

CHAPTER 10

PERFORMANCE

MANAGEMENT

NOTE: This chapter should be read in conjunction with local activity instructions and with any negotiated agreements between your activity and an exclusively recognized labor organization. Contract language will take precedence over conflicting provisions in this manual. Areas of uncertainty should be discussed with the Human Resources Office.

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PERFORMANCE MANAGEMENT SYSTEM

1. PURPOSE

- a. In the Department of the Navy, performance management is used to involve employees, as individuals and as members of a group, in improving organizational effectiveness.
- b. The performance management system is designed to integrate management processes that include the following:
 - 1) Communicate and clarify mission and organization goals and objectives. (Title 5, Code of Federal Regulations (CFR) 430.102(b)(1))
 - 2) Identify employee, team, and managerial accountability for the accomplishment of goals and objectives; (5 CFR 430.102(b)(2) and DOD 1400.25-M, Subchapter 430, B.)
 - 3) Involve employees in improving organizational effectiveness and in assessing employee, team, and organizational effectiveness and performance; (5 CFR 430.104(b)(4) and DOD 1400.25-M, Subchapter 430, B.)
 - 4) Use appropriate measures of performance to recognize and reward employees and use the results of performance appraisal as a basis for appropriate personnel actions; (5 CFR 430.102(b)(5) and (b)(6))
 - 5) Involve employees and their representatives in program development and implementation; (DOD 1400.25-M, Subchapter 430, B.)
 - 6) Encourage employees to take responsibility to continuously improve, support team endeavors, develop professionally, and perform at their potential. (DOD 1400.25-M, Subchapter 430, B.)

2. DEFINITIONS

“ACCEPTABLE” PERFORMANCE

Performance of an employee which meets the established performance requirement(s) or standards at a level above “Unacceptable,” in all critical elements of an employee’s position.

APPRAISAL

The process under which performance is reviewed and evaluated against the described performance standard(s) which include at least one critical element. The appraisal period varies by command activity.

APPRAISAL PERIOD

An annual rating cycle for which an employee’s performance is evaluated and a rating of record prepared. The minimum appraisal period is 90 days.

AWARD

Recognition for individual or team achievement that contributes to meeting organizational goals or improving the efficiency, effectiveness, and economy of the government or which is otherwise in the public interest.

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CLOSE OUT RATING

An appraisal conducted when an employee or first level supervisor leaves a position after the employee has been under established performance standards for 90 days or more, but before the end of the appraisal cycle. Close out ratings may serve as the annual rating of record in some cases.

CRITICAL ELEMENT

A component of a performance plan of such importance that “Unacceptable” performance on the element would result in a determination that an employee’s overall performance is “Unacceptable.”

INTERIM APPRAISAL

Any progress review or training appraisal conducted throughout the annual performance appraisal period.

PERFORMANCE IMPROVEMENT PLAN (PIP)

Used when an employee’s performance falls below acceptable in one or more critical elements. The PIP specifically identifies the element(s), the acceptable performance, and any actions the supervisor will take to help the employee become acceptable. The plan also includes a timeframe for improving the performance. A PIP must be used prior to rating an employee unacceptable.

PERFORMANCE PLAN

All of the elements that describe the expected performance of an individual employee. A plan must include all critical elements and their related performance standards.

PERFORMANCE RATING

The result of a comparison between actual performance and the performance standard(s) for each critical element on which there has been an opportunity to perform for the minimum period.

PERFORMANCE STANDARD

The management approved expression of the performance threshold(s), requirement(s), or expectation(s) that must be met to be appraised at a particular level of performance.

PROGRESS REVIEW

May be conducted at the midpoint of the appraisal cycle. Communicating with the employee about performance compared to the performance standard(s) of the critical element(s). Both the supervisor and employee sign the performance appraisal plan to certify the progress review was completed.

