



## DoD INSTRUCTION 1400.25, VOLUME 431

# DoD CIVILIAN PERSONNEL MANAGEMENT SYSTEM: PERFORMANCE MANAGEMENT AND APPRAISAL PROGRAM

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<b>Originating Component:</b>	Office of the Under Secretary of Defense for Personnel and Readiness
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**Purpose:** This instruction is composed of several volumes, each containing its own purpose.

- This instruction establishes and implements policy, establishes procedures, provides guidelines and model programs, delegates authority, and assigns responsibilities regarding civilian personnel management within the DoD.
- This volume:
  - Pursuant to Volumes 410, 430, and 451 of this instruction, implements policy, assigns responsibilities, and establishes procedures for the DoD Performance Management and Appraisal Program.
  - Implements the requirements of Section 9902 of Title 5, United States Code (U.S.C.).
  - Establishes a DoD performance appraisal program in accordance with Section 430.205 of Title 5, Code of Federal Regulations (CFR).

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## **SECTION 1: GENERAL ISSUANCE INFORMATION**

**1.1. APPLICABILITY.** This volume applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (collectively referred to in this volume as the “DoD Components”).

**1.2. POLICY.** The DoD will:

a. Provide a fair, credible, and transparent performance appraisal program for linking bonuses and other performance-based actions to employee performance in accordance with Section 9902 of Title 5, U.S.C.

b. Develop and maintain a results-oriented performance culture that links individual performance to organizational goals.

## SECTION 2: RESPONSIBILITIES

**2.1. ASSISTANT SECRETARY OF DEFENSE FOR MANPOWER AND RESERVE AFFAIRS (ASD(M&RA)).** Under the authority, direction, and control of the Under Secretary of Defense for Personnel and Readiness (USD(P&R)), the ASD(M&RA) has overall responsibility for the development of DoD civilian personnel policy covered by this volume.

**2.2. DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR CIVILIAN PERSONNEL POLICY (DASD(CPP)).** Under the authority, direction, and control of the ASD(M&RA), the DASD(CPP) supports the development of civilian personnel policy covered by this volume and monitors its execution by DoD Components, ensuring consistent implementation and application throughout DoD.

**2.3. DIRECTOR, DEPARTMENT OF DEFENSE HUMAN RESOURCE ACTIVITY.** Under the authority, direction, and control of the USD(P&R), the Director, Department of Defense Human Resources Activity, provides support to the DASD(CPP), as appropriate, in execution of duties and responsibilities assigned in this volume.

**2.4. DOD COMPONENT HEADS.** The DoD Component heads:

- a. Oversee the implementation, application, and evaluation of performance management programs within their respective Components.
- b. Ensure that the DoD Performance Management and Appraisal Program procedures and requirements are applied properly within their respective Components.
- c. Ensure that new supervisors and employees, as well as those transferred or promoted, receive information and are properly oriented to the DoD Performance Management and Appraisal Program.
- d. Ensure performance management training for supervisors and employees is provided.
- e. Actively promote a high-performance culture within their respective Components.

## SECTION 3: PROCEDURES

### 3.1. GENERAL PROVISIONS.

**a. Purpose.** The DoD Performance Management and Appraisal Program:

(1) Provides a framework for supervisors and managers to communicate expectations and job performance.

(2) Links individual employee performance and organizational goals.

(3) Facilitates a fair and meaningful assessment of employee performance.

(4) Establishes a systematic process for planning, monitoring, evaluating, and recognizing and rewarding employee performance that contributes to mission success.

(5) Nurtures a high-performance culture that promotes meaningful and ongoing dialogue between employees and supervisors and holds both accountable for performance.

(6) Supports and is consistent with merit system principles in Section 2301 of Title 5, U.S.C.

**b. Coverage.**

(1) **DoD Component Coverage.** The DoD Performance Management and Appraisal Program applies to all DoD employees, except those employees in positions identified in Appendix 3A.

(2) **Savings Provision.** No employee may be concurrently covered by more than one performance appraisal program in accordance with the savings provision established in Volume 430 of this instruction. Accordingly, the requirements of this volume will not apply to employees subject to performance improvement plans (PIPs), or subsequent actions resulting from having failed a PIP, taken in accordance with Chapter 43 of Title 5, U.S.C., that was initiated prior to the effective date of implementation of the DoD Performance Management and Appraisal Program with respect to the employee.

### 3.2. BASIC REQUIREMENTS OF THE PROGRAM.

**a. Appraisal Pattern.** The DoD Performance Management and Appraisal Program uses a three-level rating pattern, Summary Level Pattern B, as identified in Section 430.208(d)(1) of Title 5, CFR, and the performance rating levels (also known as “summary levels”) listed in Table 1 must be used.

**Table 1. Performance Rating Levels**

Level 5 – Outstanding
Level 3 – Fully Successful
Level 1 – Unacceptable

**b. Appraisal Cycle.** The appraisal cycle for employees covered by the DoD Performance Management and Appraisal Program is April 1 through March 31 of each calendar year. Components operating academic institutions may elect to apply an appraisal cycle based on their academic year to some or all of the employees of these academic institutions.

