

# HR-XML Consortium

## 3.2.1 Employee Performance Management (EPM) Specification

### **Copyright statement**

©2013 HR-XML. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of the publisher. Printed in the United States of America.

## Table of Contents

Employee Performance Management Specification Overview .....	4
Actors .....	4
Supported Processes.....	6
Meta Model .....	6
Terminology .....	7
Use Cases .....	8
Integration Scenario.....	9
Development Plans .....	10
Overview .....	10
Trigger / Precondition .....	10
EPM Participant .....	12
Overview .....	12
Triggers / Preconditions.....	12
EPM Result .....	13
Overview .....	13
Trigger / Precondition .....	13
Objective Plan / Results .....	14
Overview .....	14
Trigger / Precondition .....	14
Appendix A: Examples.....	15
Development Plans .....	15
EPM Participant .....	15
EPM Result .....	15
Objectives Plan / Results.....	15
Appendix B: Noun Layouts.....	16
Development Plans .....	16
EPM Participant .....	17
EPM Rater Panel .....	18

EPM Result .....	19
Objectives Plan.....	20
Objectives Results .....	21
Appendix C: Business Object Document Diagrams.....	22
Development Plans .....	22
EPM Participant .....	22
EPM Result .....	23
Objectives Plan.....	23
Objectives Result.....	24

## Employee Performance Management Specification Overview

Many enterprises recognize that the value of their employee performance management processes increases significantly when supporting EPM systems are well integrated with other talent management components.

Note that EPM is an HR-XML approved abbreviation for "Employee Performance Management".

The six key EPM schemas are:

**DevelopmentPlan.** Supports the communication of a training or development plan. A common use might be the transfer of training or learning information from a performance management system to a learning management system. May include references to associated learning objects (courses, developmental tools, etc.) and objectives or achievement standards.

**EPMParticipant.** A collection of data relevant to enrolling a participant within an employee performance management program.

**EMPRaterPanel.** Contains a collection of information about individuals that are designated to serve as evaluators or "raters" within performance appraisal processes. Note that EPMParticipant may be used as an alternative to the EMPRaterPanel.

**EPMResult.** Defines a result from an employee performance management (EPM) process or "appraisal". An appraisal typically consists of a number of sections, including an overall rating or score, competency ratings, objective ratings, and other ratings (e.g., "core values" is an example of a section within some appraisals outside of the competency or objectives section). Also includes result metadata, such as appraisal dates, "prepared by," etc.

**ObjectivesPlan.** Supports the specification of objectives, groups of objectives, and related metrics and metadata. Used in integration of such systems as compensation management, business performance management, employee performance management, and project management systems.

**ObjectivesResult.** Contains information about results, against an objective plan (See ObjectivesPlan noun). Essentially, the same information can be communicated within EPMResult, which is a superset of information that can be reported within employee performance reports. ObjectivesResult is offered as a separate noun for integrations that may not involve the broad array of information available within EPMResult.

### Actors

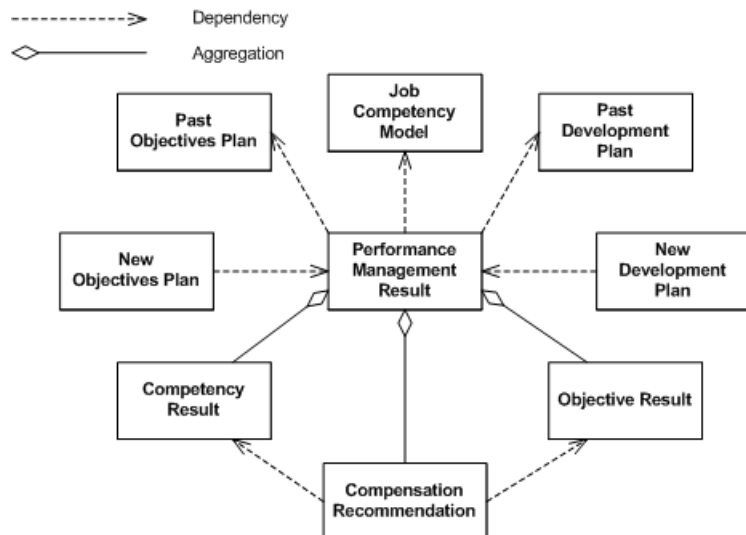
- **HRIS or "core" HR system.** Receives a summary result that may include the high-level score(s) for the appraisal, the date of the appraisal, and other relevant meta-data to record that the appraisal is complete.

- **Business Performance Management System.** Individual objective plans and achievements roll-up into organizational objectives and achievements -- so some business performance management systems may receive outputs from employee performance management systems, including:
  - Employee objective plans;
  - Interim and final results against objective plans;
  - Interim and final results against objective plans;
- **Compensation System.** A compensation system receives data from EPM systems relevant to computing remuneration (compensation). Systems also may receive interim results against objectives in the case of a compensation system/policy that allows for adjustments to compensation plans in mid-course.
  - Some performance/compensation programs may involve the transmission of a remuneration recommendation from the EPM system to the compensation system. In other cases, the handling of pay recommendations and approvals may be a process internal to the compensation system.
- **Competency Management System.** Competency management capabilities typically are bundled within other talent management solutions. Competency management includes competency content management, position competency modeling, model management, and integration services. Competency management systems might receive a complete set of performance management result data which it will use to validate, refine, and build competency models and content.
- **Assessment Provider.** An Assessment Provider is an organization responsible for accepting and fulfilling assessment orders. The term "assessment" can encompass tests of both "hard skills" (generally, technical abilities acquired through training and education) and/or "psychometrics" (a diverse range of abilities or personal characteristics such as customer orientation, analytical thinking, leadership skills, team-building skills, listening skills, diplomacy, etc.).
  - Assessment providers use performance management result data to validate/refine the efficacy of test instruments and to monitor possible disparate (discriminatory) impact on particular classes of test subjects.
- **Learning Management System.** Learning management systems (LMS systems) encompass a wide-range of functionality, ranging from administrative tasks (student registration, content management, etc.) to strategic ones (competency management, skills-gap analysis, etc.). An LMS may have a number of interactions with EPM systems, including:
  - Applying employee development plans produced as part of a performance management process.
  - Correlating competency ratings as measure of achievement against development plans.
  - Using data to analyze and compare the efficacy of development tools.

