



## How This Course Is Organized

This lesson provides an overview of how the course is organized and how to navigate through it.

This course explores how the pay pool process, together with the performance management process, appropriately recognizes and rewards performance. The course:

- Discusses the major activities associated with the performance management and pay pool processes
- Identifies key outcomes
- Focuses on roles and responsibilities

Each lesson ends with a review.

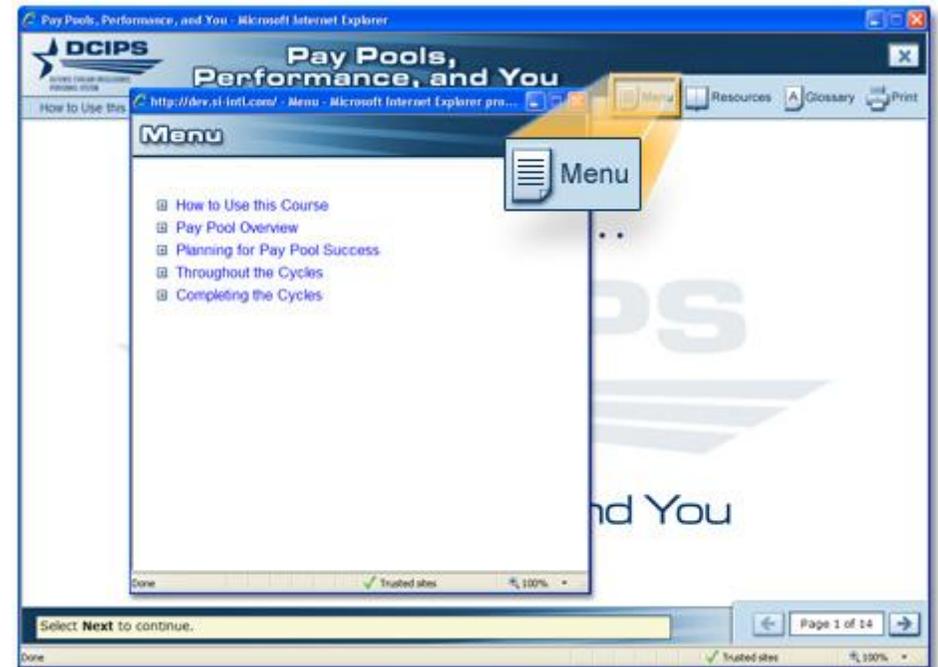
After completing the course, you will be asked to complete a course evaluation questionnaire. You will then be prompted to print a course completion certificate to confirm that you completed the course.

This course takes approximately 1-1½ hours to complete.

## Course Menu

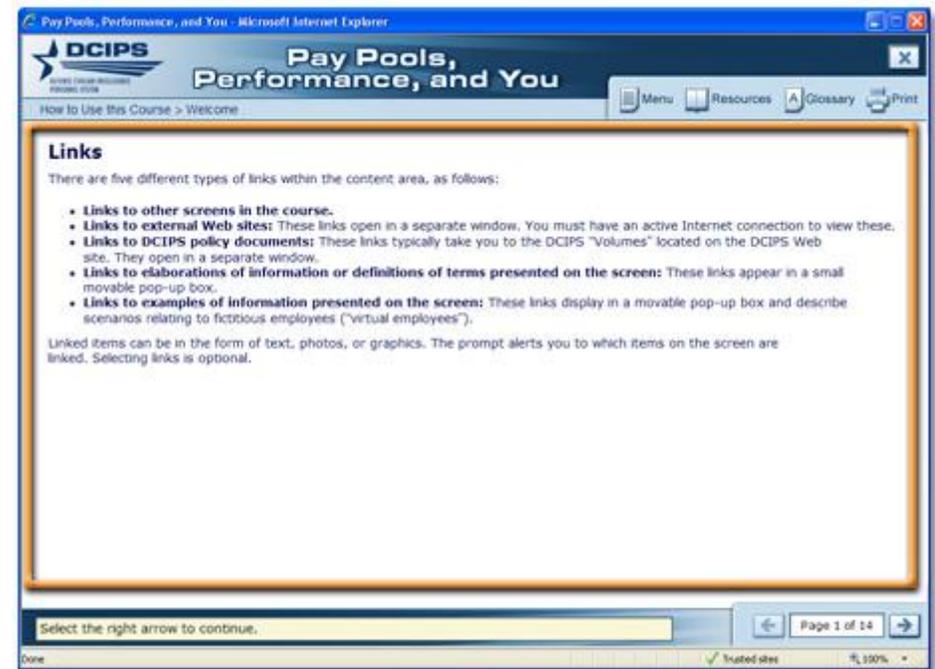
Selecting **Menu** brings up the course menu. Selecting the button to the left of each lesson title or selecting the title expands the item to show the list of subtopics. Selecting a topic title takes you to the first screen of the topic.

You can progress through the course in the order the lessons, topics, and screens appear by selecting the right arrow on each screen, or you can jump among topics of interest.



## Content Area

The main part of the screen is the content area that contains the text and graphics for viewing and interaction. It may contain links to pop-up information boxes, other screens in the course, other documents, web pages, or definitions of terms.



## Prompt

At the lower left of the content area you find a prompt. The prompt indicates what you need to do to advance to the next screen. On screens with selectable items, the prompt changes as you interact with the screen.



## Links

The five different types of links within the content area are:

- **Links to other screens in the course**
- **Links to external websites:** These links open in a separate window. You must have an active Internet connection to view these links.
- **Links to DCIPS policy documents:** These links typically take you to the DCIPS website. They open in a separate window.
- **Links to detailed information or definitions of terms presented on the screen:** These links appear in a small, movable pop-up box.
- **Links to examples of information presented on the screen:** These links display in a movable pop-up box and describe scenarios relating to fictitious employees (“virtual employees”).

Linked items can be in the form of text, photos, or graphics. The prompt alerts you to which items on the screen are linked. Selecting links is optional.

## Right Arrow

Selecting the right arrow takes you to the next screen in the course. If you are at the end of a lesson, selecting the right arrow takes you to the first screen of the next lesson.



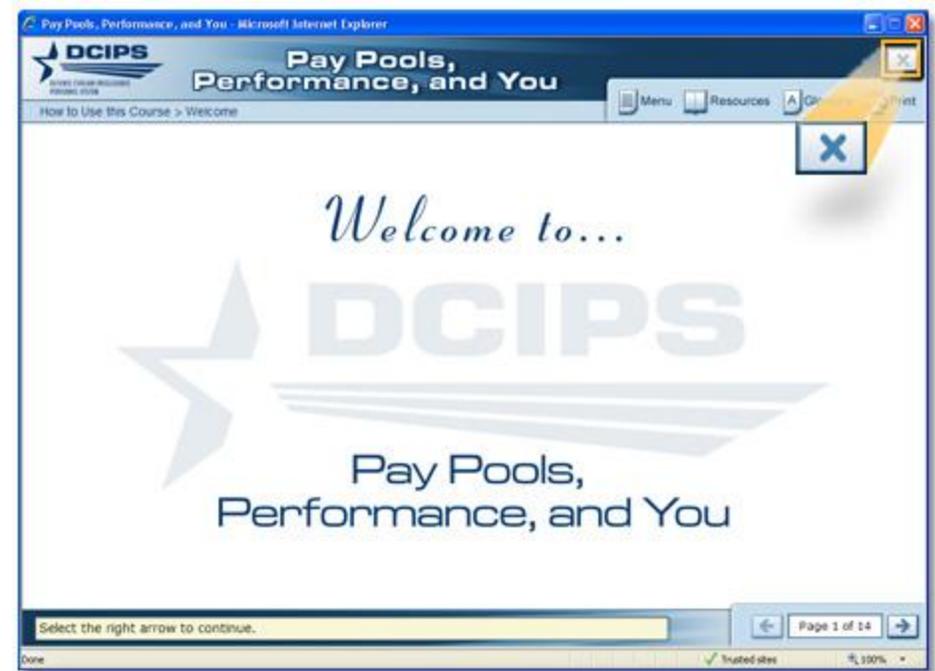
## Left Arrow

Selecting the left arrow takes you to the screen located before the current screen. If you are using the menu to jump between screens in different locations, you can right-click the screen and select the left arrow to go to the previous screen viewed, regardless of the sequence of screens in that lesson.



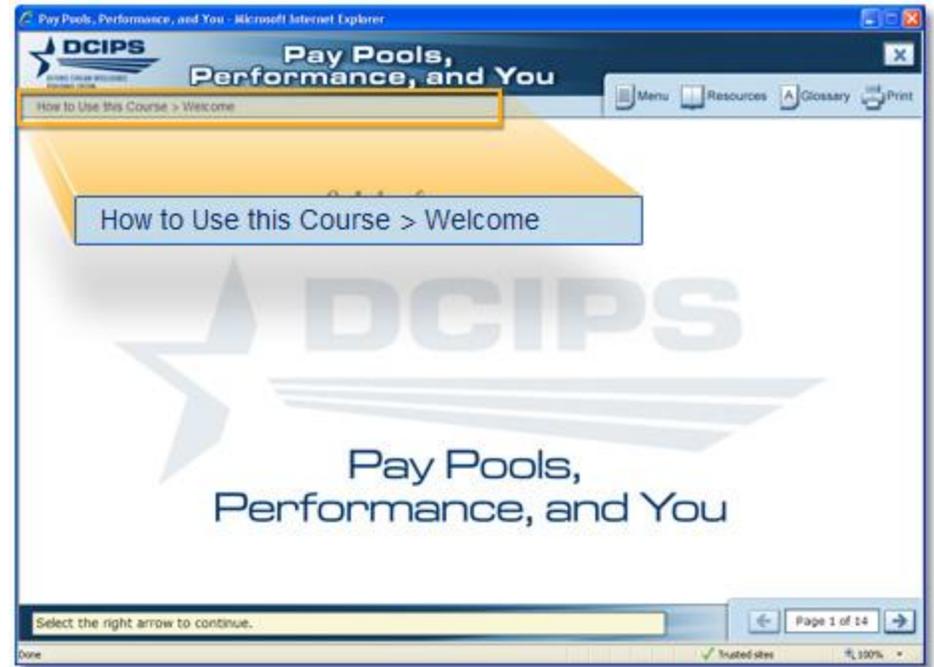
## Exit (Blue X)

Selecting **X** opens a dialog box asking if you want to exit the course. Select **Yes** to exit and close the browser window. Please note that the course does not “save your place” when you close the browser window.