RATING OF RECORD

An annual summary rating required at the end of the appraisal cycle. The rating of record is based on an employee serving at least 90 calendar days in the same position and under an established performance plan. The rating of record is the official rating for pay, performance award, and retention purposes. It can include a close out rating and any special rating needed to support a within-grade increase decision.

“UNACCEPTABLE” PERFORMANCE

Performance of an employee which fails to meet established performance standards in one or more critical elements.

3. **PERFORMANCE APPRAISAL SYSTEM**

All performance management programs used within the DON are **two-level** summary rating programs, which appraise an employee's performance as being at either the "Acceptable" or "Unacceptable" level. The programs provide for a minimum 90-day appraisal period.

4. **COVERAGE**

The performance management system covers General Schedule (GS) and Federal Wage System (FWS) employees. Employees serving in positions under a temporary appointment for less than 120 days are excluded from coverage.

5. **FORMAT**

Appendix 10A is a sample cover sheet for performance appraisals. Appendix 10B provides an example of critical elements for employees, both supervisory and non-supervisory. Appendix 10C is additional critical elements for supervisors and managers. Certain types of positions have additional performance evaluation requirements. These are listed in Appendix 10D.

6. **PERFORMANCE APPRAISAL PROCESS**

- a. Each **covered** employee must have a performance plan established based on work assignments and responsibilities. An individual employee performance plan must be established using the applicable appraisal form.



b. Employee Performance Plan Steps

1) Certify Position Description Accuracy

This is done in the applicable block of the performance appraisal form.

2) Communicate the Performance Plan to the Employee

Supervisors will communicate performance expectations to employees and provide a copy of their written performance plans within 30 days after the beginning of the appraisal cycle or appointment to the position of each detail or temporary promotion to last 120 days or longer. Upon receipt, the employee will sign and date the plan. The employee's signature does not indicate agreement with the plan, but merely signifies that the employee received it. The original performance plan is retained by the supervisor for use in tracking employee performance throughout the appraisal cycle.

c. Interim Appraisals

- 1) Interim appraisals (includes progress reviews, close out ratings, and within-grade determinations) are conducted throughout the performance cycle and are considered when assigning the annual rating of record.

2) Progress Reviews

This review is a required review of an employee's progress toward achieving the levels of performance described in the performance standards. At least one progress review must be conducted approximately midway through the appraisal period or at any time an employee's performance falls below the "Acceptable" level on one or more elements, or the supervisor determines the employee's performance needs improvement. The employee must be informed of performance by comparison to the element(s) and standard(s). The employee and the appraising official will sign the appraisal form. The employee's signature does not imply agreement, but merely that the discussion has taken place.

3) Close out Ratings

- a) A close out rating is a written summary rating conducted as required by paragraph (b) below. Filling out the appraisal form, marking the form “Close out,” and communicating the rating to the employee completes close out ratings. The employee and rater must sign the close out rating. If an employee’s rating is “Unacceptable”, the rating must also be signed by the reviewer.

b) Situations Requiring Close out Ratings

- (1) The First Level Supervisor Leaves the Position After the Employee is under Established Standards a Minimum of 90 Days
 - (a) The departing supervisor provides the reporting supervisor with the close out rating.
 - (b) The reporting supervisor shall establish new performance plans for the employees.
 - (c) The reporting supervisor when assigning a rating of record at the end of the rating cycle shall consider the close out rating.
 - (d) The “close out rating” is to be attached to the final rating and forwarded to HRSC-NW at the end of the performance cycle.

(2) An Employee Changes Position After Being Under Established Standards a Minimum of 90 Days

If the employee remains within the same activity, the close-out rating is forwarded by the employee’s present supervisor to the employee’s new supervisor. If the employee leaves the activity, the close out rating is forwarded to the HRSC-NW for retention.

(3) An Employee Completes a Detail or Temporary Promotion of 120 Days or Longer Under an Established Performance Plan

The close-out rating is conducted by the supervisor of the detail or temporary promotion. The supervisor of the employee’s regularly assigned position retains the close out rating.