**c. Effective Date of the Appraisal.** A rating of record is final when it is signed by the employee’s supervisor, in his or her capacity as rating official and, where required by Component policy, by a higher level reviewer (HLR). A rating of record finalized before June 1 will be effective June 1.

**d. Minimum Period of Performance.** The minimum period of performance is 90 calendar days. Employees who perform under an approved performance plan for a minimum of 90 calendar days will be rated based on the period of demonstrated performance.

**e. Performance Discussions.** To foster a culture of high performance, supervisors and employees should engage in two-way performance feedback throughout the appraisal cycle. Supervisors are required to hold a minimum of three formal documented performance discussions during the appraisal cycle. These required discussions will include the initial performance plan meeting to discuss performance expectations, one progress review, and the final performance appraisal discussion to communicate the rating of record. Additional progress reviews are highly encouraged throughout the appraisal cycle.

**f. DoD Core Values.** In order to develop common awareness of and reinforce a high-performance culture, DoD core values will be discussed with employees at the beginning of the appraisal cycle and will be annotated on all performance plans. The DoD core values, which form the foundation of the DoD performance culture are: leadership, professionalism, and technical knowledge through dedication to duty, integrity, ethics, honor, courage, and loyalty. In addition to the DoD core values that will be annotated on performance plans and discussed with employees, DoD Components may include organizational values and may include organizational mission statements or goals which apply to the employee’s performance elements. This aids in developing a common awareness and to reinforcing the individual contribution to the overall success of both the DoD and organization’s mission. Employees will only be assessed on the DoD core values or organizational values to the extent applicable to the assessment of a performance element.

**g. MyPerformance Appraisal Tool.** The MyPerformance appraisal tool provides an automated system to create, review, and approve performance plans; document modifications to performance plans; document progress reviews; document employee input on his or her individual performance; and document performance appraisals.

(1) The MyPerformance appraisal tool is the only automated appraisal tool that has been authorized for use in administering and documenting activities under the DoD Performance Management and Appraisal Program, and MyPerformance generates a completed DD Form 2906, “Department of Defense Performance Plan, Progress Review, and Appraisal.”

(2) When supervisors or employees do not have access to the electronic MyPerformance appraisal tool, they must use the paper copy of DD Form 2906 to document the performance plan, progress review(s), and rating of record. The DoD Components will develop any needed processes for completing appraisals using a blank DD Form 2906.

**h. Retention Schedule for Employee Performance Files.** Performance ratings of record, including the performance plans on which they are based, will be retained for 4 years or as otherwise required by Section 293.404 of Title 5, CFR. Since the MyPerformance tool maintains performance records for 4 years, supervisors and employees are advised to print performance records they wish to maintain beyond the 4-year period. Where any performance-related document is needed in connection with an ongoing administrative, negotiated, quasi-judicial, or judicial proceeding, the rating of record must be retained for as long as necessary.

**i. Transfer of Employee Performance Files.** When an employee transfers to another DoD Component or is assigned to another organization within the Component, the organization, in accordance with Sections 430.209 and 293 of Title 5, CFR, will transfer with the employee:

- (1) The most recent ratings of record as required by Paragraph 3.2.h. of this volume.
- (2) Any subsequent performance ratings.

**3.3. PLANNING PERFORMANCE.** Employee and supervisor engagement that provides opportunity for employee input is the first step in establishing ongoing communication and understanding of performance expectations and organizational goals throughout the appraisal cycle. This results in effective performance planning. Specific performance measures will be used to determine whether expectations and goals are being met. Each employee must have a written performance plan established and approved normally within 30 calendar days of the beginning of the appraisal cycle or the employee’s assignment to a new position or set of duties. The supervisor will communicate the performance plan to the employee after it has been approved in accordance with DoD Component procedures.

**a. Employee Performance Plan.** The performance plan will clearly document for each employee how the expected outcomes and results are linked to the organization’s goals and objectives and how his or her performance will be measured throughout the appraisal cycle. The performance plan includes the employee’s performance elements and performance standards for the appraisal cycle. Changes to mission, organizational goals, work unit priorities, or assigned duties that occur during the appraisal cycle may necessitate revisions to the performance plan.

**b. Performance Elements.** Performance elements describe the expectations related to the work being performed. All performance elements must be critical elements and clearly align with organizational goals. For ratings of record, each ratable element will be assigned a performance element rating. For assistance with alignment of performance elements to



organizational goals, supervisors should review organizational plans and may consult with their performance improvement officer, or equivalent, as necessary. The USD(P&R) must approve DoD-wide performance elements for groups of employees, as needed. The two types of performance elements are:

(1) **Critical Element.** Performance plans must have a minimum of one critical performance element, and each element must have associated performance standards that define expectations. A critical element is a work assignment or responsibility of such importance that unacceptable performance on the element would result in a determination that an employee's overall performance is rated as "Unacceptable." Critical elements are only used to measure individual performance; supervisors must not establish critical elements for team performance.