## Breadcrumb Area

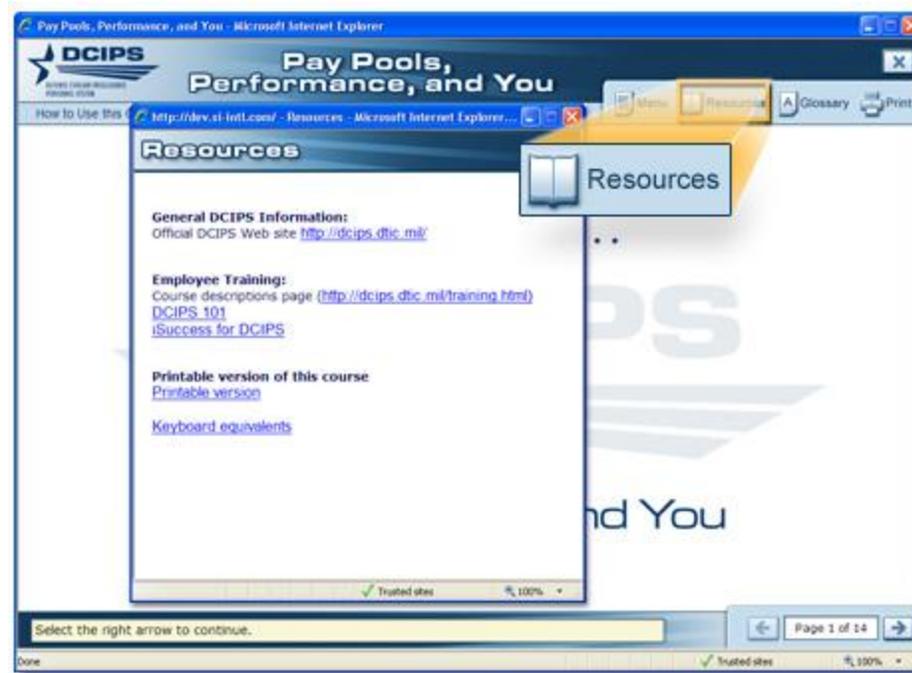
The breadcrumb area is so named because it leaves a "trail of breadcrumbs" for you to follow so that you can trace your path back through the current lesson and topic. The lesson and topic titles are linked; select either of these to go to the first screen in that lesson or topic.



## Resources

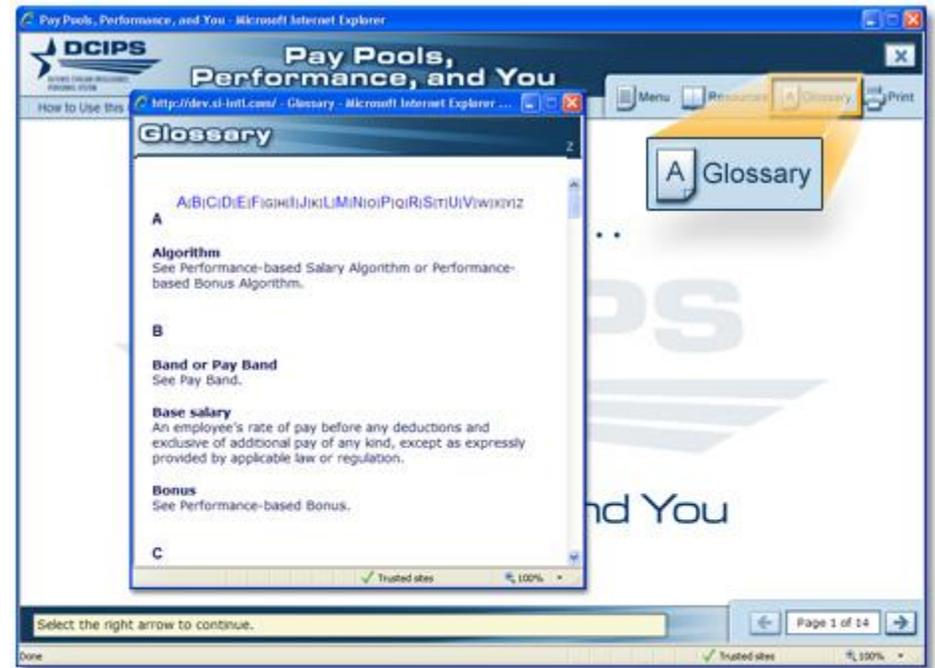
Selecting **Resources** opens a separate window with a list of resources that relate to the course. These resources are linked to either the document indicated (usually to the appropriate location within the document) or a web page where you can find the information.

If you are not connected to the Internet, some of the links within the course do not open the appropriate source. Additionally, if you are viewing this course from a file downloaded to your machine, CD-ROM, or local network, some links do not open to the applicable section of the resource.



## Glossary

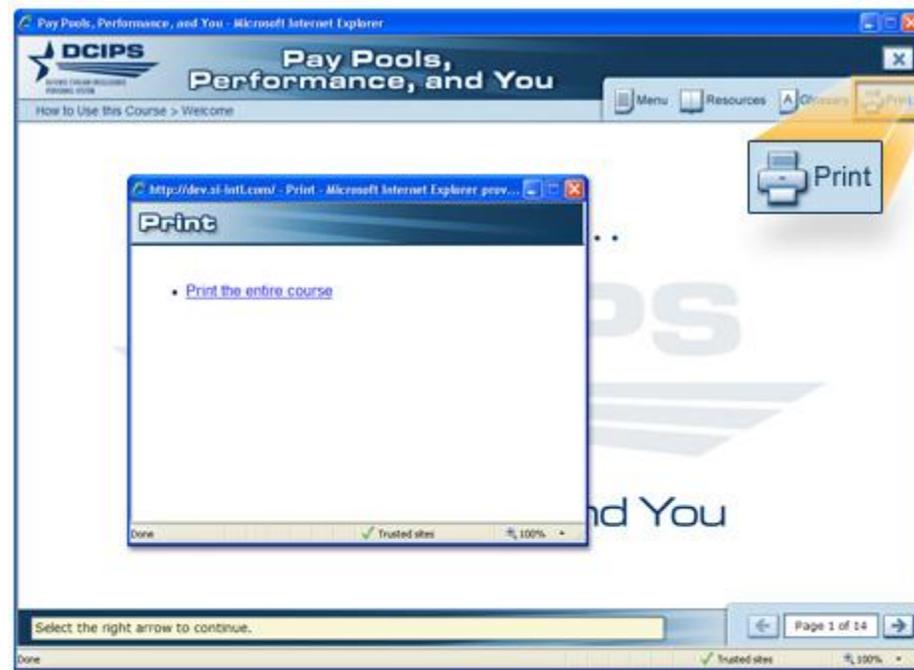
Selecting **Glossary** opens a separate window with a list of terms and their definitions, including definitions of acronyms.



## Printing Screens

If you wish to print a screen, select **Ctrl+P** on your keyboard. Make sure to select Landscape orientation in the Print dialog box. Using this option, you may also find that part of the right side of the screen is cut off. If so, select the **Scale** option in your print dialog box and scale the printed page to 90 percent or less.

To print all of the course screens, select the **Print** button.



## Points to Remember About This Course

*DCIPS Pay Pools, Performance, and You* builds on information discussed in *DCIPS 101*. If you are unfamiliar about the basic concepts of DCIPS, you are encouraged to complete *DCIPS 101* before continuing.

A few other considerations:

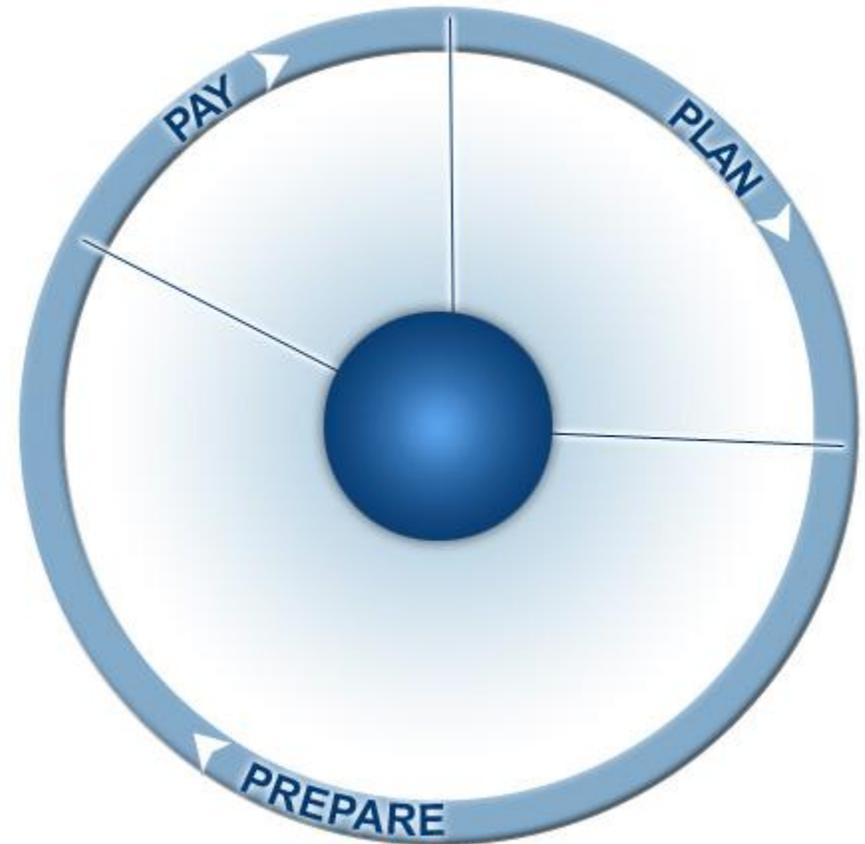
- Although it makes the most sense to proceed sequentially through the lessons, you may navigate to any lesson or screen at any time. Select **Menu**, the left arrow, or the right arrow to move to other parts of the course.
- Selecting **Resources** and **Glossary** provides additional information and definitions. You can access them from any screen.
- You can print any screen to use during or after the course.
- You do not need to complete this course in one session. You may keep the course open for as long as you like. However, the course does not “save your place” when you close the browser window.
- To receive credit for completing this course, print your certificate of completion after you finish evaluating the course. Your training office should provide instructions on where to send your certificate.



## Pay Pool Overview

*DCIPS Pay Pools, Performance, and You:*

This course explores the pay pool process. In this course you will learn about the key players and some specific pay pool activities. You will see how effective performance management is critical to pay pool success.



## Pay Pool Link to Performance Management

Under DCIPS, performance management and pay pools are separate processes that interrelate.

The performance management process consists of four phases that extend throughout the 12-month performance evaluation period.

The pay pool process consists of three phases that begin with the onset of the performance management cycle and end with the pay pool payout. Having an equitable and consistent performance management process is critical in driving a successful pay pool process.

Select a phase to learn more about it.



### **Pay Pool Process Plan Phase**

During the plan phase, pay pool structures are established; timelines are established, pay pool SOPs may be developed; and organizational goals and priorities for the pay pools are communicated throughout the organization.

### **Pay Pool Prepare Phase**

The prepare phase includes activities that strengthen and improve the understanding by all people who have a role in the pay pool process, with specific focus on PP PRA and pay pool panel members; understanding of performance management standards and the pay pool process.

### **Pay Pool Pay Phase**

In the Pay phase, the pay pool panel deliberates and decides appropriate performance-based salary increases and/or bonuses. Lesson 5 will discuss these in more detail.