4) Within-Grade Increase (WGI) Determinations

When a WGI is due and management’s decision to grant or deny the increase is not supported by the most recent rating of record, then a current rating must be completed.

d. Rating of Record

To receive a rating of record, the employee must have served a minimum of 90 days under an approved performance plan. The rating of record is based on the ratings on all the individual elements. Any comments included on the performance plan should not cover issues such as counseling related to conduct or medical problems, unless the issue impacts employee performance. A written rating of record will normally be completed within 30 days following the end of the appraisal cycle.

1) **Rating Employees With Less Than 90 Calendar Days Under an Approved Performance Plan**

a) **60–89 calendar days under an established performance plan before the end of the appraisal cycle**

Must have their rating deferred for up to 30 days beyond the end of the cycle

b) **Less than 60 calendar days under an established performance plan before the end of the appraisal cycle**

Will not be rated until the end of the next cycle.

2) **Impact of Close out Ratings on the Rating of Record**

a) The supervisor shall consider close out ratings when assigning a rating of record at the end of the rating cycle. Factors such as length of time in the job, relationship to the current line and level of work, and significance of work accomplishment will determine the degree of impact of the close-out rating on the rating of record assigned the employee at the end of the rating cycle.

b) A close out rating may become an employee's rating of record if all the following criteria are met:

- There is insufficient time (less than 90 days) to establish a new performance plan and rate the covered employee in their assigned position before the end of the appraisal period.
- The first-level supervisor takes into consideration all other close out ratings conducted during the appraisal period.

3) **Communicating Ratings of Record**

a) The first-level supervisor will communicate to the employee their rating of record.

- The performance plan must be signed and dated by the employee and immediate supervisor after the rating has been assigned and communicated to the employee.
- The employee's signature does not certify agreement with the rating, but only that the rating of record has been communicated.

b) The original rating of record must be sent to HRSC-NW for retention.

c) The supervisor will provide the employee a copy of the rating of record after the close of the rating cycle. An employee should be provided a copy of their rating of record within 90 days of the end of the annual appraisal cycle.

e. **“Unacceptable” Performance**

1) At any time during the appraisal period that performance is determined to be “Unacceptable” in one or more critical elements, employees are to be formally notified in writing, such as with a Performance Improvement Plan (**Contact your HRO for guidance**).



- 2) Written notice of unacceptable performance must include the following:
 - The critical element(s) determined to be unacceptable.
 - Specific performance requirement(s) and “Acceptable” standard(s) that must be attained to demonstrate acceptable performance.

The availability of the Civilian Employee Assistance Program (CEAP), and an offer to arrange an appointment with a counselor if the employee so desires. The supervisor will advise the employee that this offer provides an opportunity for assistance in resolving any personal problems which may be contributing to the employee’s unacceptable performance. However, it will be emphasized that with or without assistance, performance must improve significantly or the employee may still be removed or demoted.

- 3) If the employee asked the supervisor to consider medical conditions or other factors which the employee thinks have contributed to the unacceptable performance, the employee will be given a reasonable amount of time to furnish appropriate documentation.
- 4) A rating of record of “Unacceptable” may not be assigned until the above requirement has been met. If at conclusion of the opportunity period, the employee’s performance continues to be “Unacceptable”, the activity may initiate reassignment, demotion or removal. See Chapter 17 for further guidance.
 - A reasonable opportunity to demonstrate acceptable performance.
 - Assistance in improving performance which may include, but is not limited to, formal training, on-the-job training, counseling and coaching, close supervision or other appropriate measures.
 - Notice to the employee that unless performance in the critical element(s) improves to and is sustained at the acceptable level, the employee may be reassigned, demoted or removed.
- 5) A rating of record of “Unacceptable” shall be reviewed and approved by a higher-level management official.