## Meta Model

There is much variety in performance management processes. Industry, occupation, company size, and the level and type of employee being appraised, as well as company culture and management philosophy are among the range of factors that can shape the level of formality and the specific composition of an employee performance management process. While EPM processes and appraisal formats vary widely, HR-XML's EPMResult specification is designed to be sufficiently flexible to accommodate a wide variety of implementation patterns -- from simple appraisals, to those with ratings across multiple dimensions and involving multiple raters.

The meta-model shown below, "Performance Appraisal Meta Model" shows some of the possible components of performance result and how they relate to one another. These high-level components are explained in the paragraphs that follow.



**Objective Plan.** Employee performance management (EPM) systems and various project management systems can be generators of individual objective plans. These plans can vary detail, but some may specify specific metrics with which to measure achievement against an objective. Objectives can be logically grouped with a broad objective containing sub-objectives.

**Objective Result.** Objective results can include results set against metrics set out in an objective plan as well as ratings with respect to the achievement of objectives. Like objective targets set out in an objective plan, objective results can include ratings/measures on the achievement of sub-objectives that roll-up in to an overall rating or measure for an objective category.

**Competency Ratings.** Employees are usually rated with respect to competencies required for the effective performance of the positions/roles they hold. Competencies (and ratings thereof) can be

grouped so that some competencies are referenced as a component of a broader competency group or category. Rather than rate competencies directly, raters sometimes are asked to evaluate "behavioral indicators" of a competency -- the observable activities/behavior of an employee that evidence a competency. There also may be different categories of competency ratings. For instance, one section of an appraisal may pertain to "skills" whereas another may pertain to "mission and values".

**Overall Rating.** For compensation purposes, for ranking top performers within job categories, and to provide a boiled-down indicator of an employee's effectiveness, an overall rating (a numeric or descriptive rating) usually is an output of a performance management process. In some cases, the overall rating is a mathematic computation based on a roll-up of ratings for objectives.

**Development Plan.** A development plan/goal may be set when appraisal identifies a gap between the employee's competencies and position requirements or when new competencies or increased proficiency is required for a new role.

**Position Competency Model.** Competency ratings, and to an extent objectives, stem from either a formal or implied profile or model of position requirements. This profile for the position is referred to as a "position competency model."

**Remuneration Recommendation.** This is the communication of a recommended pay increase or adjustment on the based on the results of a performance management process. The remuneration recommendation contains the employee's overall rating, ratings/results against objectives, plus a recommended pay increase or incentive payout. Typically, the supervisor of the employee being rated would generate the remuneration recommendation and that supervisor's manager would be the one to act upon it (approve, amend, etc.).

## Terminology

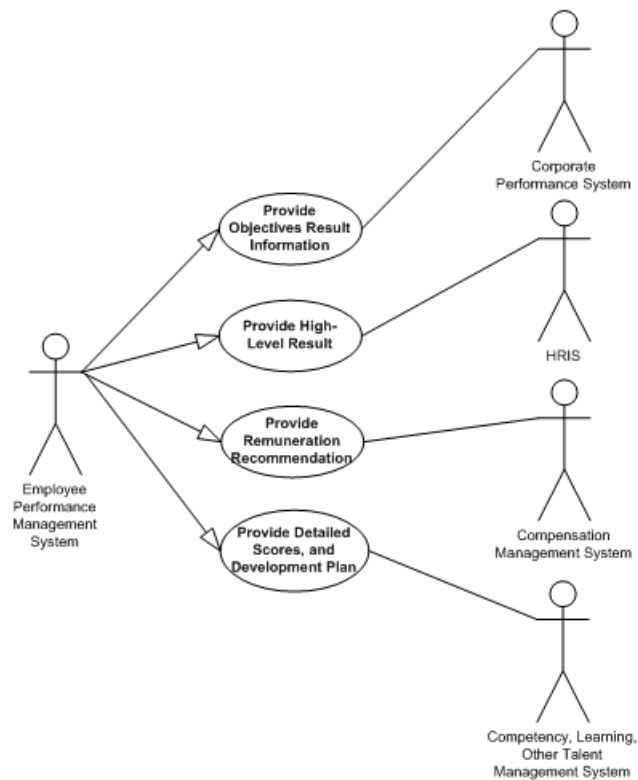
**Multi-Rater Assessments / 360 Degree Reviews.** A multi-rater review is a process under which an employee is evaluated by more than one person. An example of a multi-rater review approach is "360 degree" review. Under a 360 degree review, an employee receives feedback from a range of stakeholders, including peers, subordinates, supervisors, and customers. Note that 360 degree reviews are more commonly used for developmental and feedback purposes than for performance appraisal. The EPMResult noun includes structures intended to support multi-rater and simple review processes.

**Stack Ranking.** A "stack rank" refers to a unique cardinal position for each person within a designated comparison group. "Stack ranking" also sometimes is referred to as "forced ranking". Within HR-XML's data model, a stack rank is an optional component within "Overall Rating"

## Use Cases

The diagram below illustrate use cases related to the integration of results from EPM systems. A single system may fulfill more than one of these roles. Refer to the Actors for further details.