### **Performance Management Plan Phase**

During the plan phase, you and your rating official identify performance expectations and outcome-focused performance objectives that support and align with organizational goals and priorities.

### **Performance Management Develop and Monitor Phase**

Development provides opportunities for you and your rating official to reinforce your strengths, develop your skill set, and discuss career-broadening activities. The individual development plan (IDP) is a key tool used during this phase. Monitoring is at the heart of this phase, because regular and meaningful dialogue between you and your rating official ensures that a shared understanding of performance continues throughout the year and that issues are resolved in a timely and appropriate manner.

### **Performance Management Rate Phase**

During the rate phase, you have the opportunity to document your accomplishments to your rating official who then considers your input and his or her own input to recommend your Performance Evaluation of Record.

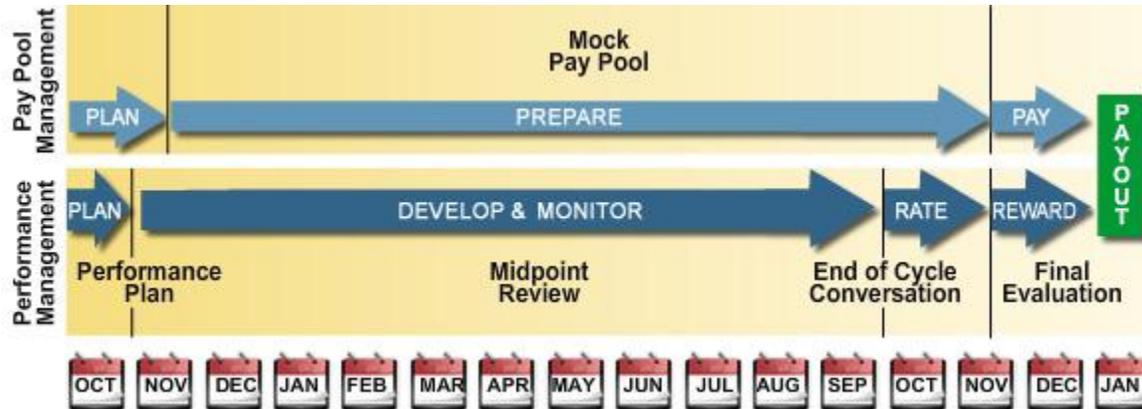
### **Performance Management Reward Phase**

The reward phase occurs through the pay pool process.

## The Process in Action

The performance management period is twelve months in duration. In most organizations, the performance management period runs from October 1 through September 30. If your organization has an October to September performance management period, your pay pool process will begin in October and end in January of the next year when the pay pool payouts are received.

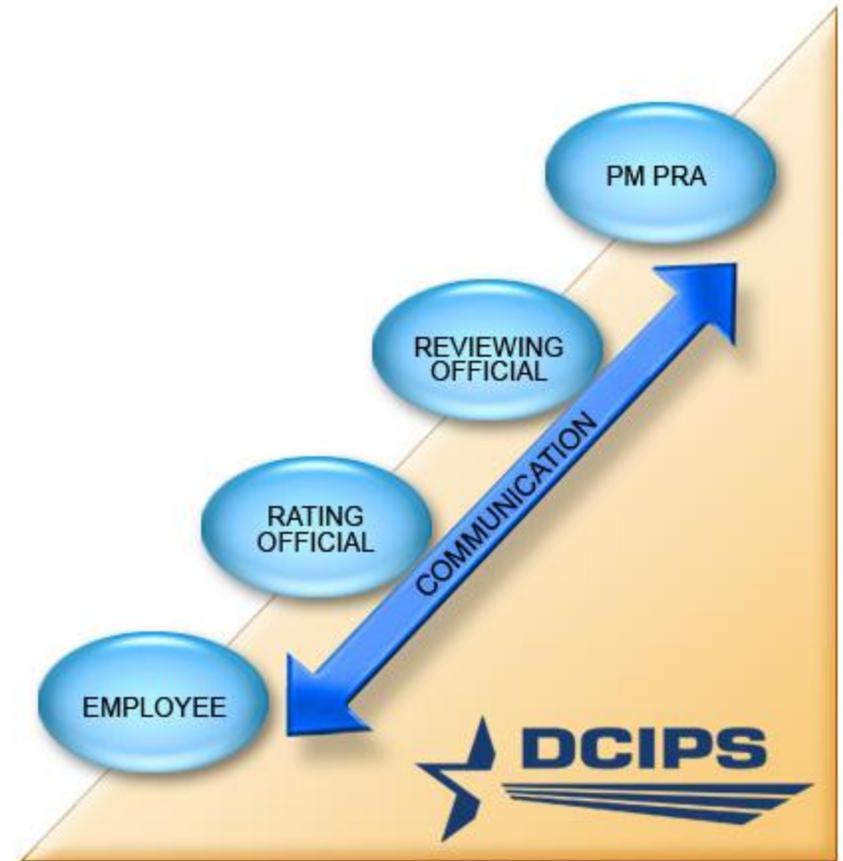
During the 12 month performance management period, every effort is made to assure that the results will drive a successful pay pool process. This starts with setting appropriate performance objectives, conducting the mandatory Midpoint Review, providing effective feedback and evaluating performance equitably and consistently. When all of the performance management phases are performed correctly, the pay pool process will be successful.



## Performance Management drives Pay Pool Success

The DCIPS performance management and pay pool processes give managers and employees tools that promote and sustain high individual and organizational performance. Throughout this course you will see that the performance management process helps drive successful pay pool operations. Employees, rating officials, reviewing officials and the performance management performance review authorities (PM PRA), all have a role in supporting the pay pool process by taking the utmost care in the performance management process.

Select each role to learn more about how each role participates in the process.



**Employee**

Employees have an opportunity through their self-reports of accomplishments to convey their accomplishments during the performance period. Employees should recognize that their performance evaluation of record is the primary factor in determining their eligibility for a performance-based reward.

**Rating Official**

Rating Officials evaluate outcomes and behaviors. Their assessments will be provided to the pay pool so it is essential that evaluations are equitable, consistent, appropriate and well documented so the pay pool has valuable information to consider and help ensure that correct pay pool outcomes will result.

**Reviewing Official**

Reviewing Officials have approval authority for performance evaluations of record. When they approve an evaluation of record they do so knowing that it will then be considered by the pay pool for reward consideration.

**Performance Management Performance Review Authority**

The PM PRA is important to the pay pool process. The PM PRA ensures that employees are evaluated equitably and consistently against performance standards and that pay pools will have reliable evaluations with which to work.

## Mission Accomplishment and Pay Pools

The goal of pay pools is to recognize and reward performance that supported mission accomplishment. When an employee performs as expected and his or her accomplishments align with the organization's goals and priorities, his or her value to the organization is enhanced. Pay pools consider the effect of employee performance on mission accomplishment.

Each of us has a role to play:

- [Employee](#)
- [Rating Official](#)
- [Reviewing Official](#)
- [Pay Pool Panel Member](#)
- [Performance Management Performance Review Authority](#)
- [Pay Pool Performance Management Authority](#)



**Employee**

Your rating official helps you understand the contributions you make to the organization. This shared understanding makes you aware of what is expected of you so that you can focus your efforts on what is important. At the end of the performance period, your accomplishments show how the work you completed supports your organization's goals and priorities.

**Rating Official**

Your rating official shares the organization's goals and priorities with you and discusses your performance plan with you to support a shared understanding of your performance expectations. Your rating official may adjust your performance plan to address changing priorities, if necessary, and creates an environment so that you can focus on results.

**Reviewing Official**

At the beginning of the performance period, the reviewing official reviews the performance expectations of multiple rating officials to ensure that they are aligned with organizational goals and priorities. At the end of the performance period, the reviewing official ensures that performance evaluations of record are completed within the established timeline and that performance standards and policies are applied consistently and equitably.

**Pay Pool Panel Members**

The pay pool panel reviews performance evaluations of record are consistent across the organization and submit recommendations for performance-based increases and awards.

**Performance Management Performance Review Authority (PM PRA)**

At the beginning of the performance period, the PM PRA reviews the performance expectations across his or her organization to ensure that they align with goals and priorities of the organization. A component may have many PM PRAs.

**Pay Pool Performance Review Authority (PP PRA)**

The pay pool PRA (PP PRA) oversees the pay pool processes to ensure that the pay pool processes are consistent and equitable. The head of the DOD component serves as the PP PRA; components have only one PP PRA.

## Communication is Important

Effective and ongoing communication is crucial to the success of the performance management process and pay pool process. Ongoing communication promotes a better understanding of priorities and accomplishments. Communication is a responsibility that everyone involved in the process shares.



## Knowledge Check

The responsibilities of the rating official leading to the pay pool process do not include:

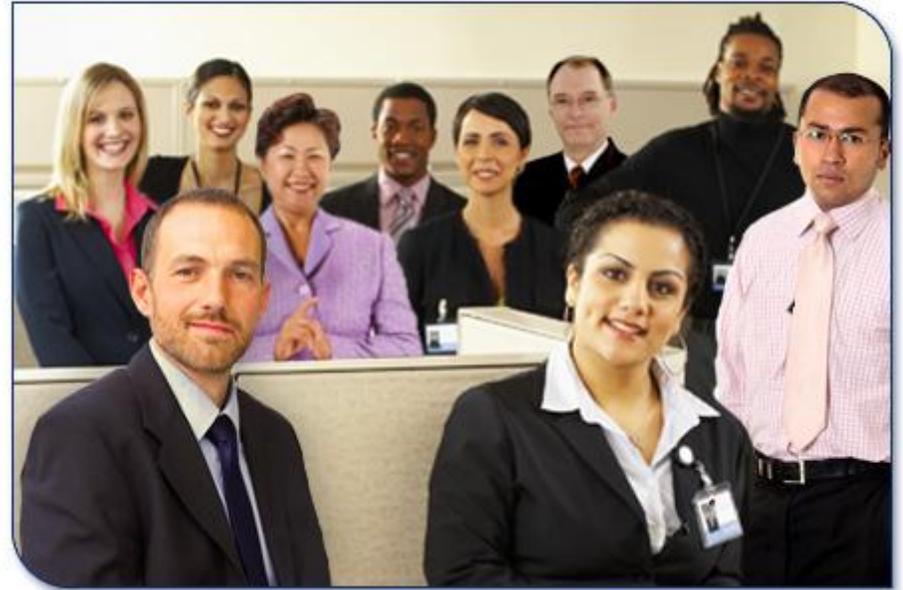
- A. Evaluating and managing employee performance
  - B. Assuring all employees ratings are well documented and supportable
  - C. Providing an evaluation to the reviewing official
  - D. Approving employee ratings and evaluations
- 

That is correct. It is the reviewing official who reviews employee ratings and evaluations. The rating official fosters an environment for employees to succeed, evaluates and manages employee performance, and forwards evaluations to the reviewing official. The PM PRA approves the ratings.