(2) **Supervisory Element.** All performance elements related to supervisory duties are critical elements. The number of supervisory performance elements on performance plans for supervisors will equal or exceed the number of non-supervisory (technical) performance elements. The requirement for the number of supervisory performance elements to exceed the number of non-supervisory elements does not apply to employees coded as Supervisor Civil Service Reform Act (CSRA) code "4" in the Defense Civilian Personnel Data System.

**c. Performance Standards.** Performance standards describe how the requirements and expectations provided in the performance elements are to be evaluated. Performance standards must be provided for each performance element in the performance plan and must be written at the "Fully Successful" level. The standards should include specific, measurable, achievable, relevant, and timely (SMART) criteria, which provide the framework for developing effective results and expectations. SMART standards objectively express how well an employee must perform his or her job to achieve performance at the "Fully Successful" level by providing standards that are:

(1) **Specific.** Goals are sufficiently detailed in describing what needs to be accomplished.

(2) **Measurable.** The accomplishment of the performance element is clear and can be quantified or substantiated using objective criteria.

(3) **Achievable.** Goals are realistic, yet challenging and can be accomplished with the resources, personnel, and time available.

(4) **Relevant.** The critical element aligns with or links to organizational mission and success.

(5) **Timely.** Goals will be completed within a realistic timeframe.

**d. Developing and Communicating Performance Expectations.** Written performance plans must be developed and approved by supervisors, clearly communicated to employees, and acknowledged by employees.

(1) Normally within 30 days of the beginning of each appraisal cycle, supervisors and employees should discuss performance goals for the upcoming cycle. Supervisors must allow

employees the opportunity to provide input into their performance elements and standards. While employees have the opportunity to provide input into their performance plans, supervisors must develop and approve the performance elements and standards.

(2) Supervisors must communicate each approved performance plan and how the performance expectations link to any organizational goals with their employees. This also provides an opportunity for the supervisor and employee to achieve a common understanding of the performance required for mission success.

(3) The date of the meeting or communication will be documented in the MyPerformance appraisal tool or on the DD Form 2906 and acknowledged by the employee.

**e. Modifying the Plan During the Appraisal Cycle.** A performance plan is a flexible, living document and should be reviewed and discussed throughout each appraisal cycle. Plans may be modified as organizational goals and priorities or employee responsibilities change. All approved modifications to performance elements or standards must be discussed with and communicated to the employee, and the employee should acknowledge the revisions in the MyPerformance appraisal tool or on the DD Form 2906. If considering a change to an element or standard within 90 calendar days of the end of the appraisal cycle when work requirements change or new duties are assigned, the supervisor may:

(1) Revise the element or standard at the beginning of the next appraisal cycle;

(2) Update the plan. If the employee does not have an opportunity to perform the new element(s) for the minimum 90-calendar-day period, do not rate the revised element(s); or

(3) Extend the appraisal cycle by the amount of time necessary to allow 90 calendar days of observed performance under the revised element or standard. Extending the appraisal cycle will affect the start date of the employee's subsequent appraisal cycle; however, the subsequent appraisal cycle should still end March 31 of the following calendar year.

**3.4. MONITORING PERFORMANCE.** Monitoring performance consists of ongoing assessment of performance compared to the stated expectations and ongoing feedback to employees on their progress toward reaching their goals.

**a. Continuous Monitoring of Performance.** By monitoring performance throughout the appraisal cycle, supervisors can provide timely feedback on meeting expectations and identify unacceptable performance during the appraisal cycle in order to provide assistance to improve performance, rather than waiting until the end of the cycle when a rating of record is assigned. Additionally, while monitoring performance, supervisors may identify an employee's need for training or developmental opportunities in order to enhance the knowledge, skills, or abilities related to the employee's job performance in his or her current position.

**b. Performance Discussions.** The supervisor and employee will discuss the employee's work performance and its link to organizational effectiveness. The discussions may consist of verbal feedback sessions, regular one-on-one meetings, or impromptu recognition or acknowledgement of performance. Supervisors or employees may initiate performance

discussions at any time during the appraisal cycle to foster ongoing engagement and understanding. Performance discussions help ensure that the performance plans accurately reflect the work being evaluated. Effective communications include ongoing, constructive feedback to contribute to overall employee and organizational success.

**c. Progress Reviews.** Progress reviews may only be initiated by supervisors. They are performance discussions that must be documented in the MyPerformance appraisal tool. While employees must have at least one documented progress review, providing additional progress reviews throughout the appraisal cycle is encouraged. Employees are not given a performance narrative or performance element ratings on progress reviews. The supervisor and employee should engage in meaningful communications throughout the appraisal cycle to review and convey:

- (1) Organizational goals and priorities.
- (2) Performance elements and standards, including ensuring the performance plan accurately reflects the work being evaluated.
- (3) Supervisor's expectations.
- (4) Employee's accomplishments and contributions.
- (5) Employee's level of performance, including any areas that need improvement.
- (6) Barriers to success.
- (7) Employee's developmental needs and career goals.