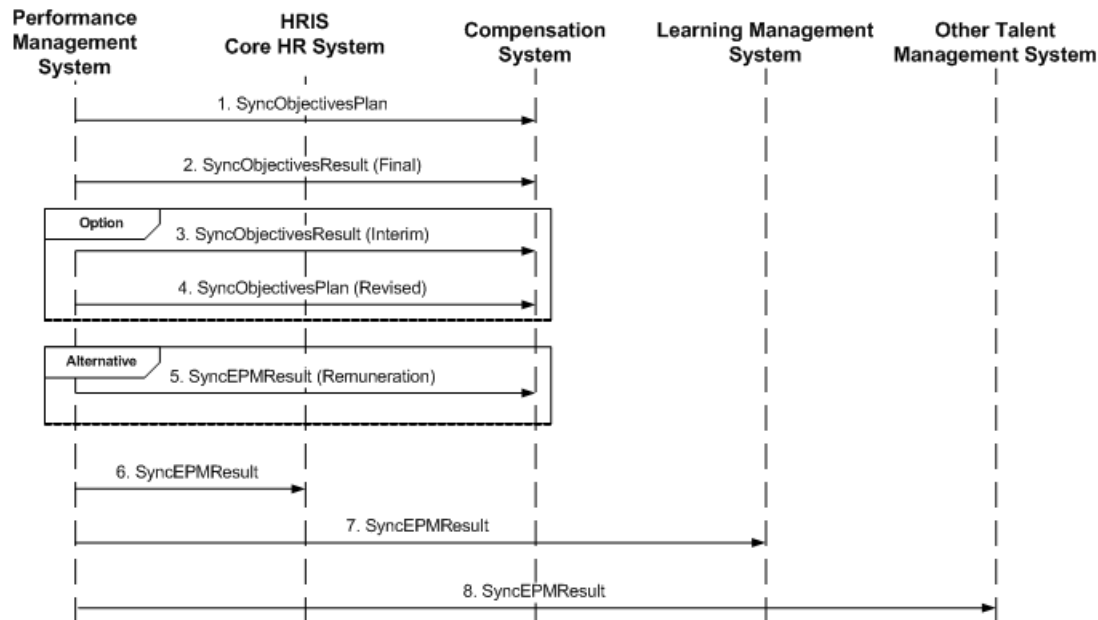
### EPM Result Use Cases





## Integration Scenario

There are many possible integration scenarios among stakeholders. The diagram below shows a sequence of messages in an end-to-end integration scenario. However, integration needn't be end-to-end. It is more likely that stakeholders will use HR-XML's EPMResult and related specifications opportunistically.



1. The transfer of objectives to a compensation system.
2. Transfer of objective results against the plan.
3. Optionally, some integrations may provide for the reporting of interim results.
4. Interim results may indicate a need to revise the plan.
5. Some scenarios may involve the provision of a pay recommendation from the EPM system to the compensation system. In other integrations, a "pay recommendation" may be a process internal to the compensation system.
6. A summary result is provided to an HRIS or core HR system.
7. A "full result," including detailed competency ratings is provided to a learning management system.
8. Other systems (competency management systems and assessment systems) may require a full result for purposes of validating content and processes (Does the pre-hire assessment accurately predict post-hire performance).

## Development Plans

### Overview

Employee performance management (EPM) systems, learning management systems, and other talent management system components may need to exchange development plan data and results with each other. The Development Plan noun is intended to fulfill such integration needs.

### Trigger / Precondition

Requirements around development plan integration vary significantly. Some talent management suites offer built-in integration whereas in other cases the information may be integrated between systems at arms length. Examples of events that could trigger the collaboration, include:

- **Performance Appraisal Complete.** The completion of an appraisal process can be a trigger for communicating the appraisal results to other systems (e.g., a core HR system, learning management system, compensation, etc.) and for compensation changes. New development plans or objective plans may be communicated to applicable systems. Supervisory approval often marks the completion of an appraisal or performance evaluation.
- **Succession Planning.** Succession planning is the process of identifying, assessing, and developing suitable employees to fill key positions or forecasted resource needs. Succession planning can result in a number of near-term, mid-term, and long-term outcomes. For example, in the near-to-mid term, such planning might result in the creation of developmental plans for specific employees or a class of employees. Transfers, promotions, the approval of new positions and the creation and refinement of position competency models also are other possible outcomes from succession planning.
- **Assessment Completion.** Assessment completion generally means that the subject has completed testing and that the results have been scored. In some cases, scoring is automated and takes place in real-time immediately after test completion. In the case of other assessments, scoring may need to be completed by qualified human resource (an organizational psychologist or other expert) so that test completion and assessment completion (the return of scored results) may take place at different times. The completion of an assessment may trigger other activities, such as hiring or promotion decisions or the preparation of developmental plans.
- **Employee Development Assessment.** Performance appraisals, succession management planning, career development, and similar talent management activities can require or benefit from employee assessments to inform decision making. The completion of an assessment may trigger other activities, such as the preparation of developmental plans.
- **Begin Assignment.** This is the beginning of an individual's assignment or engagement within a particular work role or with a particular client employer. A new assignment can trigger a variety of related activities, such as training and development, the start of probationary review cycles, the recording of applicable administrative and pay changes, and the granting of necessary access, equipment, and other facilities necessary for the individual to be fully productive within the new assignment.

- Development plan integration scenarios are likely to vary significantly. Consider that depending on the facts and circumstances of a particular integration, actors such as employee performance management systems and learning management systems could be either suppliers or consumers of development plan and result data. Thus, operations to support the integration of development plans have the potential to be "symmetrical" in the sense that there may be scenarios variations where either party (EPM or LMS) could assume the role of development plan supplier or consumer.

## EPM Participant

### Overview

A hosted employee performance management (EPM) system or similar talent management system may need to be provided with baseline data about the employee population subject to the performance or talent management processes. The EPMParticipant noun is intended to communicate such baseline information and subsequent updates. In some cases, the provisioning may be accomplished in concert with other specifications, such as OrganizationChart and PositionCompetencyModel.