## Pay Pool Structure

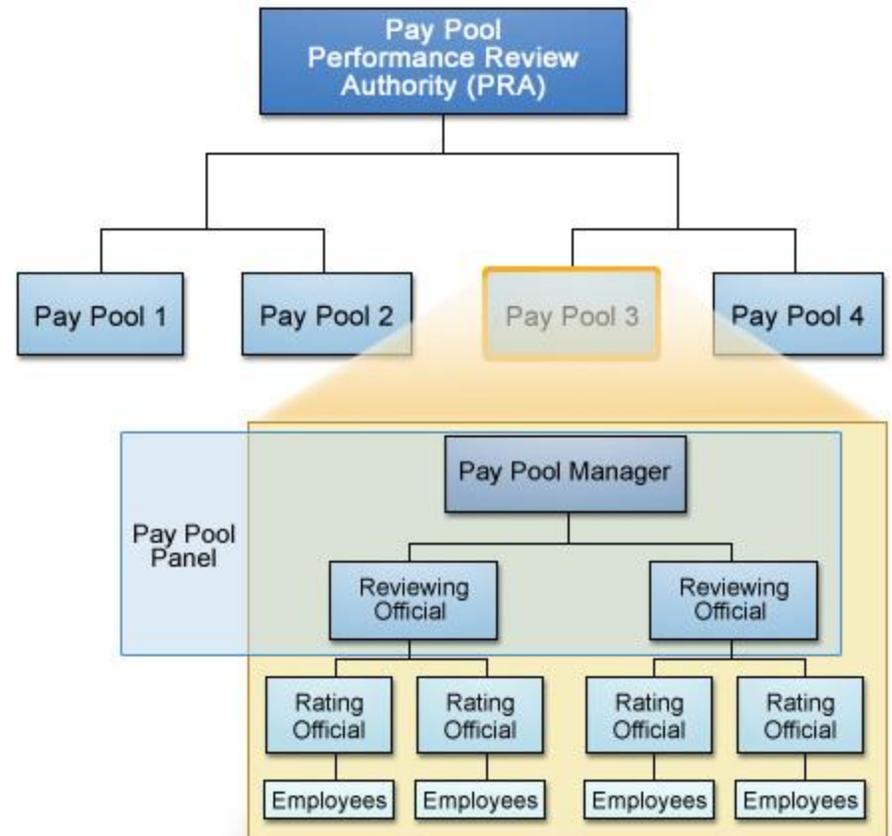
Under DCIPS, a pay pool is a group of employees organized according to certain characteristics, such as organizational structure, geographic location, or occupation. A pay pool size is generally between 20 and 100 employees, though a smaller or larger pay pool may be appropriate in certain circumstances.

In lesson 5, we explain how pay pools are funded. For now, let's focus on pay pool structures and the key roles and responsibilities of the major players.



## Pay Pool Structure

A pay pool's structure is designed to meet organizational needs. This pay pool example depicts an organizational structure. Other types of pay pools are structured by geography or by function. Components will usually have multiple pay pools.



## Key Players in the Pay Pool Process

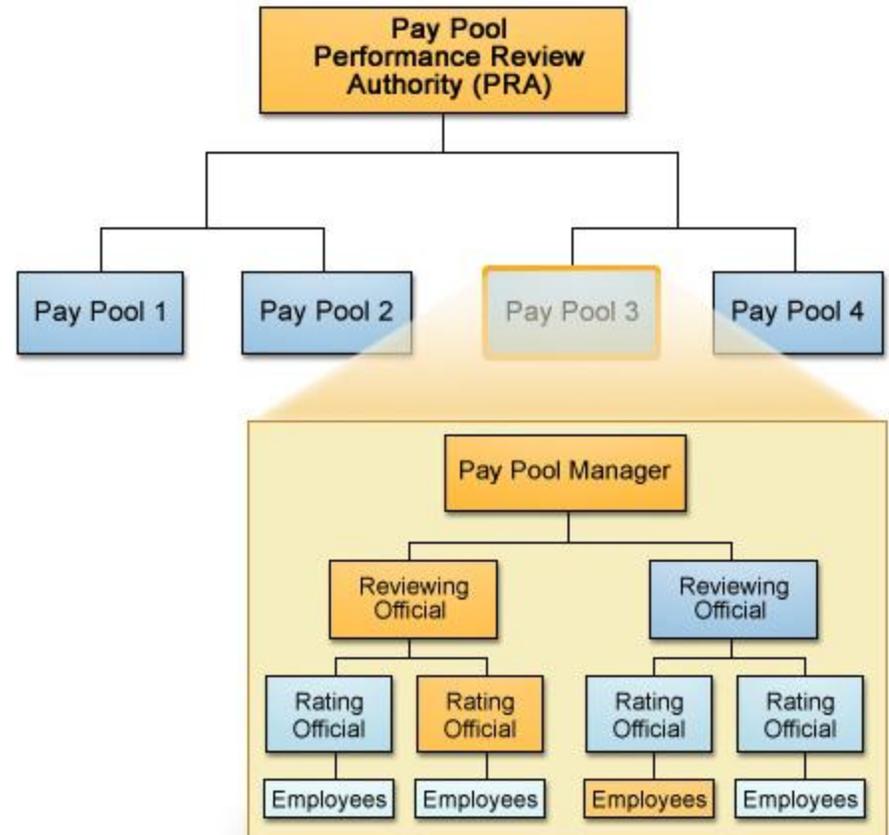
Take a look at the pay pool example. The following are key roles in the process.

The [PP PRA](#) oversees the pay pool process, approves pay pool recommendations, and communicates overall pay pool results to the workforce. The head of the DoD component is the PP PRA.

The [pay pool manager](#) manages the pay pool process and activities conducted by [pay pool panel members](#) for a specific pay pool. Each pay pool in a component has only one pay pool manager. In some cases a panel is not necessary. In those cases, the pay pool manager is the official responsible for deciding performance-based salary increases and/or bonuses.

Reviewing officials, rating officials, and employees are not directly engaged in the pay pool process, but the work that they perform in the performance management process provides the data that pay pools need to effectively and consistently reward performance through the pay pool process. Performance management results are the key input to the pay pools and guide the decision-making processes of the pay pools.

Throughout the course, we relate the roles and responsibilities to the activities that occur during each of the phases.



## **PP PRA**

The PP PRA, typically the head of the DCIPS Component, oversees the pay pool process for the Component, approves the final performance-based actions, and communicates overall pay pool results to the workforce.

## **Pay Pool Manager**

The pay pool manager provides financial, scheduling, business rules, and guidance to a pay pool in support of the pay pool process. He or she oversees the operations of the pay pool panel and approves the recommendations of the final pay pool panel. The pay pool manager is accountable to the PP PRA for the pay pool process and results. The pay pool manager is also a member of the pay pool panel. At the discretion of the Component, either a pay pool manager is assigned to be a member of a pay pool panel or a manager presides over a panel.

## **Pay Pool Panel Members**

Pay pool panel members form a group of managers or supervisors who typically share chain-of-command responsibility for employees who are assigned to a specific pay pool. These managers or supervisors are designated by the Head of the Defense Intelligence component to participate on a pay pool in deciding the performance-based rewards that are made annually for employees assigned to the pay pool.

## Knowledge Check

The primary function of the pay pool performance review authority (PP PRA) is to:

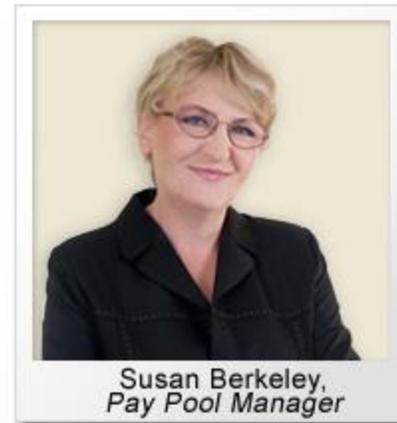
- A. Oversee one or more pay pools under its authority to ensure consistency**
  - B. Arbitrate disputes among pay pool panel members for any panel under its authority
  - C. Revise the payouts recommended by the pay pool panels under its authority
  - D. Review employee performance across multiple rating officials within the pay pools under its authority
- 

That is correct. The primary function of the PP PRA is to ensure consistency among pay pools under its authority and provide final approval of pay pool recommendations.

## Introducing the Virtual Employees

Like DCIPS 101, DCIPS Pay Pools, Performance, and You uses virtual employees to illustrate examples of how performance management and pay pool concepts, processes, and decisions affect employees like you.

Select the virtual employees to learn more about them.



### **Pay Pool Manager**

Susan Berkeley is the Director of the Plans Division. She serves as the pay pool manager. Ultimately, Susan Berkeley is responsible for ensuring that the pay pool operates in accordance with pay pool policy and regulations and that recommendations to the PP PRA appropriately reward employees through the pay pool process. “As a Pay Pool Manager, I know that the actions I take affect individual employees as well as group morale. I am careful and deliberate in the way I manage my pay pool for those reasons.”

### **Reviewing Official**

Gabe Havel is the Deputy Director of Mission. He serves as the reviewing official for six rating officials in his division. “As a Reviewing Official, my job is to make sure that all employees have been rated equitably and appropriately so that the pay pool has solid and reliable performance results to work from.”

### **Rating Official**

Gregory Fitch is a supervisor in the Plans Division and is Laura Shen’s first-level supervisor and rating official. Gregory is responsible for establishing Laura’s performance plan in concert with her reviewing official; helping her establish an individual development plan (IDP); monitoring her performance; drafting her performance evaluation of record; and obtaining approval from the reviewing official to share it with Laura when it has been approved. He is also responsible for sharing with Laura the outcome of the pay pool process. “My job is to evaluate employee performance in an equitable and consistent way so that the pay pool reward decisions will be appropriate.”

### **Employee**

Laura Shen is an intelligence analyst, working for Gregory Fitch. “I appreciate knowing that my performance evaluation is based on established standards and that the pay pool panel will consider my performance evaluation in making their reward decisions.”

## Lesson Review

Let's review some of the main points covered in this lesson:

- Under DCIPS, performance management and pay pool are two separate but related processes.
- Good performance objectives, well-written self-reports of accomplishments and appropriate performance evaluations of record will drive meaningful pay pool deliberations and outcomes.
- Pay pools can be structured in a number of ways, and each component determines how pay pools will be organized and how many pay pools there will be.
- Ensuring pay pool success is the responsibility of many individuals, including the PP PRA, the pay pool manager, and the pay pool panel members.