**3.5. EVALUATING PERFORMANCE.** The supervisor will evaluate employee performance by assessing performance against the elements and standards in the employee's approved performance plan and assigning a rating of record based on work performed during the appraisal cycle. A written rating of record must be provided at the end of the appraisal cycle for each employee who has been under an approved performance plan for 90 calendar days during the cycle.

**a. Preparation and Submission of Performance Appraisals.** Performance appraisals will be prepared consistent with this volume and documented in the MyPerformance appraisal tool.

(1) **Employee Input.** Employees can provide written input about their performance accomplishments for supervisors to consider in evaluating each of the performance elements and overall performance accomplishments.

(a) Employee input, while not mandatory, is highly encouraged and valuable for progress reviews during and at the end of the appraisal cycle where the employee input becomes a part of the employee performance file.

(b) The absence of employee input does not relieve the supervisor of the responsibility for writing a narrative statement assessing the employee's performance standards and contributions.

(2) **Performance Narrative.** Supervisors will write a performance narrative that succinctly addresses the employee's performance measured against the performance standards for the appraisal cycle.

(a) The performance narrative justifies how an employee's ratings are determined and provides support for recognition and rewards (or any administrative or adverse action, if necessary).

(b) Performance narratives are required for each element rated "Outstanding" and "Unacceptable." Additionally, performance narratives are highly encouraged for each element rated "Fully Successful" as a means of recognizing all levels of accomplishments and contributions to mission success.

**b. Descriptions of Performance Rating Levels.** The performance rating assigned should reflect the level of the employee's performance as compared to the standards established. Some samples that may be useful in developing standards for an employee are provided in the following subparagraphs. These samples are intended to be illustrative only, do not apply to all work situations, and must be tailored to each particular situation.

(1) **Level 5 – Outstanding**

(a) Produces exceptional results or exceeds expectations well beyond specified outcomes.

(b) Sets targeted metrics high and far exceeds them (e.g., quality, budget, quantity).

(c) Handles roadblocks or issues exceptionally well and makes a long-term difference in doing so.

(d) Is widely seen as an expert, valued role model, or mentor for this work.

(e) Exhibits the highest standards of professionalism.

(2) **Level 3 – Fully Successful**

(a) Effectively produces the specified outcomes, and sometimes exceeds them.

(b) Consistently achieves targeted metrics.

(c) Proactively informs supervisor of potential issues or roadblocks and offers suggestions to address or prevent them.

(d) Achieves goals with appropriate level of supervision.

(3) **Level 1 – Unacceptable**

- (a) Does not meet expectations for quality of work; fails to meet many of the required results for the goal.
- (b) Is unreliable; makes poor decisions; misses targeted metrics (e.g., commitments, deadlines, quality).
- (c) Lacks or fails to use skills required for the job.
- (d) Requires much more supervision than expected for an employee at this level.

**c. Rating Employee Performance**

(1) The supervisor will assign an individual performance element rating of either 5, 3, or 1 to each critical element. All performance element ratings are averaged to calculate the rating of record, which reflects the employee’s overall job performance during the appraisal cycle based on the rating criteria outlined in Table 2.

**Table 2. Rating Criteria**

<b>Rating Level</b>	<b>Rating Criteria</b>
Level 5 – Outstanding	The average score of all critical element performance ratings is 4.3 or greater, with no critical element being rated a ‘1’(Unacceptable), resulting in a rating of record that is a ‘5’
Level 3 – Fully Successful	The average score of all critical element performance ratings is less than 4.3, with no critical element being rated a ‘1’(Unacceptable), resulting in a rating of record that is a ‘3’
Level 1 – Unacceptable	Any critical element rated as ‘1’

(2) In accordance with Section 430.208(c) of Title 5, CFR, the DoD Performance Management and Appraisal Program does not establish a forced distribution of performance rating levels.

(3) A rating of record of “Unacceptable” (Level 1) must be reviewed and approved by a HLR.

(4) If an employee does not have an opportunity to perform work associated with a performance element for 90 calendar days during the appraisal cycle, no performance element rating will be assigned for that performance element. An unratable performance element cannot be used as a factor in deriving a rating of record.

(5) The rating of record or individual performance element rating assigned to a critical element for a disabled veteran will not be lowered because the veteran has been absent from work to seek medical treatment, as provided in Section 430.208(f) of Title 5, CFR.

**d. Reconsideration of a Performance Appraisal.** Employees may seek reconsideration of issues related to the performance appraisal process (e.g., individual performance element ratings and ratings of record) through the administrative grievance system or, where applicable, negotiated grievance procedures. Employees may **not** challenge contents (e.g., performance elements or standards) of an employee performance plan and decisions to grant or not grant a performance award or quality step increase (QSI) through the administrative grievance system or, where applicable, negotiated grievance procedures.