### Triggers / Preconditions

Examples of events that could trigger the collaboration, include:

- **Outsourced Service Provider Provisioning.** Many hosted and outsourced service providers need to be provided with information about the universe of employees or human resources that they will manage or for which they will provide related services. This involves providing the service provider with an initial build of organizational, position, and human resource data and often involves the communication of updates as business and life events change data provided in the initial build.
- **Hire.** A "hire event" coincides with the point in time at which a person who has been a candidate becomes associated with an employer as an employee. Sometimes systems are pre-provisioned with information about an individual after he or she has accepted the offer, but before the employee enters-on-duty.
- **Employee Promotion or Position Transfer.** The promotion or transfer of an employee to a new position obviously triggers a variety of associated changes (reporting relationships, pay and benefit changes, work location changes, etc.).

## Overview

HR-XML's EPMResult noun is intended to be used in addressing a wide variety of business situations requiring the integration of EPM result data with other arms-length systems.

## Trigger / Precondition

Examples of events that could trigger the collaboration, include:

- **Project Completion.** Project completion might trigger a wide variety of tasks, such as updating objective plans, reporting results against an objective plan, performance review, calculation of any associated compensation, termination of the completed assignment, and reassignment.
- **Performance Appraisal Complete.** The completion of an appraisal process can be a trigger for communicating the appraisal results to other systems (e.g., a core HR system, learning management system, compensation, etc.) and for compensation changes. New development plans or objective plans may be communicated to applicable systems. Supervisory approval often marks the completion of an appraisal or performance evaluation.
- **Project Milestones.** Project completion or the end of an appraisal period can trigger the report of a final result for the associated project or time period. Similarly, the achievement of project milestones (or failure to achieve project milestones) might trigger reporting of an interim result or status against an objective plan.

## Objective Plan / Results

### Overview

Employee performance management (EPM) systems and various project and resource planning systems can be generators of individual objective plans. These plans and results against them are sometimes integrated with other systems. An example of such integration might be an EPM system integration with a compensation system. The scope of such integration could include the communication of the objective plan, interim results against the plan, as well as final results that would be used to calculate related compensation.

HR-XML's ObjectivesPlan noun and ObjectivesResult noun are intended to be used for the exchange of EPM objectives information.

### Trigger / Precondition

Examples of events that could trigger the collaboration, include:

- **Project Completion.** Project completion might trigger a wide variety of tasks, such as updating objective plans, reporting results against an objective plan, performance review, calculation of any associated compensation, termination of the completed assignment, and reassignment.
- **Performance Appraisal Complete.** The completion of an appraisal process can be a trigger for communicating the appraisal results to other systems (e.g., a core HR system, learning management system, compensation, etc.) and for compensation changes. New development plans or objective plans may be communicated to applicable systems. Supervisory approval often marks the completion of an appraisal or performance evaluation.
- **Project Milestones.** Project completion or the end of an appraisal period can trigger the report of a final result for the associated project or time period. Similarly, the achievement of project milestones (or failure to achieve project milestones) might trigger reporting of an interim result or status against an objective plan.

## Appendix A: Examples

Examples for each of these components can be found in the Instances folder.

### Development Plans

*SyncDevelopmentPlan-Example-1.xml*

### EPM Participant

This first example shows the addition of a single participant. SyncEPMParticipant might be more appropriate when mass changes are necessary. The second example is simply an acknowledgement of the message above. This shows that processing of the EPMParticipant with a DocumentID of "555-44-1111a" was "Accepted."