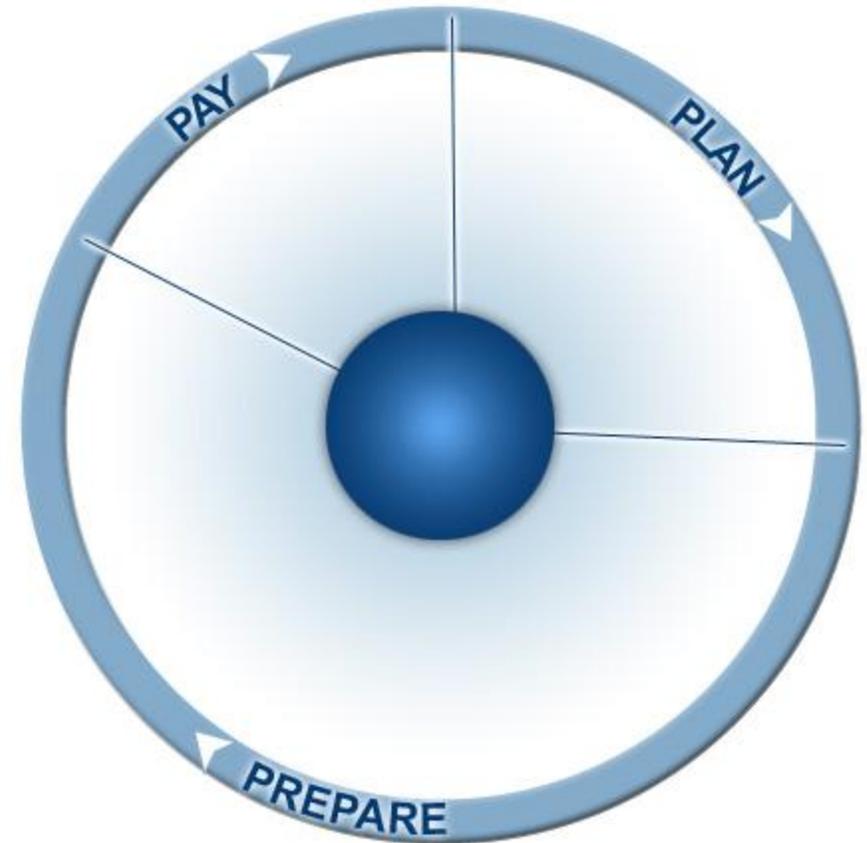


## Introduction

This lesson discusses the planning phase of the pay pool process.

The planning phase of the pay pool process lays the foundation for successful pay pool management. During this phase, the pay pool structure is established, membership information is formulated, and employees are identified and assigned to the pay pools. Additionally the pay pool manager and pay pool panel members are designated.

The planning phase of the pay pool process includes activities such as collecting and publishing relevant financial and organizational data; determining schedules; identifying or confirming the employee, rating official, and reviewing official hierarchy to support the establishment of pay pools.



## Pay Pool Link to Performance Management

While the pay pool planning is taking place, be aware that the planning phase of the performance management process is also taking place. During this phase of the performance period rating officials and employees are busy discussing and developing performance objectives. At this phase they reach a shared understanding of what will be accomplished during the performance period. At this time in the performance period, the performance plan is established and rating officials and employees have their first officially documented performance discussion of the performance period.



## Pay Pool Planning Phase

This table summarizes the major activities and responsibilities during the Pay Pool Plan phase. Select each link for more information.

<b>Pay Pool PLAN</b> <b>Outcomes - Establish pay pools and processes</b>	
<b>Major Activities</b>	<b>Responsibilities</b>
Communicate organizational goals and priorities. Establish/confirm pay pool hierarchies. Communicate pay pool information to employees.	<a href="#">Pay Pool PRA</a> <a href="#">Pay Pool Manager</a> <a href="#">Pay Pool Panel Member</a>

**Pay Pool PRA**

- Provides guidance to pay pool managers
- Approves the composition and proposed operations of pay pools
- Oversees publication of communications to employees about the pay pool process

**Pay Pool Manager**

- Communicates organizational goals and priorities
- Establishes or reviews and revises the pay pool structure
- Establishes and reviews pay pool business rules to support the pay pool process

**Pay Pool Panel Member**

- Reviews requirements and expectations of panel members
- Reviews pay pool guidance and identifies responsibilities and training requirements to be completed before the pay pools start

## Planning Phase

Effective performance objectives are at the heart of the performance management process. They describe your expected outcomes in sufficient detail so that you and your rating official have a shared understanding of what success looks like.

Select the virtual employees to learn about how they established effective performance objectives.



**Gregory Fitch, *Rating Official***

Laura and I started our discussion by reviewing the organization's goals and priorities and aligning Laura's performance objectives with the organization's goals and priorities. Also, I wanted to make sure that her performance objectives could be accomplished within this performance period and were appropriate to her work level, pay band or grade. I wanted objectives that would be measured by impact and results and that would directly link to the mission accomplishment and provide a meaningful evaluation to be included in the pay pool deliberations after the close of the performance period. After some discussion, Laura and I agreed on her performance objectives.

**Laura Shen, *Intelligence Analyst***

As Greg and I worked on my performance objectives, we discussed the organization's goals and priorities and agreed on what the outcomes of my performance objectives look like. By working on the activity together, we were able to describe success with sufficient detail so that anyone who reads the performance objective knows what is expected.

## Knowledge Check

Linked to the organization's goals and priorities, \_\_\_\_\_ are written statements documenting responsibilities and related accomplishments expected of the employee during the evaluation period.

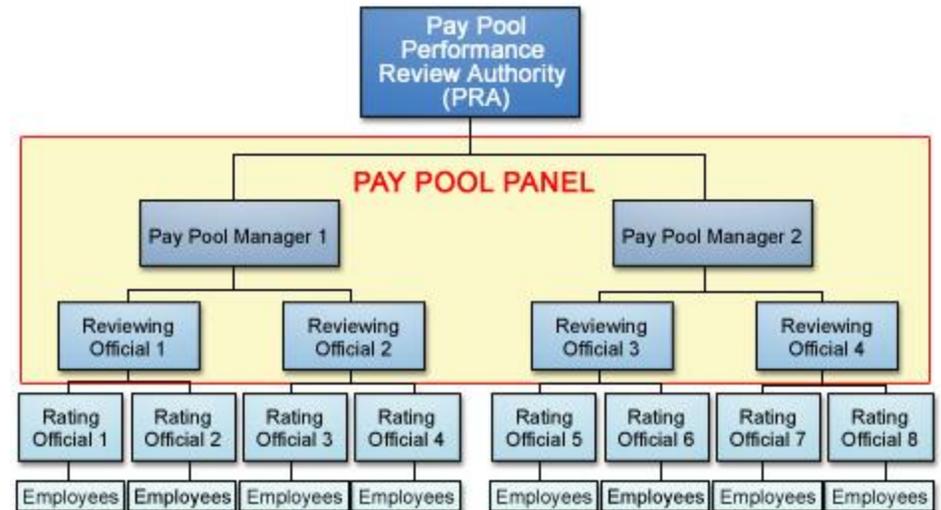
- A. IDP's
  - B. Performance feedback
  - C. Performance objectives
  - D. Performance elements
- 

That is correct. Performance objectives are key features of the performance plan. They document the employee's responsibilities and expected accomplishments (the "what") that is expected of him or her during the performance evaluation period and are linked to the organization's goals and priorities.

## Pay Pool Structure

An important outcome of the plan phase is setting up or revising the pay pool structure, communicating information about membership, and deciding what is to be done before the pay pool meets, including the following:

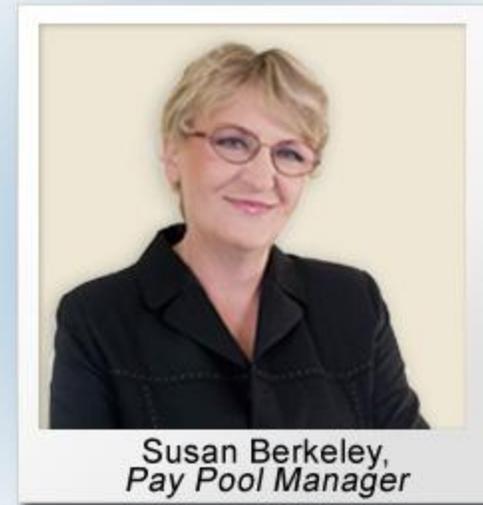
- Who is in the pay pool.
- Who is the pay pool manager.
- Who is on the pay pool panel, if a panel is used.



## Planning for Success

Planning is the key to any successful endeavor. During the plan phase of the pay pool process, the pay pool manager is engaged in a variety of activities that lay the foundation for effective pay pool management and operations.

Select the virtual pay pool manager for her insight.



**Susan Berkeley, *Pay Pool Manager***

During the plan phase of the pay pool process, I engage in a series of activities including the following:

- Reviewing lessons learned from my colleagues who completed the process last year
- Clarifying roles and responsibilities within our pay pool
- Assigning our data administrator to identify the needed information and his or her role in the process. The data administrator is the individual assigned to process the data specific to the pay pool process in the Compensation Workbench
- Obtaining and updating pay pool information
- Establishing a calendar of events
- Obtaining budget and financial information
- Identifying training needs of new and returning pay pool panel members
- Educating pay pool panel members on their roles and my expectation of them

## Knowledge Check

True or False Question: Employees have an important role to play that impacts the pay pool process.

- A. True
  - B. False
- 

That is correct. Employees are responsible for actively engaging in setting of performance objectives which will ultimately leads to documentation of performance results in their performance evaluation of record. Pay Pools will consider performance results in their deliberations.

## Lesson Review

Let's review some of the main points covered in this lesson:

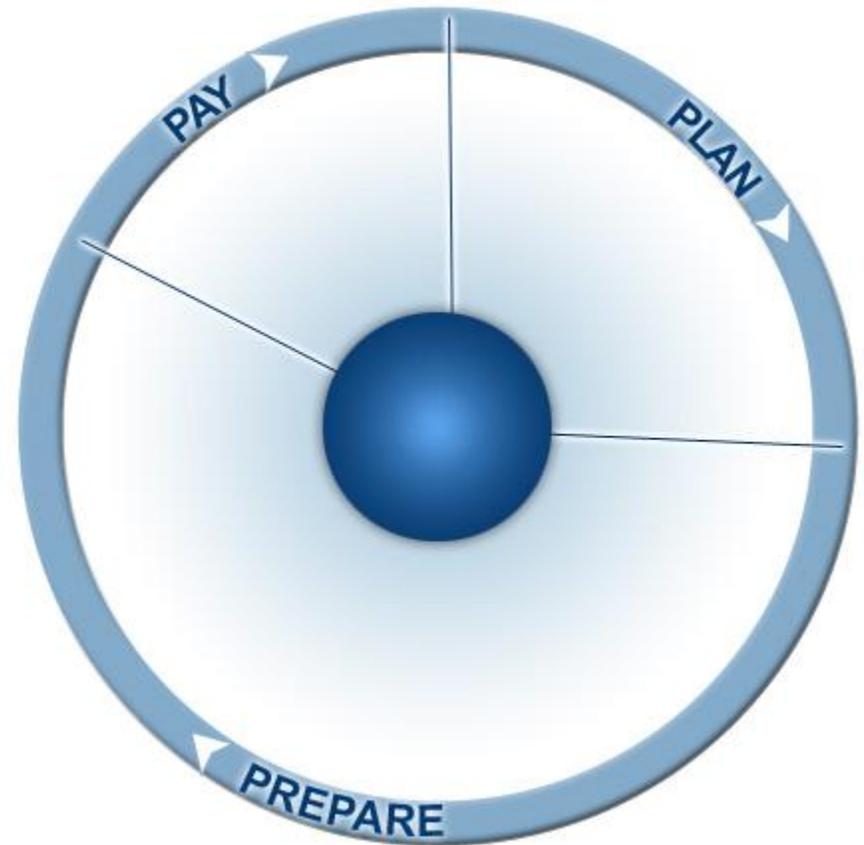
- During the performance management plan phase, you and your rating official participate in a performance plan conversation to discuss and set performance expectations and establish your performance plan.
- Your performance objectives must align with your organization's goals and priorities and be written at the "Successful" level. Performance elements that apply to how you will accomplish your performance objectives should be reviewed and discussed; they are standard for all employees.
- Your performance plan and Individual Development Plan (IDP) must be established within 30 days of the start of the performance evaluation period or your transfer to a new position or a new supervisor.
- The pay pool plan phase lays the foundation for successful pay pool management and operations.
- During the pay pool plan phase, the pay pool structure is established and membership information is communicated, which includes who is in the pay pool, who is the pay pool manager, and who is on the pay pool panel.
- The pay pool manager uses the pay pool plan phase to support pay pool success by reviewing lessons learned from previous pay pools, clarifying roles and responsibilities, obtaining and updating pay pool information, establishing a calendar of events, and identifying training required for pay pool panel members.