**3.6. RECOGNIZING AND REWARDING PERFORMANCE.** Supervisors recognize and reward performance by providing incentives to and recognition of employees for individual and team achievement and for their contributions to the organization's mission. DoD Components will develop recognition and rewards programs that embody strong business principles through the development of policies and rules. Supervisors can strengthen the performance culture and influence employee engagement by using recognition throughout the appraisal cycle. It is important to recognize performance and achievements as they occur, preferably as close as possible to the act(s) being recognized. Policy and procedures for awarding performance are covered in Volume 451 of this instruction as well as in Component-specific policy and guidance.

a. When a supervisor publicly recognizes employee or team efforts, he or she communicates the types of activities and accomplishments the organization values in a meaningful way. Recognition and reward programs are valuable tools to increase employee performance, morale, and commitment to support the organization's mission.

b. Recognition and rewards are not entitlements. Achievements or contributions should be related to organizational mission and goals and to exceeding expectations.

c. Rewards should be an integral part of performance management.

**3.7. LINKAGE OF PERFORMANCE MANAGEMENT TO OTHER PERSONNEL ACTIONS.** Employee performance may impact other personnel actions, and the DoD Performance Management and Appraisal Program links the following employee personnel actions to performance appraisals for employees:

**a. Promotion.** To be eligible for a promotion under a merit promotion plan pursuant to Section 335.103 of Title 5, CFR, an employee must meet minimum qualification standards and other promotion criteria. Due weight will be given to performance appraisals and incentive awards. To be eligible for a career ladder promotion under a merit promotion plan pursuant to Section 335.104 of Title 5, CFR, an employee must be performing at the "Fully Successful" level, or higher. However, the fact that employees are rated "Fully Successful" or higher at the time they are eligible for promotion does not mean promotions are automatic.

**b. Within-Grade Increase (WGI).** A WGI or periodic step increase is an increase in an employee's rate of basic pay from one step of the grade of his or her position to the next higher step of that grade pursuant to Sections 531.404 and 532.417 of Title 5, CFR and 5335 of Title 5, U.S.C.

(1) As part of ongoing communication with employees, the supervisor will discuss an upcoming WGI with the employee and may document the date of this conversation in the section designated for progress reviews in the MyPerformance Appraisal Tool.

(2) The decision to grant or deny a WGI is based on the employee's most recent rating of record issued within the WGI waiting period. To receive a WGI, the employee must be performing at the "Fully Successful" level or higher with a rating of record of "3" or higher. When a WGI decision is not consistent with the employee's most recent rating of record a more current rating of record must be prepared. When considering denying a WGI, supervisors should contact their servicing human resources office for further information and assistance in following the requirements in Sections 531.409 and 531.411 of Title 5, CFR.

**c. QSI.** The purpose of a QSI is to recognize excellence in performance by granting an accelerated step increase. A QSI is a permanent salary increase for General Schedule employees only, and careful consideration should be given before granting a QSI. QSIs must be limited to those cases where exceptional performance has extended over a significant period of time and is expected to continue into the future. To be eligible for a QSI, an employee must:

- (1) Currently be paid below step 10 of his or her grade.
- (2) Have a most recent rating of record of Level 5 ("Outstanding").
- (3) Have demonstrated sustained performance of high quality for a significant period of time.
- (4) Have not received a QSI (or QSI-equivalent under a personnel system other than the General Schedule) within the preceding 52 consecutive calendar weeks.

**d. Reassignment, Reduction in Grade, or Removal Based on Unacceptable Performance.** Consistent with the requirements in Section 432.105 of Title 5, CFR, employees who fail to demonstrate performance at the "Fully Successful" level may be reduced in grade or removed from federal service. The employee may also be subject to reassignment at the DoD Component's discretion.

**e. Performance-Based Awards.** See Volume 451 of this instruction and DoD Component policy and collective bargaining agreements, if applicable, for more information on performance-based awards.

**3.8. SPECIALLY-SITUATED EMPLOYEES.** There are a number of special circumstances that may affect an employee's eligibility for a performance rating.

**a. Employees on Detail or Matrixed Employees.** When an employee is detailed or matrixed, it remains the responsibility of the supervisor of record to seek input from the detail or matrix supervisor for use in developing the performance plan, conducting progress reviews, and completing the rating of record.



**b. Employees Performing Union Representational Responsibilities.** When an employee is engaged in union representational responsibilities, the time spent performing union representation does not constitute work of the agency and does not count toward the minimum period of performance of 90 calendar days under an approved performance plan. If an employee performs agency work to meet the 90-calendar day requirement under an approved performance plan, that employee is eligible to receive a rating of record.

**c. Employees Absent for Military Service.** Employees who are absent for military service (Absent-US) will be rated provided they have performed work under an approved performance plan for a minimum of 90 calendar days. If employees performing military service do not meet the 90 calendar day requirement supervisors will assign their most recent rating of record as the new rating of record for the appraisal cycle.

