

GAO Assessment For Pay

---

**Panel recommends cut points**

**Unit head determines bonus  
amounts within GAO-wide limits**

---

**GAO** Three Banded System

---

**Conversion will be mechanical**

**Band I -- GS-7 through GS-12**

- Developmental Level
- Full Performance Level

**Band II -- GS-13/14**

- Leadership

**Band III -- GS-15**

- Managerial

---

## GAO Band I: Developmental Phase

---

- Developmental period for entry level staff
- Movement from developmental to full performance level
- Probationary period will be 2 years

---

## GAO Band I: Full Performance

---

- Bonuses available
- Top performers can go to GS-12/10 salary equivalent



---

GAO Band II  
Potential Issues

---

- Broad definition allows variety in assignments
- Band II staff can rate each other
- Assessment of Band II will be by a higher-level panel.

---

GAO Band III  
Potential Issues

---

- Who will assess Band III staff in regions?
- Currently evaluating options (Ron Lauve)

---

## GAO Promotion

---

- Use same annual cycle  
(Tim McCormick)
- Use existing MSP
  - Panels rate BARS dimensions
  - Panels relatively rank staff
  - Cut points by same BQ formula
  - Unit head picks from BQ list

---

GAO What We Need To Do --  
Broad Bands

---

- Complete revising appraisal systems (Dave Littleton)
- Band the BARS dimensions
- Decide how expectations and results will be documented
- Introduce new Band III rating system

---

GAO What We Need To Do --  
Broad Bands

---

- Training staff (Ray Rist)
- Appraisal systems
- Expectation setting
- Assessment panels
- Managing change

---

GAO    What We Need To Do --  
Broad Bands

---

- Design pay progression formulas (Mary Hamilton)
- Update personnel systems (Dave Hanna)
- Revise recruitment program to reflect broad bands (Art Goldbeck)

---

## GAO What We Need To Do --

---

- Develop software to assist processes (Jack Wheeler)
- Test assessment process (Ed Densmore)
- Develop evaluation plan (Carl Wisler)

---

## GAO Key Dates

---

### **June 1988**

- Begin appraisal period for first year payouts

### **Fall 1988**

- Develop training package for new BARS appraisal system



---

## GAO Key Dates

---

### **Spring 1989**

- Give specialized training on
  - New appraisal system
  - Assessment for pay process
- Needs determination by bands

---

## GAO Key Dates

---

### **June 1989**

- Convert to bands
- Pro rata buyout of within-grades
- Use new appraisal systems
- Begin new appraisal period

---

## GAO Key Dates

---

### **July 1989**

- Assessment for first year payouts

### **October 1989**

- First payout
- Bonus only
- GS system

---

## GAO Key Dates

---

### **October 1990**

- Second payout
- Bonus plus permanent pay
- Bands

---

## GAO Key Dates

---

### **October 1991**

- Enhanced funding