## Introduction

### Pay Pool Preparation

During the phases leading up to the Pay Pool deliberations, the pay pool panel fine tunes its timelines, policies, and processes. It conducts activities to ensure that pay pool panel members have a shared understanding of the process and policy and that they take steps to be prepared for the operations of the pay pool.



## Pay Pool Link to Performance Management

While preparations are being made for pay pools, the performance management process is also operating. As the performance period ends, you will have an opportunity to document your performance through a self-report of accomplishments. Use the Self-Report to document and inform your rating official of your accomplishments. Your self-report of accomplishments is a part of your performance evaluation of record that will be made available during the pay pool process to the pay pool manager and pay pool panel members.



## Pay Pool Prepare Phase

This table summarizes the major activities and responsibilities during the Prepare phase. Select each link for more information.

<b>Pay Pool PREPARE</b> Outcomes - Establish pay pools and processes	
<b>Major Activities</b>	<b>Responsibilities</b>
Evaluate and fine-tune processes and business rules. Conduct mock pay pool	<a href="#">Performance Management PRA</a> <a href="#">Pay Pool PRA</a> <a href="#">Pay Pool Manager</a> <a href="#">Pay Pool Panel Member</a>

### **Performance Management Performance Review Authority (PM PRA)**

- Has oversight of multiple rating officials and reviewing officials and ensures evaluations are equitable and consistent with policy, and that performance evaluations are finalized before the pay pool process begins.
- Provides the last review before performance evaluations of record are finalized and shared with employees by their rating officials. The performance management process is completed and performance evaluations finalized before the pay pools can begin deliberations.

### **Pay Pool Performance Review Authority (PP PRA)**

- Has oversight of performance evaluations of record conducted under his or her purview to ensure the consistency of DCIPS performance management policy within the DoD Components with DCIPS positions.
- He or she ensures compliance with merit system principles and prevention of conflicts of interest in the establishment and operation of pay pools.

### **Pay Pool Manager**

- Identifies, arranges for, or approves training for pay pool panel members and data administrators.
- Conducts a mock pay pool and reviews results, as necessary.
- Refines pay pool processes and business rules.

### **Pay Pool Panel Member**

- Works with other panel members to develop a shared understanding of expectations and operations of the pay pool.
- Participates in mock pay pool process, training, or other sessions that are directed by the pay pool manager, policy, or component guidance.

## Communication Drives Performance

During the develop and monitor phase of the performance management process, you and your rating official regularly discuss your performance and support achievement of goals noted in the IDP. Each of you is responsible for initiating and participating in performance conversations.

During these conversations, you explain to your rating official what you have accomplished and point out areas in which you need support. In return, your rating official provides feedback on what you are doing well and what needs improvement. During this time, you discuss how to develop your skills and competencies and determine when and under what circumstances objectives should be updated



**Gregory Fitch, *Rating Official***

I regularly schedule performance conversations with my employees, but I really appreciate it when they come to me to discuss their work. Communicating regularly with Laura helps me stay on top of what she is doing, allows me to more effectively allocate and focus work, and enables me to address any concerns before they become problems.

**Laura Shen, *Intelligence Analyst***

My supervisor and I have regularly scheduled performance discussions, and I take advantage of other opportunities to touch base, for example, when we are walking to a meeting. During our regularly scheduled performance discussion meeting, we discuss what is and is not working so that I stay on track. At first, I wasn't sure how useful the discussions would be. But once we got into it, I realized that spending 10 or 15 minutes discussing my performance helps me focus my attention on the right priorities.

## Your Performance and Development

Planning and being pro-active helps you achieve your performance goals and will enable you to communicate your accomplishments to your rating official and document them through your self-report of accomplishments which will be considered by the pay pool panel during their deliberations.

Consider the following tips:

- Actively engage in the Mid Year Performance conversation with your rating official.
- Track accomplishments throughout the performance period so you easily remember what you did.
- Make good use of your Self-Report of Accomplishments; this is your way to inform your rating official.
- Look for ways to expand your skills through developmental assignments, joint duty assignments, or training.

## Knowledge Check

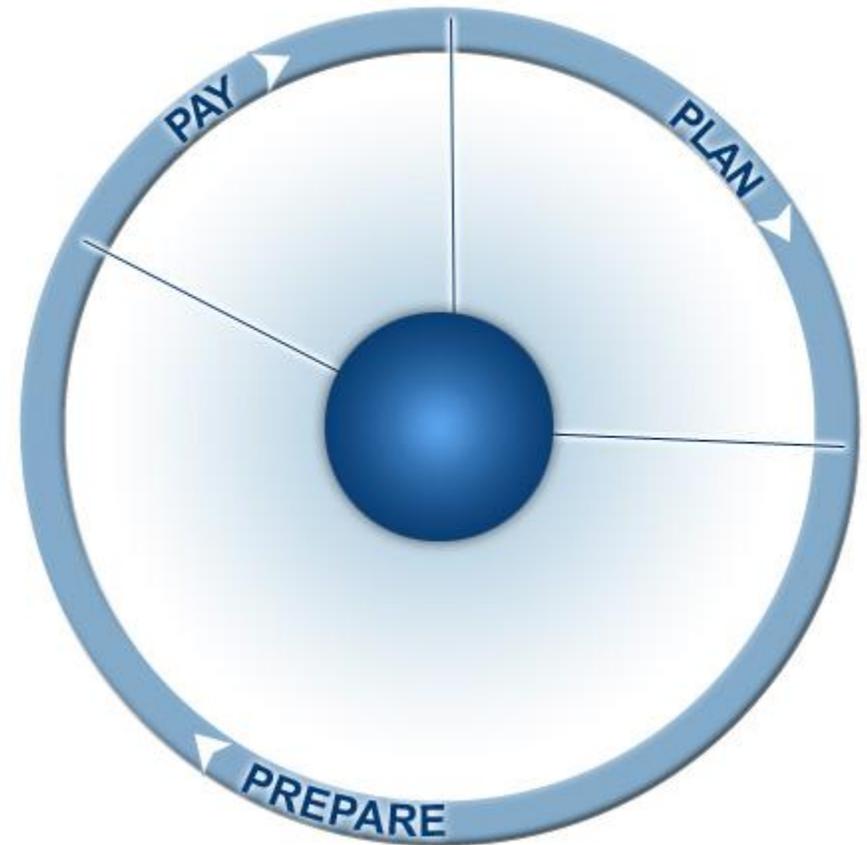
Laura can best prepare for the year end pay pool deliberations by:

- A. Actively engaging in feedback conversations with her rating official.
  - B. Preparing a well supported Self-Reports of Accomplishment that conveys her successes during the performance period.
  - C. Seeking clarification of any confusion about the pay pool process
  - D. All of the above**
- 

That is correct. Tips for writing effective self-reports of accomplishments include highlighting significant achievements, noting challenges and how they were met, and connecting accomplishments with benefits to the organization.

## Pay Pool Process Prepare Phase

One of the ways a pay pool manager can prepare for year-end deliberations is to conduct a mock pay pool during the mid-point of the performance period.



## What is a Mock Pay Pool?

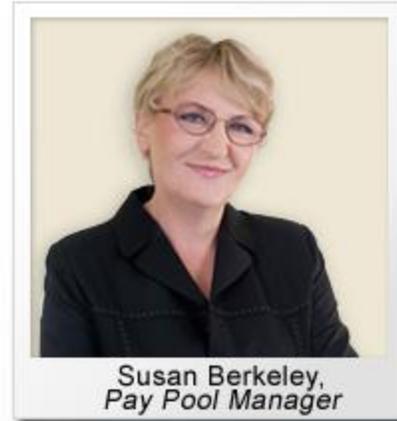
A mock pay pool exercise can be useful in preparing for pay pools. They can be used when a pay pool is newly formed or to familiarize new pay pool panel members with how the pay pool process works. A mock pay pool exercise allows organizations to practice the pay pool activities before the pay pool deliberations begin.

Past experience shows that a panel's familiarity with the process, its ability to handle difficult situations, and the quality of its decisions improve when it conducts a mock pay pool exercise. The mock exercise is most effective when conducted as if it were the real thing.

## The Effect of Mock Pay Pools

Benefits emerging from mock pay pools often include improved shared understanding among pay pool panel members, reviewing officials, and rating officials about impacts of performance management decisions on the pay pools.

By identifying and resolving process issues as they arise, the mock pay pool exercise helps the pay pool panel save valuable time and energy at the end of the performance period and improves equity and consistency of pay pool operations and payouts.



**Susan Berkeley, *Pay Pool Manager***

Before we held our mock pay pool, everyone was concerned about the time and effort involved. After we held our mock pay pool, attitudes changed, and we agreed that the exercise was well worth the effort. While some of our ideas sounded good in theory, they did not work so well in practice. As a result, we changed some of our SOPs and modified our practices.

**Gabe Havel, *Reviewing Official***

After the mock pay pool exercise, when the management team discussed the exercise and the results, I felt more confident about the pay pool process and how the performance management process results drive the pay pool payout decisions. I have a better understanding of why it's important to really focus on performance management.

**Gregory Fitch, *Rating Official***

Being able to discuss the exercise with my management team, and then relate the outcomes of the mock pay pool process to my employees helped me gain their confidence that the pay pool process would be successful.

**Laura Shen, *Intelligence Analyst***

After the mock pay pool was over, my rating official met with the team to discuss how the process worked.