**d. Employees on Leave Without Pay or Extended Paid Leave.** If an employee is absent during the appraisal cycle because he or she was on leave without pay or extended paid leave (including disabled veterans seeking medical treatment), the employee is eligible to receive a rating of record if he or she has performed work under an approved performance plan for a minimum of 90 calendar days. However, if an employee does not meet the 90 calendar day requirement, then he or she is not eligible to receive a rating of record.

**e. Employees on Long-Term Full-Time Training.** Employees attending a program of long-term full-time training greater than 90 calendar days may have a performance plan developed related to the training. The plan could include elements related to the achievement of specific training objectives. In this situation, supervisors may wish to contact the respective training activity for assistance and recommended input to the performance plan.

**f. Employees Who Transfer or Supervisors Who Leave During the Appraisal Cycle.** The length of time an employee serves under an approved performance plan determines what is required when an employee or supervisor leaves the organization.

(1) If a supervisor leaves the organization, a performance narrative statement is required when an employee has performed under an approved performance plan for 90 calendar days and there are more than 90 calendar days left in the appraisal cycle. This narrative statement will be considered by the incoming supervisor.

(2) A rating of record is required when an employee has performed under an approved performance plan for 90 calendar days and the employee or supervisor leaves the organization with fewer than 90 calendar days remaining in the appraisal cycle. If circumstances preclude the departing supervisor from carrying out this responsibility, the higher level management official may serve as the rating official, subject to Component policy.

### **3.9. IDENTIFYING AND IMPROVING UNACCEPTABLE PERFORMANCE.**

Supervisors who communicate their expectations and provide constructive, timely, and meaningful feedback to their employees on a regular basis about performance may more readily identify and reduce instances of performance deficiencies and prevent issues from becoming serious performance problems.



**a. Addressing Performance Issues Early.** At any point during the appraisal cycle, when a supervisor detects a decline in performance, early intervention is imperative. Assistance should be provided to the employees early on, whenever there is a need for improvement or any time there is a decline in performance. The supervisor should take the following actions, as appropriate:

(1) Clearly communicate to the employee that current performance fails to meet the performance standards described in the performance plan; provide clear guidance as to what is needed in order for the employee to improve; and provide specific examples of what and how work has not met expectations, as well as examples of work that would meet expectations.

(2) Offer appropriate assistance.

(3) Provide ideas of where the employee may go to obtain additional assistance or training, if applicable.

(4) Provide closer supervision and feedback. This might include more frequent reporting, special assignments, or on-the-job training.

(5) If performance issues persist, use a more formal approach to help employees improve and seek assistance from the human resources office.

**b. Addressing Unacceptable Performance.** If the employee's performance declines to less than "Fully Successful" in one or more performance elements, the supervisor, in consultation with the servicing human resources office will determine whether action is more appropriate under Section 432.105 or Part 752 of Title 5, CFR, and must provide notice of the performance deficiencies. The supervisor must also provide assistance designed to help the employee improve his or her performance during an opportunity period to demonstrate acceptable performance. The procedures contained in Sections 432.104 and 432.105 of Title 5, CFR must be followed if action is being taken under Sections 432.105 of Title 5, CFR. The procedures are:

(1) The supervisor must identify in writing (e.g., in a PIP):

(a) Element(s) in which performance is "Unacceptable" and a description of the unacceptable performance.

(b) What standards the employee must attain in order to demonstrate "Fully Successful" performance.

(c) The time allowed for the opportunity to improve. The time allowed must be reasonable and commensurate with the duties and responsibilities of the position, typically 30-90 calendar days.

(d) Statement of the possible consequences of failure to raise performance to the "Fully Successful" level during the opportunity period.

(2) If the employee fails to demonstrate performance at the "Fully Successful" level despite the PIP, the employee may be reduced in grade or removed from federal service pursuant

to Section 432.105 of Title 5, CFR. The employee may also be subject to reassignment at the DoD Component's discretion.