*ProcessEPMParticipant-Example-1.xml*

*AcknowledgeEPMParticipant-Example-1.xml*

### EPM Result

*SyncEPMResult-Example-1.xml*

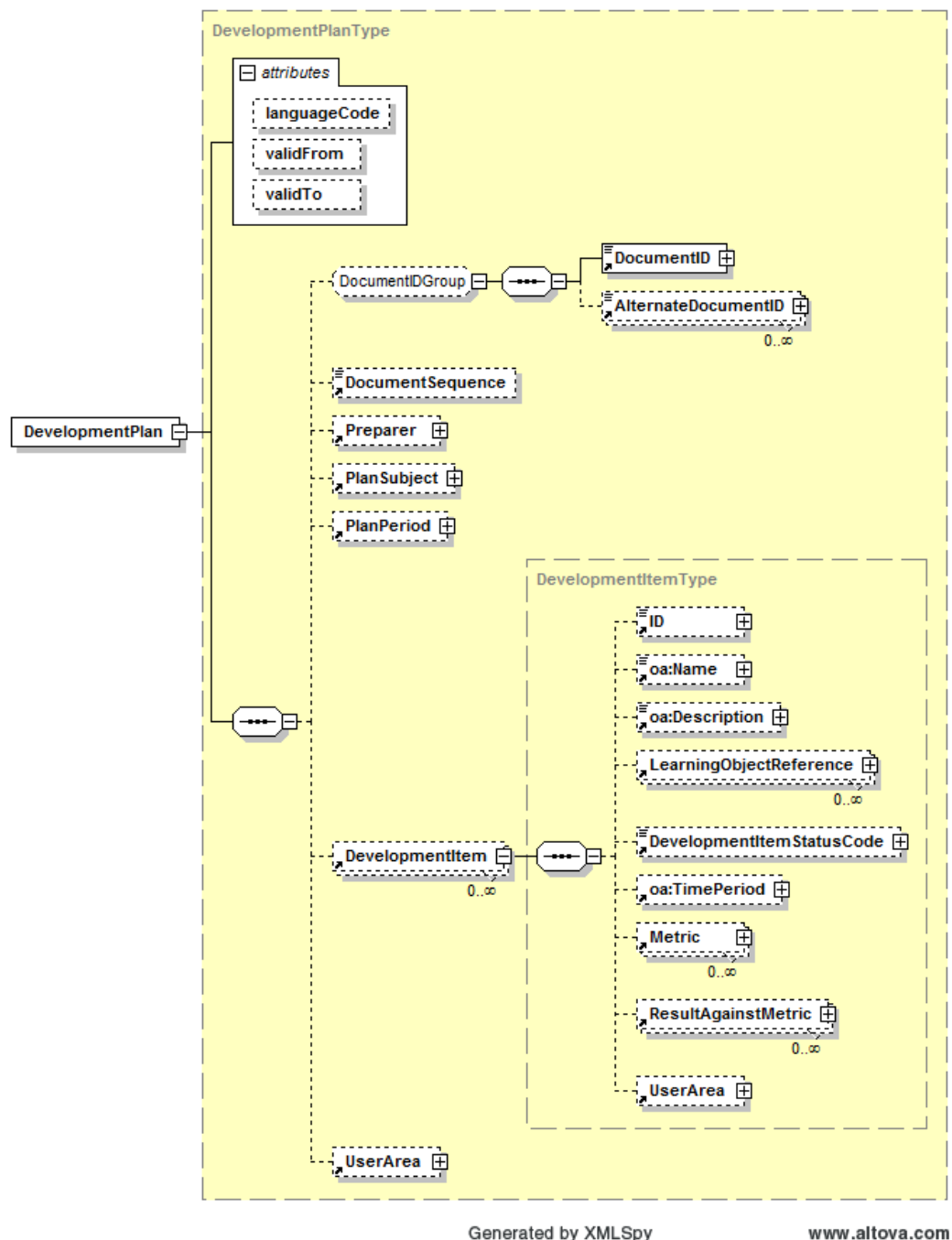
### Objectives Plan / Results

*SyncObjectivesPlan-Example-1.xml*

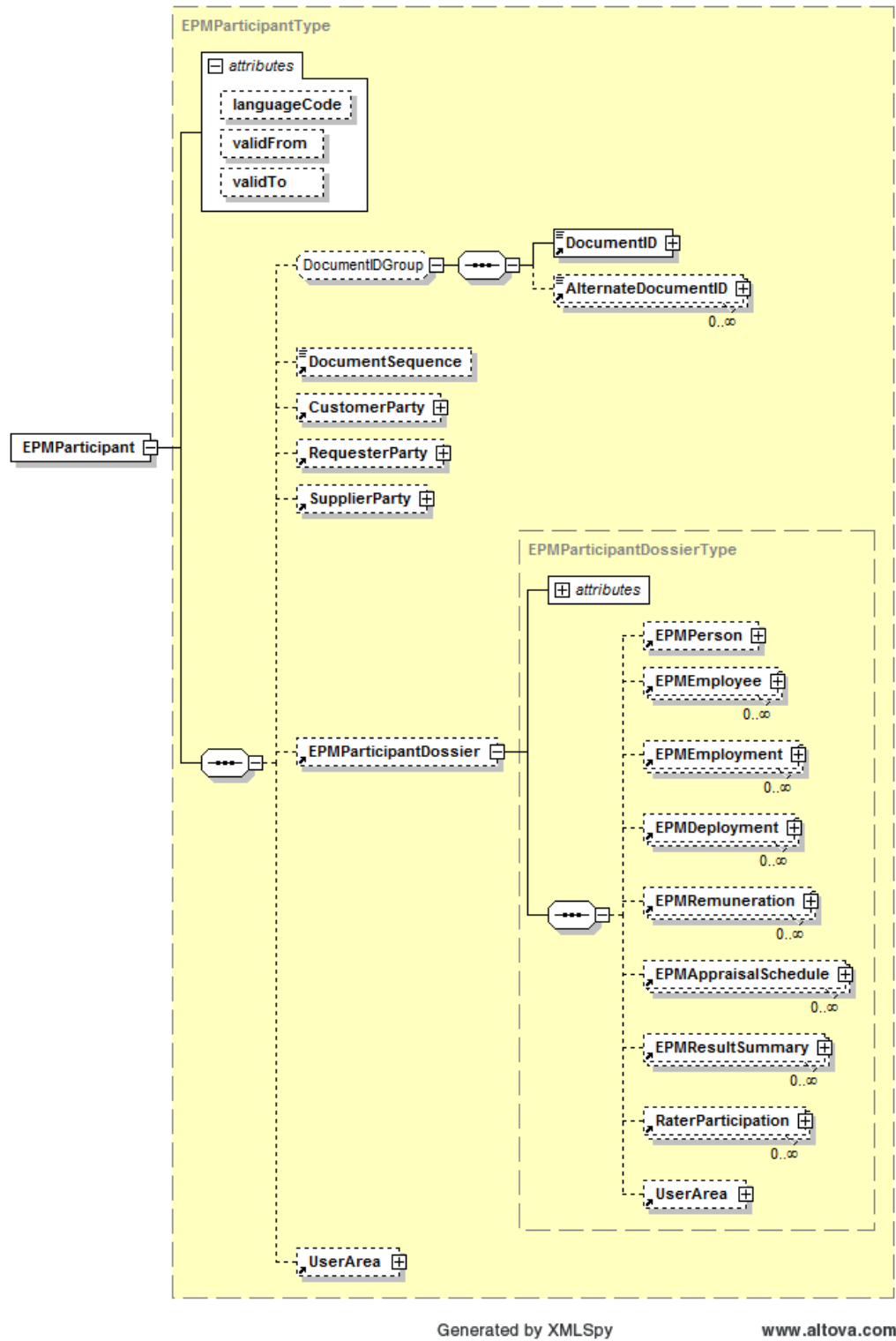
*SyncObjectivesResult-Example-1.xml*

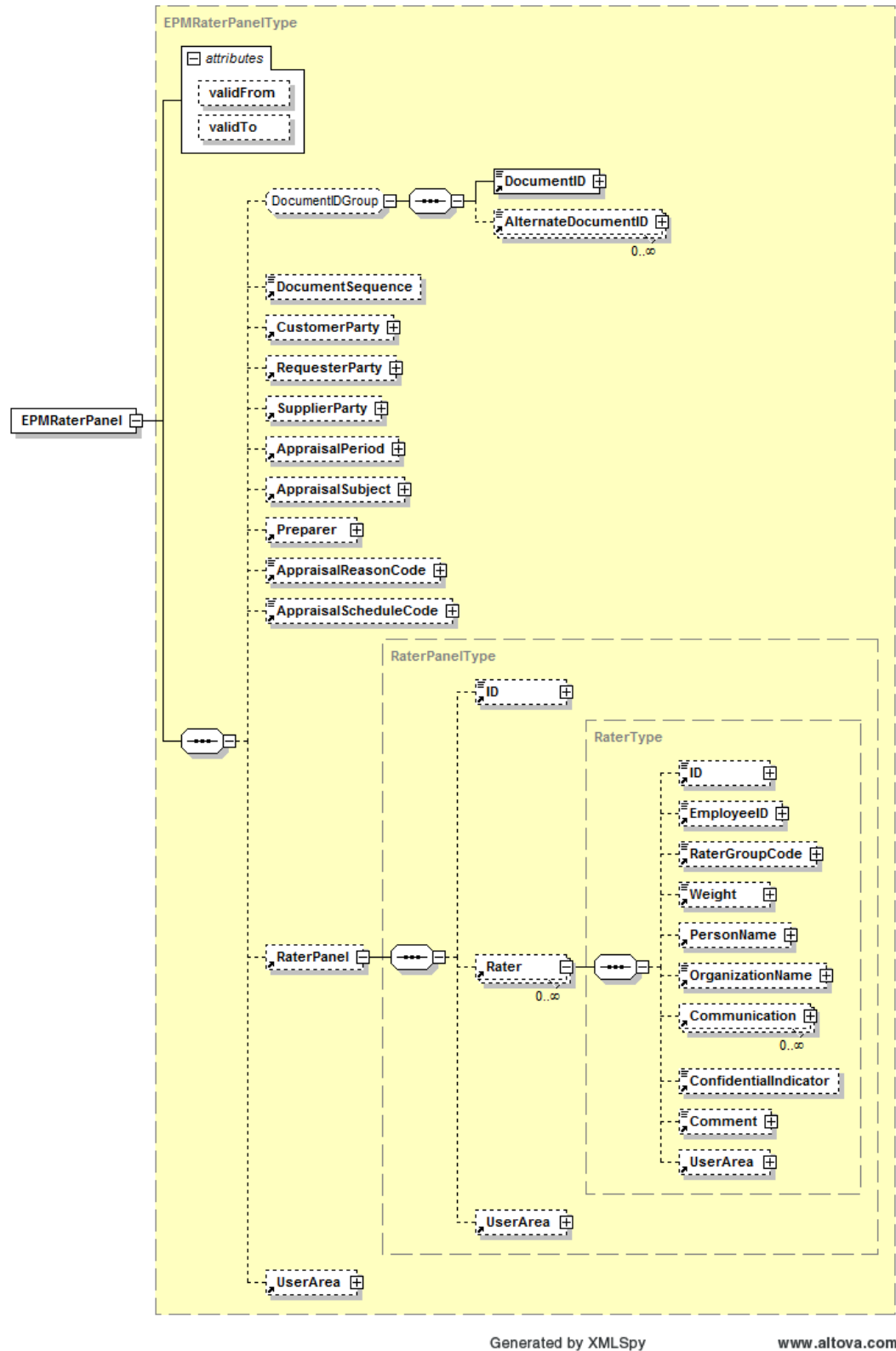
## Appendix B: Noun Layouts

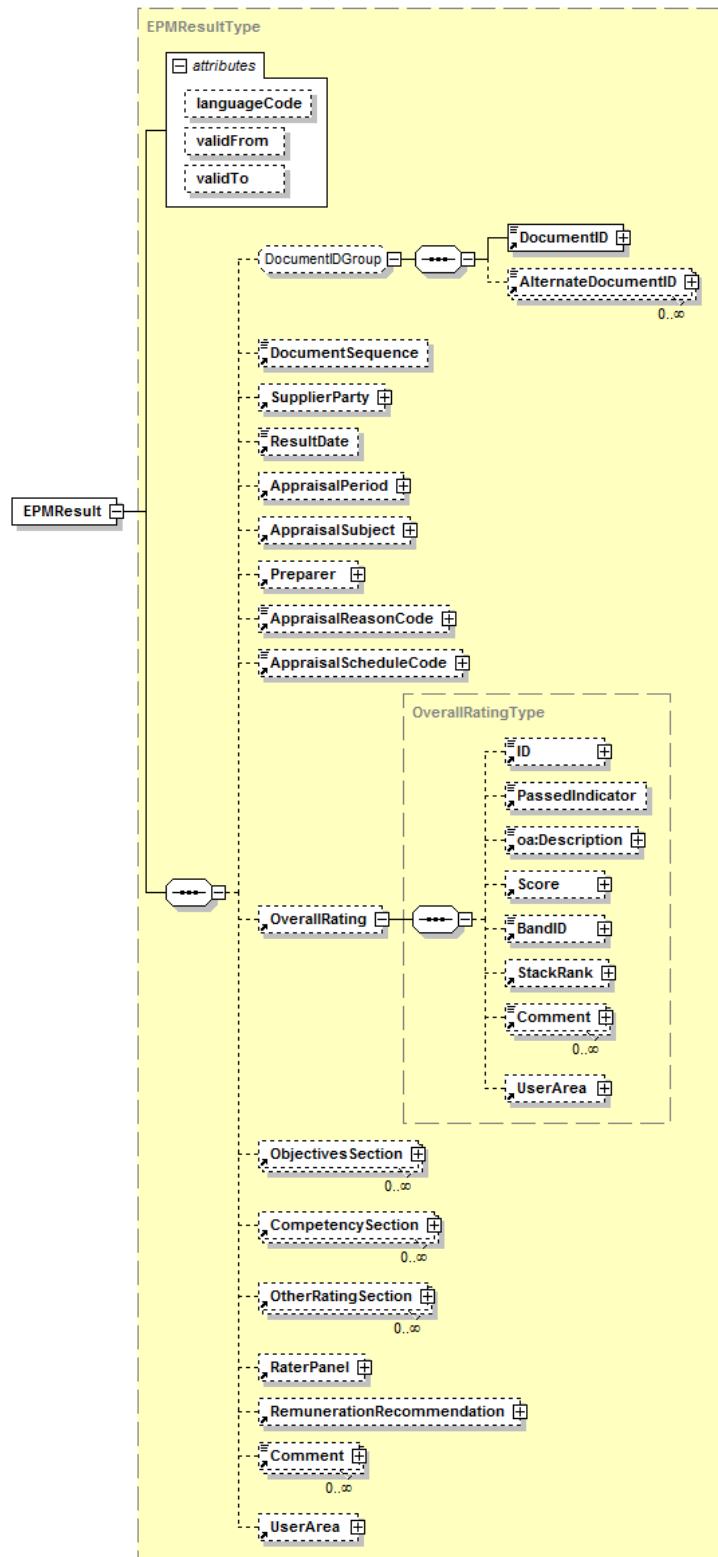
### Development Plans





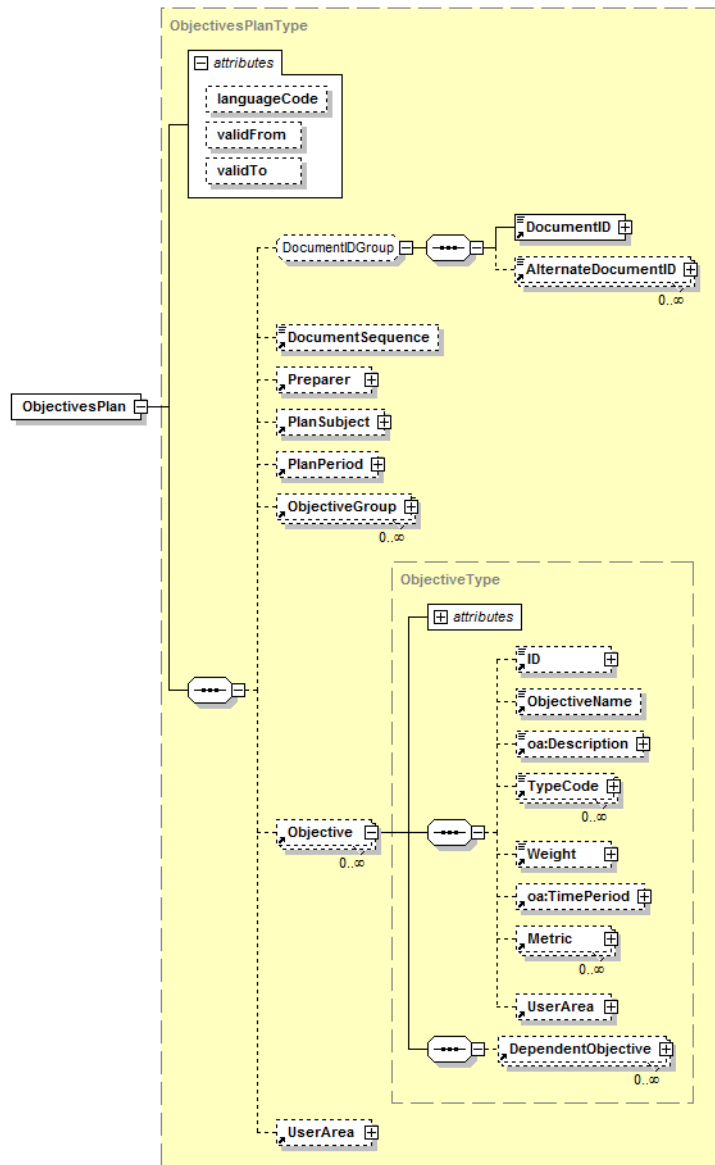