7. RELATIONSHIP TO OTHER PERSONNEL ACTIONS

a. Promotions

- 1) To receive a career ladder promotion, an employee must be performing at the “Acceptable” level on all critical elements. However, the fact that an employee is rated “Acceptable” at the time they are eligible for a career-ladder promotion, does not mean that the promotion is automatic.
- 2) The rating of record should be used in merit promotion evaluations and by selecting officials to the extent it is relevant to the position to be filled.

b. Probationary Period

- 1) Performance should serve as a factor in the decision to retain or remove an employee during an initial probationary period.
- 2) Evaluation of the employee's performance of supervisory or managerial elements of the position serves as a basis for the decision to retain or remove the employee from the supervisory or managerial position.

c. Reassignment, Removal and Demotion

Employees whose performance is "Unacceptable" on one or more critical element(s) of their performance plans must be removed, reassigned, or reduced in grade, if at the conclusion of an opportunity period provided the employee's performance continues to be unacceptable. At that time the activity must initiate reassignment, reduction in grade, or removal action.

d. Within-Grade Increase (WGI)

1) Federal Wage System (FWS)

Covered employees receive within-grade increases when eligible by time, if their performance is satisfactory. Satisfactory performance equates to an "Acceptable" rating of record.

2) General Schedule (GS)

Covered employees receive within-grade increases when eligible by time, if their performance is at an acceptable level of competence. Acceptable level of competence equates to an "Acceptable" rating of record.

3) FWS and GS

When a within-grade increase decision is not consistent with the employee's most recent rating of record, a more current rating of record must be prepared. The rating of record used as the basis for an acceptable level of competence determination for a within-grade increase must have been assigned no earlier than the most recently completed appraisal period. The notice of negative within-grade increase determination must state the "Acceptable" standard for any element evaluation at the "Unacceptable" level.

- 4) The new rating must be forwarded to HRSC-NW for retention in the employee's OPF.
- 5) See WGI Denial section in Chapter 17 on Employee Corrective, Disciplinary, and Adverse Action for more information.

e. Reduction-in-Force

- 1) The three most recent ratings of record and special ratings for WGI determinations received in the last four years are factors in determining retention standing for RIF purposes.
- 2) Additional service credit is given for each "Acceptable" summary rating.
- 3) No rating may be assigned for the purpose of affecting an employee's RIF retention standing.

7. PERFORMANCE RECOGNITION

- a. Awards are tools to acknowledge, motivate, and reward significant individual, team, or organizational achievements or contributions, and are an integral part of performance management. Criteria established for granting awards will be consistent with the DON's EEO policies and will not discriminate against individuals on the basis of race, color, religion, age, sex, national origin, or disability.
- b. Supervisors are encouraged to recognize high performers at any time during the rating cycle using Special Act, On-the-Spot, time-off, honorary, and informal recognition awards.
- c. Activities may recognize performance based on an "Acceptable" rating of record issued at the end of the performance cycle. Performance based cash awards may be determined using a percentage of basic pay. Awards granted as a percentage of basic pay may not exceed 10 percent of the employee's annual rate of basic pay without approval by the major claimant and/or Secretary of the Navy, as appropriate.

d. Quality Step Increase (QSI)

- 1) The purpose of a QSI is to provide appropriate incentive and recognition for excellence in performance by granting faster than normal step increases. WG employees are not eligible for QSIs.
- 2) A GS employee is eligible for only one QSI within any 52 week period and must meet the following criteria:
 - Received a rating of record of "Acceptable".
 - Demonstrated sustained performance of high quality significantly above that expected at the "Acceptable" level (i.e., exceeded the "Acceptable" criteria depicting unusually good or excellent quality or high quantity of work provided ahead of schedule and with less than normal supervision).
 - Made a significant contribution to the organization's mission.
 - There must be an expectation that the high quality performance will continue in the future.