**APPENDIX 3A: EXCLUSIONS FROM COVERAGE****Table 3. Exclusions from Coverage**

<b>Position</b>	<b>Authority</b>
Acquisition Demonstration Projects	Pages 1426-1500 of Volume 64, Federal Register (FR)
Academic Faculty members of an accredited college or university with specialized qualifications in positions of a scientific, professional, or analytical nature who are not employed for more than 130 working days per year.	Covered by Volume 430 of this instruction
Administrative Law Judge	Section 4301(2)(D) of Title 5, U.S.C.; Section 942 of Title 10, U.S.C.; Section 7105 of Title 41, U.S.C.
Defense Civilian Intelligence Personnel System	Section 1601 of Title 10, U.S.C.
Defense Intelligence Senior Executive Service	Section 1606 of Title 10, U.S.C.
Defense Intelligence Senior Level	Section 1607 of Title 10, U.S.C.
Employees outside the United States who are paid in accordance with prevailing rates for local nationals in that area	Section 4301(2)(A) of Title 5, U.S.C.
Experts and Consultants including members of advisory committees	Section 3109(b) of Title 5, U.S.C.; Section 129b of Title 10, U.S.C.
Highly Qualified Experts	Section 9903 of Title 5, U.S.C.
Mariners	The exclusion is provided in the February 24, 1981 Office of Personnel Management Memorandum at: <a href="http://dodhrinfo.cpmosd.mil/Directorates/HROPS/Labor-and-Employee-Relations/Pages/Home1.aspx">dodhrinfo.cpmosd.mil/Directorates/HROPS/Labor-and-Employee-Relations/Pages/Home1.aspx</a>
Nonappropriated fund employees	Section 2105(c) of Title 5, U.S.C.
Persons Without Pay	Section 1588 of Title 10, U.S.C.; Section 3111 of Title 5, U.S.C.
Presidential Appointees	Section 4301(2)(F) of Title 5, U.S.C.
Science and Technology Reinvention Laboratory	
Air Force Research Laboratory	Pages 53076-53126 of Volume 75, FR
Naval Research Laboratory	Pages 33970-34046 of Volume 64, FR
Office of Naval Research	Pages 77380-77447 of Volume 75, FR
NAVSEA, Naval Surface Warfare Center and Undersea Warfare Center	Pages 64050-64071 of Volume 62, FR

**Table 3. Exclusions from Coverage Continued**

<b>Position</b>	<b>Authority</b>
NAVAIR, Aircraft Division and Weapons Division	Pages 8530-8570 of Volume 76, FR
SPAWAR, Systems Center-Atlantic and SPAWAR, Systems Center-Pacific	Pages 1923-1964 of Volume 76, FR
Army Research Laboratory	Pages 10680-10711, and 13458 of Volume 63, FR
Aviation and Missile Research, Development and Engineering Center	Pages 53142-54143 of Volume 65, FR; Pages 34876-34903 of Volume 62, FR
Engineer Research and Development Center	Pages 14580-14599 of Volume 63, FR
Communications-Electronic Research, Development and Engineering Center	Pages 54872-54899 of Volume 66, FR
Armament Research, Development and Engineering Center	Pages 3744-3787 of Volume 76, FR
Edgewood Chemical and Biological Center	Pages 68936-68966 of Volume 74, FR
Natick Soldier Research Development and Engineering Center	Pages 68448-68475 of Volume 74, FR
Tank and Automotive Research, Development and Engineering Center	Pages 12508-12547, and 56406-56407 of Volume 76, FR
Medical Research and Materiel Command	Pages 10439-10462 of Volume 63, FR
Scientific or Professional Employees	Section 3104 of Chapter 31 of Title 5, U.S.C.
Senior Executive Service	Section 4301(2)(E) of Chapter 43 of Title 5, U.S.C.
Senior Level Employees	Section 430.302 of Title 5, CFR
Temporary Employees (serving under a temporary appointment for less than 1 year who agree to serve without a performance evaluation and who will not be considered for a reappointment or for an increase in pay based in whole or in part on performance)	Section 4301(2)(H) of Title 5, U.S.C.

## GLOSSARY

### G.1. ACRONYMS.

ASD(M&RA)	Assistant Secretary of Defense for Manpower and Reserve Affairs
CFR	Code of Federal Regulations
CSRA	Civil Service Reform Act
DASD(CPP)	Deputy Assistant Secretary of Defense for Civilian and Personnel Policy
FR	Federal Register
HLR	higher level reviewer
NAVAIR	Naval Air Systems Command
NAVSEA	Naval Sea Systems Command
PIP	performance improvement plan
QSI	quality step increase
SMART	specific, measurable, achievable, relevant, and timely
SPAWAR	Space and Naval Warfare Systems Command
U.S.C.	United States Code
USD(P&R)	Undersecretary of Defense for Personnel and Readiness
WGI	within-grade increase

**G.2. DEFINITIONS.** These terms and their definitions are for the purposes of this volume.

**acceptable performance.** Performance that meets an employee's performance requirements or standards in the elements being assessed.

**appraisal.** The process by which performance is reviewed and evaluated.

**appraisal cycle.** A 1-year period (April 1 – March 31) established by the DoD Performance Management and Appraisal Program in which an employee's performance will normally be reviewed, and a rating of record will be assigned.

**approved performance plan.** A performance plan written, reviewed, and approved in accordance with DoD Component procedures, which communicates expectations and requirements of employee performance for the appraisal cycle.

**critical element.** A type of performance element in which a work assignment or responsibility is of such importance that unacceptable performance on the element would result in a determination that the employee's overall performance is unacceptable. Critical elements are only used to measure individual performance.

**detail.** A temporary assignment to a different position or a set of duties for a specified period. The employee is expected to return to his or her permanent position of record at the end of the assignment.

**employee performance file.** A record containing copies of employees' performance ratings of record, including the performance plans on which the ratings are based. It also includes all performance-related records, such as forms or other documents, maintained as a system of records within the meaning Section 552a of Title 5, U.S.C., also known as the "Privacy Act of 1974."