## Year End Performance Evaluation of Record

After performance evaluations of record have been approved (through the Reviewing Official and the PM PRA) they are provided to the pay pool manager for use in the pay pool deliberations. Your performance evaluation of record will become very important to the pay pool process. All parties are concerned with having the pay pool process consider equitable and consistent evaluations of record for all members of the pay pool.

Be sure your Self-Report of Accomplishments is thorough and clearly communicates your successes to all who will read it. Remember, it will be provided not only to your performance management chain of command but will be available to the pay pool panel also.

Select the virtual employees to see their perspective on the connection of end-of-year performance evaluations of record and the pay pool process.



**Gabe Havel, *Reviewing Official***

As the reviewing official, I have final authority over Greg's proposed evaluation of Laura, once the PM PRA has completed her or his review. Knowing that the performance evaluation of record will document Laura's performance and drive the pay pool outcomes, I made sure that both Greg and Laura understand the importance of well documented accomplishments.

**Gregory Fitch, *Rating Official***

My actions will have a direct impact on Laura. Keeping that in mind, I carefully review her performance, compare it to the performance standards, and provide thorough documentation of my assessments. I know her evaluation of record will be seen by the pay pool panel and I want to be sure I'm being very equitable and clear in providing my assessment of her performance.

**Laura Shen, *Intelligence Analyst***

I will make the most of my opportunity to write a Self-Report of Accomplishments. I'll be sure to address my performance elements as well as my performance objectives, so I'm putting my best foot forward for my rating official to consider when proposing my performance evaluation of record. I know that it will be provided to others in the performance management process, and the pay pool panel to consider during their pay pool deliberations.

## Lesson Review

Let's review some of the main points covered in this lesson:

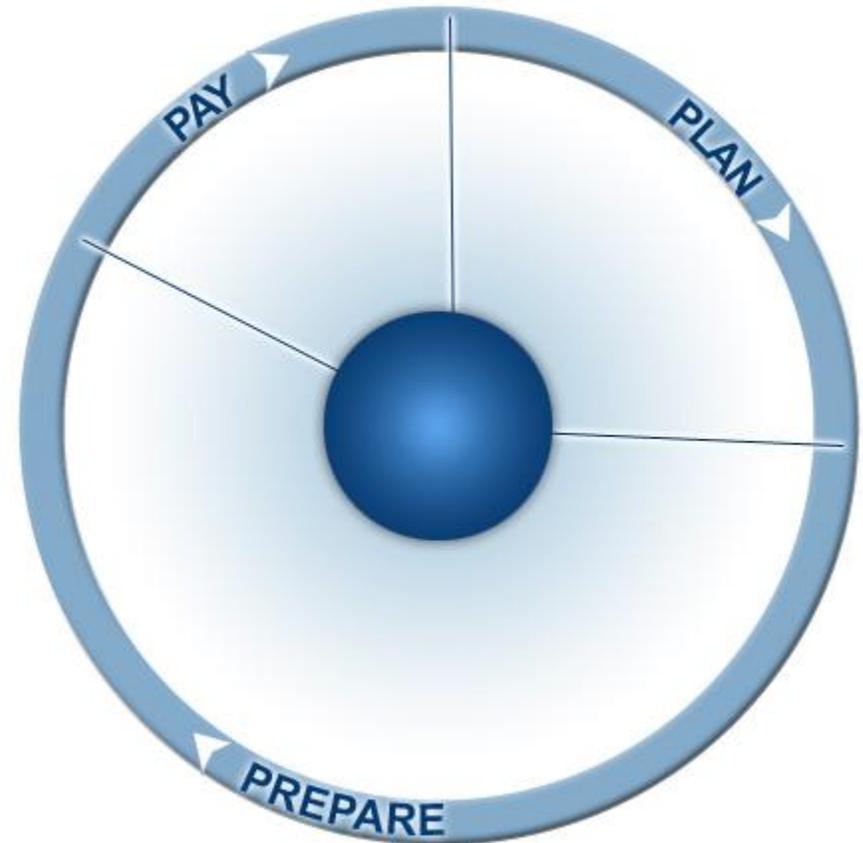
- During the performance period, the pay pool managers fine tune their timelines, policies, SOPs and processes.
- Mock pay pools are often conducted to test pay pool readiness.
- During this phase, employees have an opportunity to report their accomplishments at both midpoint and at the end of the performance period through a Self-Report of Accomplishments.
- Approved performance evaluations of record are passed to the pay pool manager for deliberations about rewards.



## Introduction

The final phase of the pay pool process is the pay phase. During this phase the pay pool panel makes performance-based salary increase decisions for those in pay bands and makes bonus decisions for all. Base-pay increase monetary awards for base-pay increases (for employees in graded systems) may also be awarded through pay pools if the component chooses to include them. All rewards through the pay pools recognize the support of individual and organizational accomplishments.

During the reward phase, after the pay pool panel makes its decisions and the PP PRA has approved them, your rating official will discuss with you the results of the pay pool process—your final payout.



## Pay Pool Link to Performance Management

While the Pay Pool deliberations are taking place, you will already be starting a new performance period. You and your rating official will discuss your performance expectations for the coming performance period and the performance cycle (plan, develop and monitor, rate, and reward) begins anew.



## Pay Pool Pay Phase

This table summarizes the major activities and responsibilities during the Pay phase. Select each link for more information.

<b>Pay Pool PAY</b> <b>Outcomes - Performance-based salary increases and bonus decisions</b>	
<b>Major Activities</b>	<b>Responsibilities</b>
Finalize decisions about salary increases and bonuses Review performance-based payouts for process fairness and consistency.	<a href="#">Pay Pool PRA</a> <a href="#">Pay Pool Manager</a> <a href="#">Pay Pool Panel Member</a>

### **Pay Pool PRA**

- Conducts a summary review of the pay pool process to assess whether policy conforms to guidance and to ensure equity across pay pools.
- If necessary, returns pay pool's payout decision results to a pay pool manager for remediation to ensure consistency with applicable laws, regulations, policy, and guidance.
- Approves pay pool recommendations.
- Communicates overall pay pool results to the workforce.

### **Pay Pool Manager**

- Finalizes pay pool policy, funding, and business rules.
- Conducts pay pool panel meetings.
- Reviews payout information in light of individual performance and organizational accomplishments.
- Provides PP PRA with payout decisions.
- Decides how results will be communicated to employees considering component messaging and local messaging.

### **Pay Pool Panel Member**

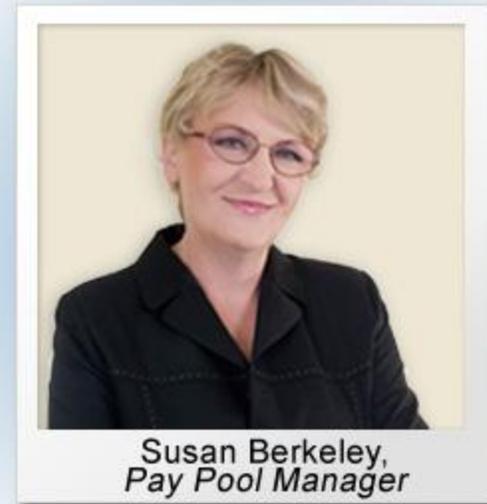
- Participates in pay pool deliberations.
- Listens, discusses, and decides equitable and appropriate rewards for employees in the pay pool.
- Consistently applies pay pool rules and SOPs in deliberations according to component and DCIPS policy.

## The Pay Pool Process

Pay pools provide a means for recognizing and rewarding employee performance as documented in the performance evaluations of record, both the behaviors as well as the outcomes. This recognition and reward process drives organizational accomplishment and performance.

The pay pool panels can award these types of performance-based recognition:

- Base salary increases for those operating in the DCIPS pay-banded structure.
- Bonuses for those operating in both the DCIPS pay-banded and grade structure.
- Base-pay increase monetary awards if a component chooses to include them in the pay pool process for components operating in the DCIPS graded structure. Those base-pay increase monetary awards provide for salary increases in the amount of one or two step increases at the employee's grade and are unique to DCIPS. They are called the DCIPS Quality Increases (DQIs) and Sustained Quality Increases (SQIs).



**Susan Berkeley, *Pay Pool Manager***

During the pay pool deliberations, we use recommendations from the Compensation Workbench tool (CWB) for performance-based salary increases (in a banded structure) and bonuses. We also ask ourselves the following questions:

- Are decisions for performance-based compensation consistent across the pay pool?
- Should the (CWB) recommended payouts be changed to support pay pool guidelines?

In addition to deciding bonuses for employees in graded structures, we may also be asked to decide on granting base-pay increase monetary awards that change base pay. Those are:

- The DCIPS Quality Increase (DQI): a base-pay increase monetary award reserved for those with outstanding performance within the Component. The DQI is an increase in an employee's pay from one step at the current grade to the next step of that grade.
- The Sustained Quality Increase (SQI) provides the highest base-pay increase monetary award. The SQI is a performance award that recognizes sustained exemplary performance over a period of 3 years. The SQI is equivalent to increasing your pay by two steps of your current grade. You may not receive more than one SQI during any three-year period.

## Pay Pool Funding Considerations

The three important points for you to understand about pay pool funding are:

- DCIPS does not change how much money is available for civilian base salary increases and bonuses. It changes the process for how that money is paid out with a focus on supporting commonality and consistency across the enterprise.
- The pay pool funds are designated and can be used only for performance-based compensation. For those components operating under the DCIPS pay bands, money cannot be moved from the bonus funding to the salary increase funding.
- The USD(I) works with components to determine the appropriate funding levels for pay pools each year.

## The Pay Pool Fund

Every year, the DIHRB and/or the Financial Decisions Board, discuss the funds that will be available for performance-based payouts through pay pools, with the USD(I) approving the final decisions. Information regarding pay pool funding levels, frequently an available range, is communicated to each Component. Subordinate activities, elements, and commands must fund performance-based salary increases and bonuses at the same level across the Component to support consistency.

Generally, the pay pools are funded in a comparable manner, but priorities, programs, successes, or challenges may support varying the individual pay pool budgets. However, the aggregate funding must still align with policy.

At the end of the pay pool process, Components must report their pay pool results to USD(I), and because transparency is important, USD(I) provides guidance annually regarding overall pay pool results that components must communicate to its workforce.