3) Nomination Procedures

- a) Supervisors may nominate employees for QSIs via their chain of command (Check command policy). When possible, the QSI will be effective no later than 90 days after the end of the appraisal cycle, consistent with the 52 week waiting period requirement discussed above.
- b) The granting of a QSI does not affect the due date of the regular WGI unless the QSI would place the employee in the fourth or seventh step of the pay plan.

4) Impact on Activity Budget

QSIs may affect payroll expenses for many years. Therefore, long-range costs should be carefully considered before granting a QSI.

8. RESPONSIBILITIES



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- a. **Activity Heads or their designees** are expected to establish activity organizational goals and objectives and ensure covered employees are evaluated on their performance on an annual basis.
- b. **Authorized Management Officials** will ensure the original ratings of record are forwarded to HRSC-NW.
- c. **First Level Supervisors' Responsibilities**
 - Develop a performance plan for each covered employee.
 - Provide employees with a copy of their approved performance plan within 30 calendar days after the beginning of the appraisal cycle.
 - Prepare close out ratings when appropriate.
 - Conduct a documented progress review at the mid-point of the appraisal cycle. Conduct additional reviews if performance falls below the "Acceptable" level, a WGI determination is to be made, or the employee's performance needs significant improvement. Progress reviews should be informative and developmental in nature.
 - Prepare a rating of record for each covered employee. This includes a rating for each element and the assignment of a summary level of either "Acceptable" or "Unacceptable."
 - Provide a copy of the rating of record to each employee.
 - Provide assistance and counseling to employees whose performance in one or more critical elements falls below the "Acceptable" level at any time during the performance cycle.
 - Start corrective action when an employee's performance falls to the "Unacceptable" level.
 - Recommend employees for awards as appropriate.
- d. **Employees' Responsibilities**
 - Participate in the establishment of their performance plan.
 - Participate in progress reviews.
 - Provide input on their performance accomplishments at the end of the appraisal cycle and participate in the final appraisal discussion.

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**APPENDIX 10A
PERFORMANCE PLAN APPRAISAL**

1. Name (Last, First)	2. Rating Period From: _____ To: _____
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3. Position (Title, Series, Grade)	4. Organization/Code	5. PD Current and Accurate: Yes: ____ No: ____
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6. RECORD OF PLAN ESTABLISHMENT, REVIEW(S) AND FINAL APPRAISAL	
Performance Plan Established:	
_____	_____
<i>Rater Signature and Date</i>	<i>Employee Signature and Date</i>
Progress Review:	
_____	_____
<i>Rater Signature and Date</i>	<i>Employee Signature and Date</i>
Final Appraisal:	
_____	_____
<i>Rater Signature and Date</i>	<i>Employee Signature and Date</i>

_____ **ACCEPTABLE** _____ **UNACCEPTABLE**

NOTE: If the Rating of Record is "Unacceptable", Reviewer signature (2nd Level Supervisor) is required.

Reviewer Signature and Date: _____

COMMENTS:

**APPENDIX 10B
CRITICAL ELEMENTS**

1. ORGANIZATIONAL SUPPORT AND COMMUNICATIONS	
<ul style="list-style-type: none"> • Employee has a basic understanding of organizational goals and priorities. • Employee fully complies with administrative policies, regulations, and procedures when performing job operations. • Employee communicates orally and/or in writing when needed to coordinate work and keep supervisor and co-workers informed of work-related issues, their development, and their status. 	
_____ ACCEPTABLE	<ul style="list-style-type: none"> • Demonstrates a basic understanding of organizational goals and priorities. • Fully complies with administrative policies, regulations, and procedures when performing job operations. • Communicates orally and/or In writing when needed to coordinate work and keep supervisor and co-workers informed of work-related issues, their developments and their status.
_____ UNACCEPTABLE	<ul style="list-style-type: none"> • Actions reflect a lack of understanding of the organization’s goals and priorities. • Fails to comply with administrative policies, regulations, and procedures when performing job operations, resulting in inefficient performance of job operations. • Does not communicate effectively orally or in writing when necessary to coordinate with supervisor and co-workers and to accomplish the task at hand.
2. EXECUTION OF DUTIES	
<ul style="list-style-type: none"> • In performing the work of the unit, the employee accepts the work to be accomplished, properly follows instructions, uses the technical knowledge and applies the skill(s) needed to complete tasks assigned. • The service or work product produced is of good quality, timely, and responsive to the supervisor and the organization’s priorities and requirements. 	
_____ ACCEPTABLE	Willingly accepts work assignments, properly follows instructions, uses technical knowledge, and applies skills needed to produce a product or service of good quality in a timely and responsive manner.
_____ UNACCEPTABLE	Hesitates in accepting the work assignments, fails to follow instructions, and does not properly apply the technical knowledge/skills required to complete tasks. The service or product produced is of poor quality and/or untimely.