**HLR.** A senior-level management official, normally above the level of a rating official.

**matrixed employee.** An employee hosted by an organization at a location apart from his or her permanent supervisor or organization of record and who is performing work for his or her organization of record. The employee may receive taskings from the host organization but he or she remains under the authority, direction, and control of his or her organization of record.

**minimum period of performance.** The minimum appraisal cycle for the DoD Performance Management and Appraisal Program is 90 calendar days on an approved performance plan.

**MyPerformance.** The DoD automated appraisal tool authorized for use by both supervisors and employees to document the performance management process of the DoD Performance Management and Appraisal Program.

**opportunity period to demonstrate acceptable performance.** A reasonable period for the employee whose performance has been determined to be unacceptable in one or more elements to demonstrate acceptable performance in the element(s) at issue.

**performance.** Accomplishment of work assignments or responsibilities.

**performance discussion.** Joint communication between the supervisor and employee about the employee's work performance and its link to organizational effectiveness. The discussions may consist of verbal feedback sessions or formal progress reviews.

**performance element rating.** The written, or otherwise recorded, appraisal of performance compared to the performance standards for each element on which there has been an opportunity to perform for the minimum period of performance.

**performance improvement officer.** A senior-level organizational leader with responsibility to supervise agency performance management activities; advise agency leaders about measuring organizational performance; and assist with integrating performance information into an agency's employee performance appraisal process.

**performance management.** The integrated process by which an agency involves its employees in improving organizational effectiveness in the accomplishment of agency mission and strategic goals. Performance management consists of: performance planning, monitoring employee performance, evaluating employee performance, and recognizing and rewarding employee performance.

**performance plan.** All of the written, or otherwise recorded, performance elements and standards that set expected performance. A plan must include critical elements and their performance standards.

**performance rating.** An ordered category of performance from Level 1 through Level 5, with Level 1 as the lowest and Level 5 as the highest. Level 1 is “Unacceptable”; Level 3 is “Fully Successful”; and Level 5 is “Outstanding”. Also known as “summary level.”

**performance standard.** The management-approved expression of the performance threshold, requirement, and expectations that must be met to be appraised at a particular level of performance. A performance standard may include, but is not limited to, quality, quantity, timeliness, and manner of performance.

**PIP.** A strategy developed for an employee at any point in the appraisal cycle when performance becomes unacceptable in one or more elements. This plan affords an employee the opportunity to demonstrate acceptable performance and is developed with specific guidance provided by the servicing human resources office.

**progress review.** A type of formal performance discussion in which the supervisor communicates with the employee about the employee’s performance compared to his or her performance standards. Supervisors are required to conduct at least one formal progress review during the appraisal cycle.

**promotion.** A change of an employee, while serving continuously within the same agency, either to a higher grade when both the old and the new positions are under the General Schedule or under the same type graded wage schedule, or to a position with a higher rate of pay when both the old and the new positions are under the same type of ungraded wage schedule, or are in different pay method categories.

**QSI.** An increase in an employee’s rate of basic pay from one step or rate of the grade of his or her position to the next higher step of that grade or next higher rate within the grade (as defined in Section 531.403 of Title 5, CFR). Only an employee who receives a rating of record of “Outstanding” or equivalent is eligible.

**rating of record.** The performance rating level assigned at the end of an appraisal cycle for performance of agency-assigned duties over the entire cycle.

**rating official.** The person responsible for informing the employee of the duties of his or her position, establishing performance standards, providing feedback, appraising performance, and assigning the performance rating. Normally, this is the employees’ immediate supervisor.

**reassignment.** The change of an employee, while serving continuously within the same agency, from one position to another without promotion or demotion.

**reduction in grade.** The involuntary assignment of an employee to a position at a lower classification or job grading level. A reduction in grade is also referred to as a demotion.

**removal.** The involuntary separation of an employee from federal service.

**SMART.** An acronym for criteria that can be used in writing and evaluating performance standards: specific, measurable, achievable, relevant, and timely.

**supervisor (CSRA).** Position meets the definition of “supervisor” in Section 7103(a)(10) of Title 5, U.S.C., but does not meet the minimum requirements for application of the General Schedule Supervisory Guide.

**unacceptable performance.** Performance that fails to meet the established performance standards in one or more elements of an employee’s position. It is referred to as a Level 1 rating under the DoD Performance Management and Appraisal Program.

**WGI.** A periodic increase in an employee’s rate of basic pay from one-step of the grade of his or her position to the next higher step within that grade. The employee’s rating of record must be at the “Fully Successful” level to be eligible for a WGI.



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- United States Code, Title 5
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- United States Code, Title 41

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<sup>1</sup> The exclusion is provided in the February 24, 1981 Office of Personnel Management Memorandum at: <https://dodhrinfo.cpms.osd.mil/Directorates/HROPS/Labor-and-Employee-Relations/Pages/Home1.aspx>.