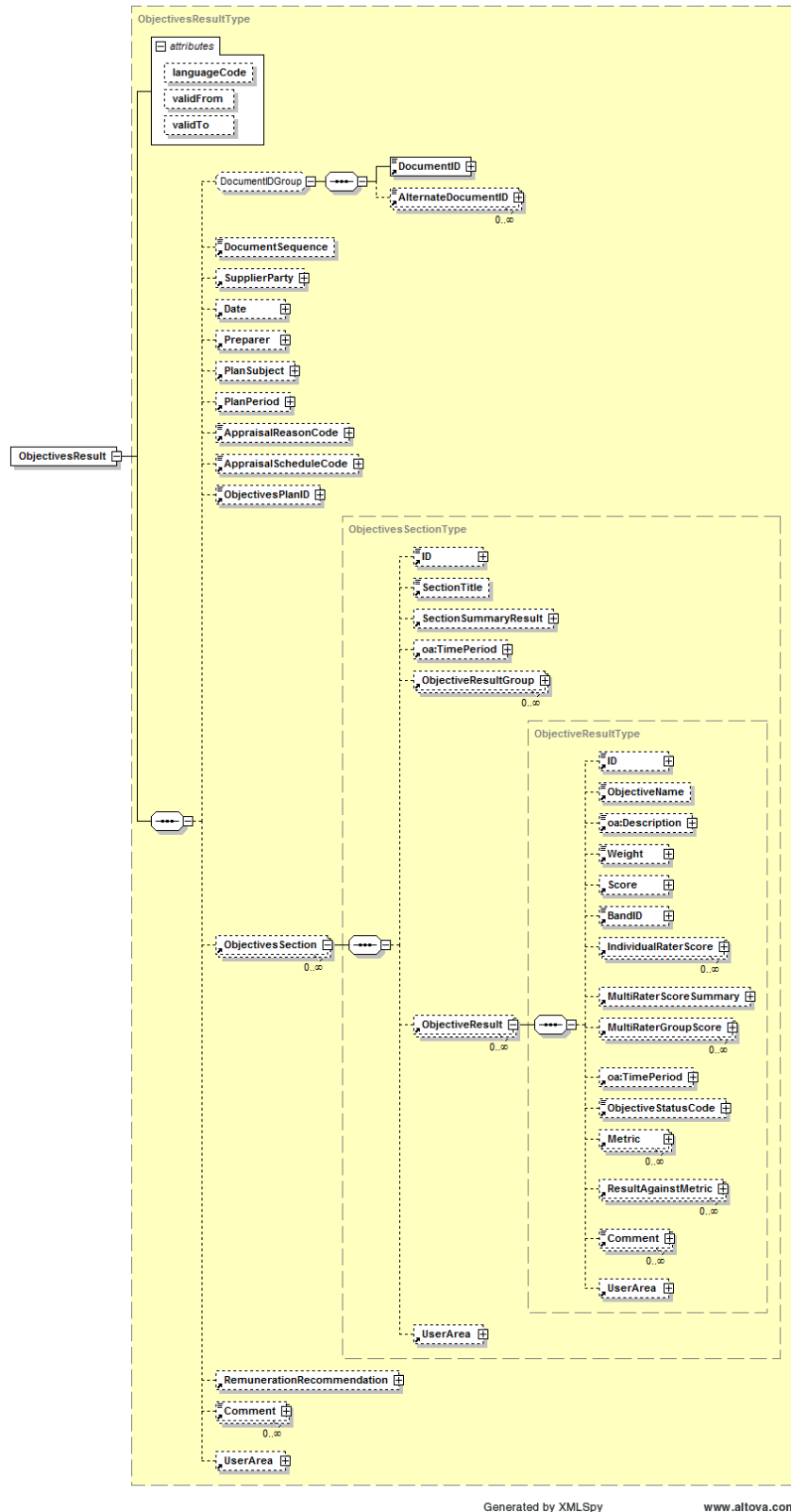
Generated by XMLSpy

www.altova.com



Generated by XMLSpy

[www.altova.com](http://www.altova.com)



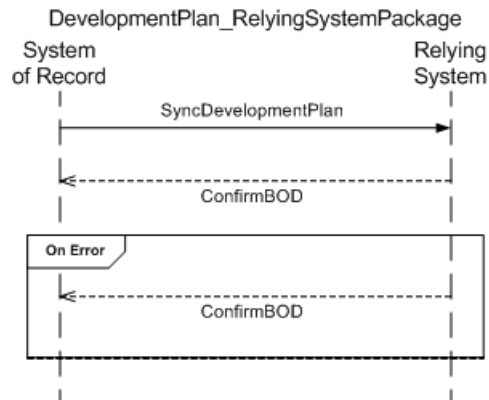
Generated by XMLSpy

www.altova.com

## Appendix C: Business Object Document Diagrams

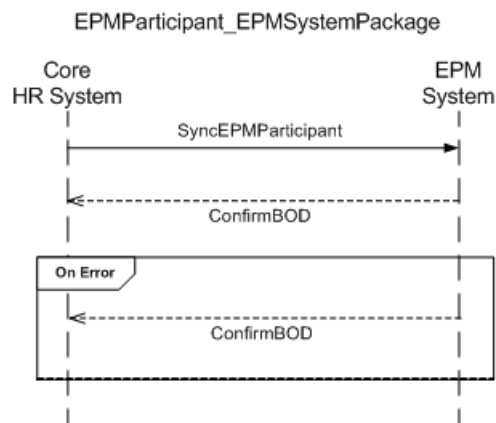
### Development Plans

A service that a talent management or learning management system would host to handle "Sync" operations with a system of record for a development or learning plan.