**APPENDIX 10C
SUPERVISORY CRITICAL ELEMENTS**

NOTE: These critical elements apply for supervisors/managers in addition to the critical elements for all employees (APPENDIX 10B).

1. SUPERVISION	
<ul style="list-style-type: none"> • Advises and recommends to appropriate management officials the proper staffing of work unit and appropriate classification of positions. • Selects, places, and develops employees. • Delegates, assigns, monitors and evaluates work in an equitable and effective manner. • Provides technical guidance to subordinate staff in a timely manner. • Takes corrective action on deficiencies identified during internal/external audits/inspections. 	<ul style="list-style-type: none"> • Manages performance through appropriate rewards and corrective action. • Corrects performance and conduct problems promptly and within regulatory guidelines. • Ensures staff is properly trained. • Work is accomplished within budget and resources allotted. • Complies with internal control, integrity and efficiency programs. • Assures work is completed per applicable QA standards.
___ ACCEPTABLE	<ul style="list-style-type: none"> • Delegates work at an evenly distributed volume commensurate with grade level. • Tells employees what is expected, advises them of necessary changes as job progresses and holds them responsible for timely completion of work assignments. • Ensures position descriptions of subordinates are current and adequately reflect the duties and responsibilities assigned to the employee. • Appraises staff performance accurately within required time frames. • Uses established procedures for rewarding employee performance and taking corrective actions on poor performance. • Gives technical advice as required and reviews work promptly. • Ensures staff is properly trained in their functional areas. • Uses established position management principles accomplished within budget and resources allotted. • Implements a system of internal controls, which ensures program integrity and prevents fraud, waste, and abuse.
___ UNACCEPTABLE	<ul style="list-style-type: none"> • Assigns responsibilities without assuring sufficient authority or resources exists to carry them out. • Does not provide staff with periodic assessment of performance. • Ignores necessary liaison between staff and higher management. • Does not make appropriate use of delegated authorities. • Does not appraise employees accurately within required time frames. • Does not use appropriate regulations or take corrective actions. • Makes ineffectual use of training resources. • Poor position management techniques result in inefficient organization structure. • Work is not accomplished within budget and resources allotted. • Does not comply with internal controls, integrity and efficiency, and safety programs.

2. EQUAL EMPLOYMENT OPPORTUNITY

The Supervisor/Manager is responsible to promote the EEO program by supporting EEO Goals and objectives, eliminating discrimination, and ensuring a balanced workforce.

<p>___ ACCEPTABLE</p>	<ul style="list-style-type: none"> • Participates in the achievement of EEO goals and objectives; e.g. informs, briefs, and trains subordinate staff on EEO goals/objectives and sexual harassment guidelines. • Demonstrates personal support of EEO goals and objectives. • Participates and encourages staff participation in EEO special emphasis events (workload permitting). • Eliminates discriminatory behavior and sexual harassment in subordinate work force, assists in resolving discrimination complaints. • Analyzes subordinate work force, develops plans, and achieves goals to improve representative work force.
<p>___ UNACCEPTABLE</p>	<ul style="list-style-type: none"> • Actions reflect a lack of understanding of the organization’s EEO goals and objectives. • Fails to positively influence achievement of EEO goals/objectives within subordinate work force. • Does not take action to eliminate discriminatory behavior or sexual harassment within the workplace. • Does not utilize opportunities to achieve a balanced workforce.

