

Western Area Power Administration

Performance Appraisal
and Recognition
System (PARS)
June 2004



Overview

- August 1995 – Office of Personnel Management deregulated performance management and incentive awards
- First opportunity to use a Pass/Fail performance management system
- Western implemented PARS in 1994 with move to Pass/Fail system in 1996

PARS Highlights

- Enhance communication between supervisors and employees
- Promote improved performance
- Program components
 - Employee Feedback System
 - Special Outstanding Achievement Reward (SOAR)
 - Bonus Program

Employee Feedback System

- Formal or informal 360 degree feedback at mid-year review
- Input received from multiple sources
- Focus on feedback to enhance professional development and improve performance
- Not tied to the performance rating

Special Outstanding Achievement Reward (SOAR)

- Ongoing recognition of individuals and groups throughout the year
- Recognition is received closer to time of contribution without waiting for rating closeout
- Emphasis placed on completion of goals vs. performance rating

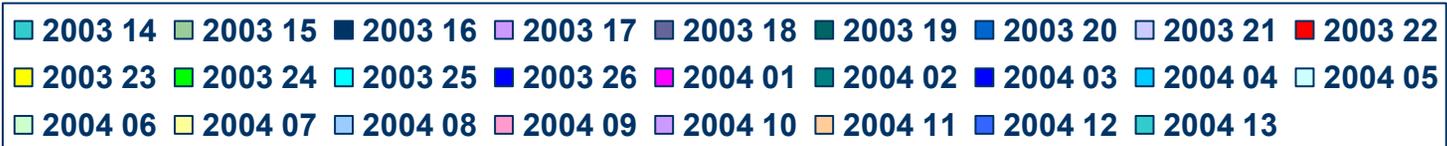
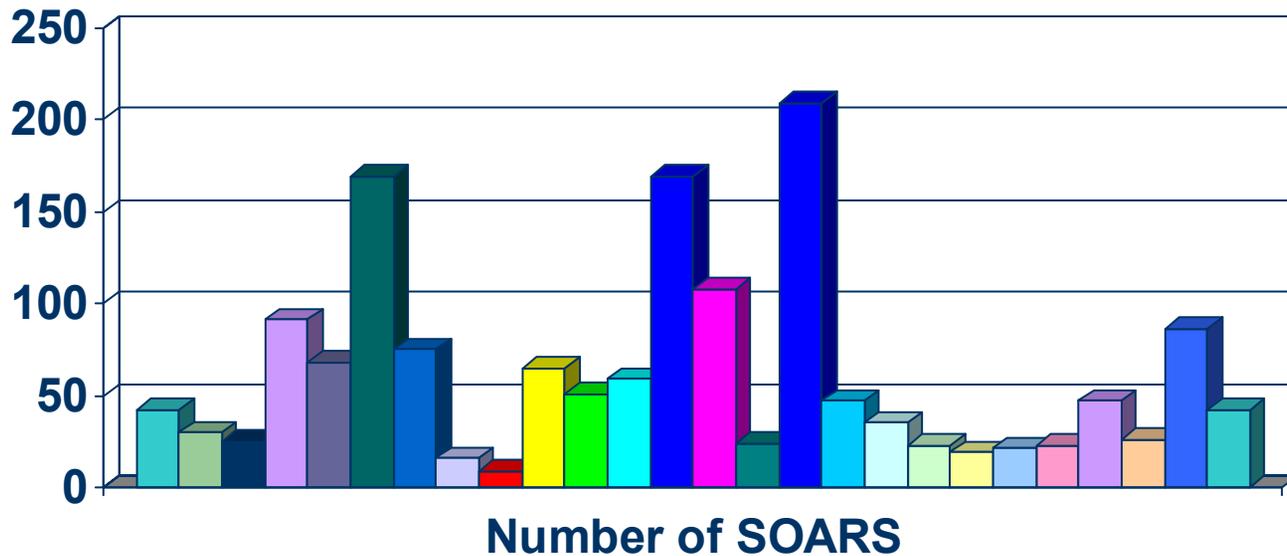
Western's Bonus Program

- Recognizes and rewards all employees for their annual contributions toward achieving Western's strategic goals
 - Improving safety
 - Containing costs
 - Improving transmission system reliability
- Links performance plans to accomplishment of strategic goals

Program Success

- 360 degree Feedback System allows supervisors the opportunity to coach employees without the tension that may be present when feedback is tied directly to performance ratings
- SOARs are used to reward outstanding performance throughout the year

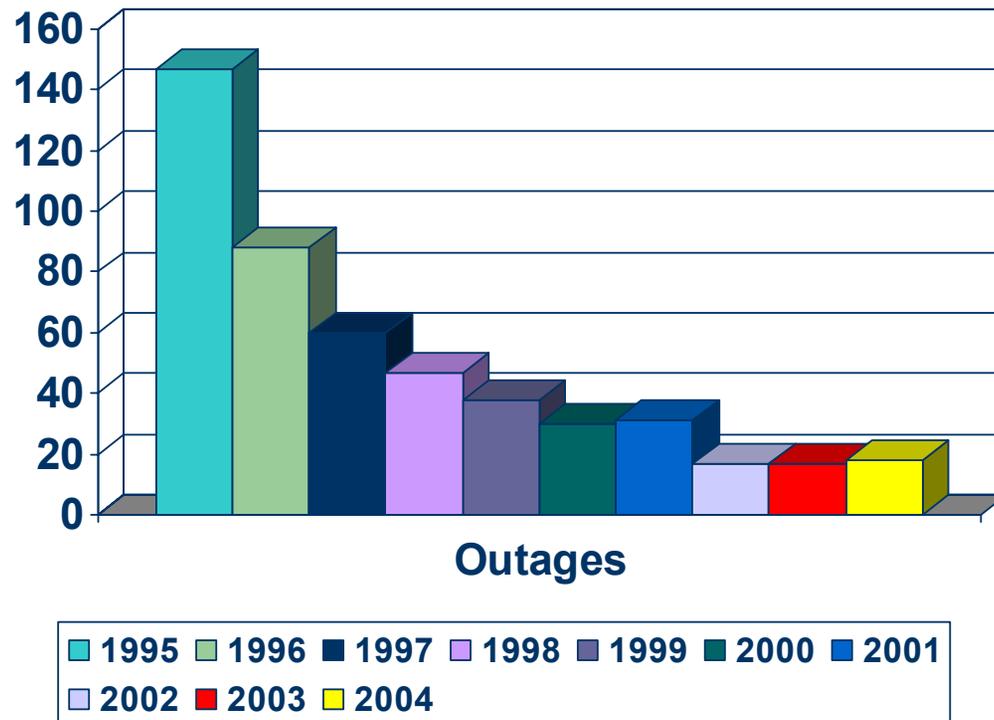
SOARS Given by Pay Period During Past Year



Program Success (Cont.)

- Employees and supervisors view the Bonus Goal program as a positive tool that increases awareness of program areas that are important to Western
- Monthly Bonus Goal program updates help maintain focus on strategic goals
- System reliability has improved from 147 accountable system outages in 1995 to only 18 outages in 2004

Accountable System Outages 1995 - 2004



Performance Management Challenges

- Motivate employees to enhance individual and organizational performance
- Timely recognition of performance success
- Accurate evaluation of job performance
- Help employees understand where they fit into the big picture

Summary

- Western has operated in its current Pass/Fail system since 1996.
- The PARS program components, the Employee Feedback System, SOAR, and Bonus Program, have been successful for Western