**Performance-Based  
Salary Budget**



**Performance-Based  
Bonus Budget**

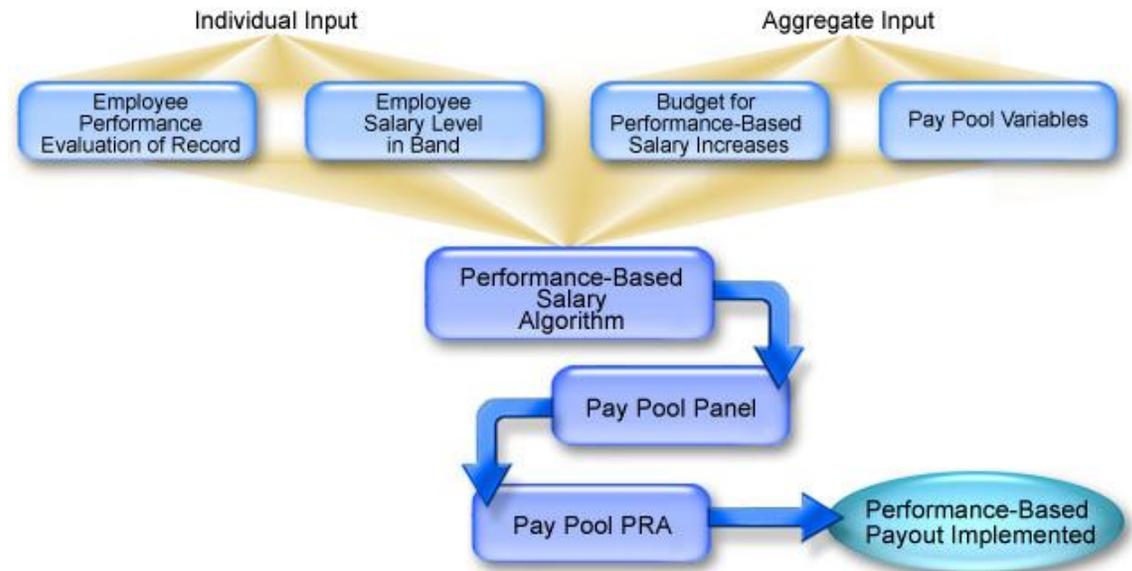


## Linking Your Performance to Your Performance-Based Payout

Your performance-based payout is based primarily on your performance evaluation of record.

Employees who receive a performance evaluation of record of “Successful” or above are eligible for consideration through the pay pools. The important pieces of information you should know include:

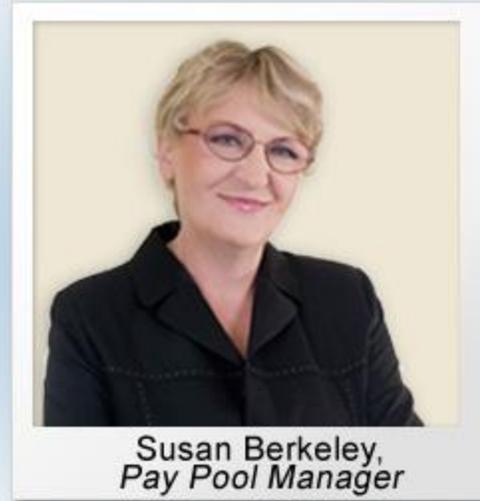
- The type of performance-based payout you are eligible to receive depends on whether your organization operates under the DCIPS pay-banded structure or the DCIPS graded structure.
- Under DCIPS policy, the number of employees who receive bonuses generally cannot exceed 50 percent of the eligible population.
- If your component operates under the DCIPS graded structure, your component may choose to include base-pay increase monetary awards in the pay pool process also.



## Finalizing the Decisions

Once the pay pool panel recommendations are finalized, the pay pool manager certifies the results and communicates this information to the PP PRA.

Select the virtual employee for her insight.



**Susan Berkeley, *Pay Pool Manager***

My pay pool panel worked hard to make equitable, consistent, and appropriate decisions. During our preparation we trained, practiced, and discussed our SOPs so that when we got to the actual pay pool process, we would be on the same page.

We reviewed the information provided through the starting point of the CWB. We reviewed the starting point recommended payouts against our organizational accomplishments for the year and made some adjustments following our SOPs. Finally, we conducted spot checks for one final look at consistency.

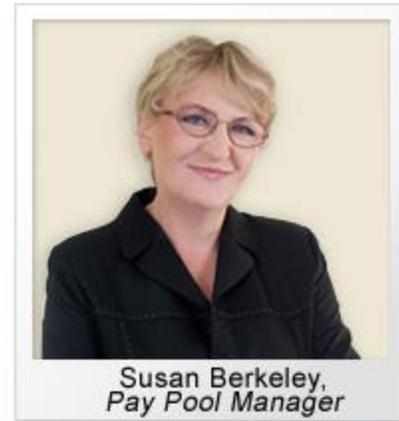
Having the CWB automated tool that provides the initial results of the salary and bonus algorithms made the process run smoothly and ensured we had consistent, objective information to consider when rewarding our employees.

## Balancing Transparency and Confidentiality

Pay pools work hard at being open and transparent, while protecting individual privacy.

Pay pool panel members receive training on the pay pool process and must abide by Merit Systems Principles and the highest standards of integrity and conduct.

Select the virtual employees for their views on the pay pool process.



**Susan Berkeley, *Pay Pool Manager***

I demand ethical behavior from everyone in this process, and I hold myself to the highest standards. My goal is that employees will acknowledge that the process was equitable and transparent and that the pay pool process recognized and rewarded employees for their contributions.

**Gabe Havel, *Reviewing Official***

An effective performance-based payout process demands a great deal from everyone.

- It requires rating officials to appropriately represent their employees' performance based on facts and to evaluate their employees consistently in a manner aligned to performance management standards so the evaluations of record provide good data for the pay pools to use.
- It demands that they treat everyone with respect, whether it is listening to panel members with whom they disagree or maintaining confidentiality of discussions occurring during panel meetings.

I feel confident that my employees are appropriately recognized and rewarded through the pay pool process.

**Gregory Fitch, *Rating Official***

After I learned more about what happens throughout the process, I felt more comfortable. Knowing there is a higher level of review in the role of the PP PRA to ensure that policy and process were applied consistently helps me feel confident about the process. Also, knowing that everyone above me is being held accountable for appropriately participating in the pay pool process strengthens my belief in the process. I know that the performance management and pay pool processes are separate but interdependent. By being involved in the performance management process, I feel more aware and comfortable with the information being used in the pay pool process.

**Laura Shen, *Intelligence Analyst***

I also appreciate receiving a lot of feedback regarding the overall pay pool process outcomes.

## Performance Payout Conversation: Sharing the Results

Once the pay pool process is completed and the results are approved by the PP PRA, the component and/or the pay pool will determine how the information is shared throughout the organization. Ideally, your rating official meets with you to discuss your performance-based payout.

The performance-based payout conversation ensures that employees understand how contributions were rewarded through the pay pools.

Select each virtual employee to learn how he or she thought the performance payout conversation went.



**Gregory Fitch, *Rating Official***

I was a bit nervous about conducting the pay pool payout discussion. To prepare myself, I planned what I wanted to say to make sure my feedback was balanced and that I could provide examples to back up my statements. Because I took time to prepare and Laura and I met throughout the year, we had a great meeting.

**Laura Shen, *Intelligence Analyst***

I thought I would be more nervous about participating in the payout conversation with my rating officials. The more I thought about it, the more I felt that I knew what he was going to say because of the high-level information shared with everyone about the pay pool results. When I heard my specific results, they were in line with what I expected, thanks to my understanding of my performance and the transparency about the process from my component.

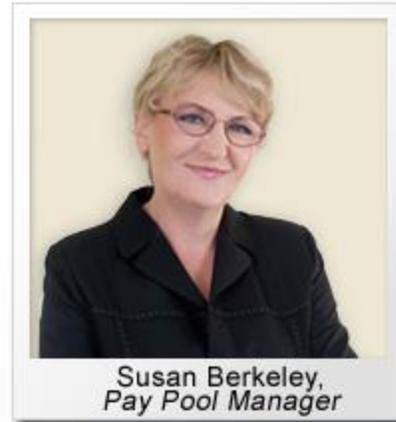
## **Reconsideration of Your Performance-Based Payout**

Many checks and balances are in place throughout the pay pool process to ensure consistency and equitability. Although you may not challenge your individual payout decision, you may use your component's internal grievance systems to address specific concerns regarding the pay pool process that may have affected your payout.

## A Final Word from Our Virtual Employees

Organizational success starts and ends with you. Your valuable contributions ensure that the Defense Intelligence Enterprise is able to achieve mission success. The performance management processes support your development and contributions to mission success, the pay pool process provides for recognition, and rewards based on your documented performance.

Select the virtual employees to learn about how they describe their experiences.



**Susan Berkeley, *Pay Pool Manager***

The investment we made paid off. I am hearing from employees, reviewing officials, and rating officials that they believe the performance management process was equitable and meaningful. It took a bit of time, and we have learned lessons that we will apply next year. All in all, I am pleased with the outcomes.

**Gabe Havel, *Reviewing Official***

After the performance management process ended the first year, I felt proud of my efforts to work with rating officials like Greg in applying consistency and equity to employee performance evaluations of record. I believe our hard work in setting good performance objectives, providing feedback throughout the performance period and equitably and consistently evaluating performance directly impacted pay pool success.

**Gregory Fitch, *Rating Official***

At first, the performance management process was more work for me, but then I started seeing positive changes in my organization. By helping my employees determine what is really important in their jobs, I noticed that productivity began to improve and that employees are taking more pride in their work and in their accomplishments. The performance management process helps me and my employees prepare and provide meaningful evaluations of record for consideration through the pay pool process.

**Laura Shen, *Intelligence Analyst***

Having gone through a complete performance management period and a pay pool cycle has impressed me. Now I see a meaningful link between my accomplishments, my performance evaluation of record and my reward outcomes.

## Lesson Review

Funds are specifically set aside for performance based compensation.

- The pay pool manager and panel follow SOPs in their deliberations over performance based compensation.
- The CWB provides the pay pool manager an initial starting point for performance based rewards.



## Course Review

- Under DCIPS, performance management and pay pool are two separate but related processes.
- Good performance objectives, well-written Self-Report of Accomplishments, and appropriate performance evaluations of record will drive meaningful pay pool deliberations and outcomes.
- Pay pools can be structured in a number of ways, and each component determines how pay pools will be organized and how many pay pools there will be.
- Ensuring pay pool success is the responsibility of many individuals, including the PP PRA, the pay pool manager, and the pay pool panel members.
- Your performance objectives must align with your organization's goals and priorities and be written at the "Successful" level. Performance elements that apply to how you will accomplish your performance objectives should be reviewed and discussed; they are standard for all employees.
- Your performance plan and Individual Development Plan (IDP) must be established within 30 days of the start of the performance evaluation period or your transfer to a new position or a new supervisor.



## Course Review - Continued

- During the performance period, the pay pool managers fine tune their timelines, policies, SOPs and processes.
- Mock pay pools are often conducted to test pay pool readiness.
- Approved performance evaluations of record are passed to the pay pool manager for deliberations about rewards.
- The pay pool manager and panel follow SOPs in their deliberations over performance based compensation.
- The CWB provides the pay pool manager an initial starting point for performance based rewards.



## Evaluation

We hope that you found *DCIPS Pay Pools, Performance, and You* informative. Please take a few minutes to complete the course evaluation. The feedback you provide will help us to improve the course.

Thank you for your participation in *DCIPS Pay Pools, Performance, and You*.