3. OCCUPATIONAL SAFETY AND HEALTH

The Supervisor/Manager is responsible for ensuring a safe and healthful work environment for subordinates and customers in accordance with OSHA, DOD, and DON safety and health regulations.

<p>___ ACCEPTABLE</p>	<ul style="list-style-type: none"> • Ensures a safe and healthful work environment for subordinate employees. • Complies with applicable safety and health regulations. • Enforces the use of personal protective equipment such as respirators, hard hats, hearing and sight protection, and safety shoes. • Participates in safety inspections, and takes prompt action to correct or ameliorate safety deficiencies • Promptly completes required reports and training.
<p>___ UNACCEPTABLE</p>	<ul style="list-style-type: none"> • Fails to comply with safety and health regulations and permits unsafe work practices in violation of such regulations. • Does not enforce the use of personal protective equipment by subordinate work force. • Does not take or follow up on corrective actions to eliminate safety deficiencies. • Regularly does not complete required training and reports.

APPENDIX 10D ADDITIONAL PERFORMANCE REQUIREMENTS

1. PURPOSE

Specific provisions of law, regulation, and DOD policy require certain matters to be considered in the performance evaluations of some employees. Except as provided below, this does not require the establishment of specific performance elements and standards addressing the individual's performance. Rating officials may just consider these requirements in the performance rating or provide narrative evaluations of progress in meeting these requirements (e.g., in a statement on an appraisal form reserved for remarks).

2. DOD PERFORMANCE EVALUATION REQUIREMENTS

a. Audit Follow Up

Performance evaluations of appropriate managers must reflect the degree of effectiveness in addressing audit findings and recommendations and implementing agreed-upon corrective actions as required by Office of Management and Budget (OMB) Circular A-50, "Audit Follow Up", September 29, 1982. This requirement applies to audits conducted by the General Accounting Office (GAO) and the DOD Inspector General. This requirement is established in paragraph E.3.g. of DOD Directive 7650.3, "Follow Up on General Accounting Office, DOD Inspector General, Internal Audit, and Internal Review Reports," September 5, 1989.

b. Protecting Classified Information

Performance evaluations of all employees whose duties involve access to classified information must include a comment by rating officials pertaining to an employee's discharge of security responsibilities. This requirement is established in paragraph 9-102(d) of DOD 5200.2-R, "Personnel Security Program," January 1987.

c. Internal Management Control

Performance evaluations of managers who have significant Internal Management Control (IMC) responsibilities must reflect the accountability for the success or failure of IMC practices. This requirement is established in paragraph E.3.d. of DOD Directive 5101.39, "Internal Management Control Program," April 14, 1987.

d. Equal Employment Opportunity (EEO)

Performance evaluations of supervisors, managers, and other personnel with EEO responsibility must have a critical element on EEO. This requirement is established in paragraph E.2.f. of DOD Directive 1440.1, "The DOD Equal Employment Opportunity (EEO) Program," May 21, 1987.

e. Inventory Management

Performance evaluations of individuals employed at Inventory Control Points must give appropriate consideration to efforts made by these individuals to eliminate wasteful practices and achieve cost savings in the acquisition and management of inventory items. This requirement is established in section 2458 of Title 10, United States Code.

f. Acquisitions

Persons serving in acquisition positions in the same acquisition career field must be provided an opportunity for review and inclusion of any comments on any appraisal of the performance of a person serving in an acquisition position. This requirement is established in paragraph D.19 of DOD Directive 5000.52, "Defense Acquisition Education, Training, and Career Development Program," October 25, 1991.