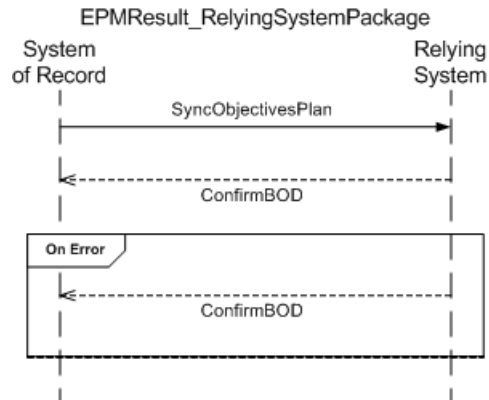
### EPM Participant

A service that an employee performance management (EPM) system or other talent management system would host to handle "Sync" operations with a core HR system.



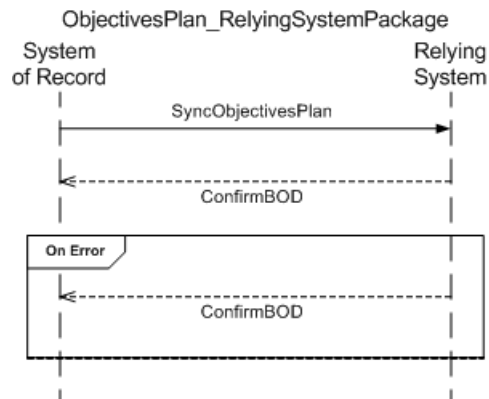
## EPM Result

A service that a talent management or learning management system would host to handle "Sync" operations with an employee performance management system or other system of record.



## Objectives Plan

A service that a talent management or learning management system would host to handle "Sync" operations with an objectives-management system of record, for example an employee performance management system.



## Objectives Result

A service that a talent management or learning management system would host to handle "Sync" operations with an objectives-management system of record, for example an employee performance management system.