g. Regulatory Reinvention

Performance measurements of persons who are front-line regulators, i.e., those who have authority to order corrective action or levy a fine on a business or other government entity, must focus on results, not process and punishment. Therefore, such measures should not be based on process (e.g., number of visits to a business or government entity) or punishment (e.g., number of violations found, number of fines levied on a business or government entity). This requirement is established by a Presidential Memorandum for heads of Federal departments and agencies, "Regulatory Reinvention Initiative," March 4, 1995.

h. Classified Information Management

The performance ratings of civilian employees who are original classification authorities, security managers or security specialists, or significantly involved in the creation or handling of classified information must include the management of classified information as a critical element or item to be evaluated. This requirement is established in section 5.6.(c)(7) of Executive Order 12958, "Classified National Security Information," April 17, 1995.

i. Safety

Responsible DOD officials at each management level, including first level supervisors, must to the extent of their authority, comply with the DOD Occupational Safety and Health program guidance and regulations. Performance evaluations of those employees must reflect personal accountability in this respect, consistent with the duties of the position, with appropriate recognition of superior performance, and conversely, with corrective administrative action, as appropriate, for deficient performance. This requirement is established in enclosure 2 to DOD Instruction 6055.1, "DOD Occupational Safety and Health Program," October 16, 1984.

j. Increased Competition and Cost Savings in Contracts

Performance evaluations of officials involved in contracting and acquisition must give appropriate recognition to efforts to increase competition and achieve cost savings. This requirement is established in section 2317 of Title 10, United States Code.

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PSNS&IMF SUPPLEMENTAL
DEPARTMENT OF THE NAVY
PUGET SOUND NAVAL SHIPYARD
AND INTERMEDIATE MAINTENANCE FACILITY
1400 FARRAGUT AVENUE
BREMERTON, WASHINGTON 98314-5001

IN REPLY REFER TO:
PSNS&IMFINST 12430.4C
Code 1116
29 Mar 2005

PSNS&IMF INSTRUCTION 12430.4C

From: Commander, Puget Sound Naval Shipyard and Intermediate
Maintenance Facility

Subj: PERFORMANCE APPRAISAL REVIEW PROCESS (PARP)

Ref: (a) SECNAVINST 12430.4
(b) NAVSHIPYDPUGET P12430(5)
(c) NAVSHIPYDPUGETINST 12432.1B
(d) NAVSHIPYDPUGETINST 12552.3A
(e) NAVSHIPYDPUGETINST 12451.1G

Encl: (1) Performance Appraisal Review Process (Non-Supervisory)
PSNS&IMF 12430/56 (Rev. 9-04)
(2) Performance Appraisal Review Process (Supervisory)
PSNS&IMF 12430/58 (Rev. 10-04)

1. Purpose. To provide guidance for the Performance Appraisal Review Process (PARP), as required by reference (a).
- * 2. Cancellation. NAVSHIPYDPUGETINST 12430.4B is superseded. This revision establishes safety performance elements for all supervisory and non-supervisory positions, and reflects consolidation of PSNS & IMF.
- * 3. Applicability. This instruction applies to all PSNS & IMF employees.
4. Policy
 - a. An employee's performance contribution at PSNS & IMF is measured and assessed in two ways: contributions toward supporting the PSNS & IMF team's mission and philosophy and contributions toward fulfilling responsibilities in specific Individual Performance and Development elements.
 - b. PSNS & IMF's people resources are as much a part of our success formula as our service to our customers. It is extremely important that employees be aware of their roles in the organization's mission and understand how their performance

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PSNS&IMFINST 12430.4C
29 Mar 2005

impacts the team. Performance review is a process, not an event.

c. This performance review process provides employees reasonable feedback indicating their contribution to the annual successes of PSNS & IMF as a team. At the same time, the process documents formal discussions between the employee and the supervisor where individual employee strengths, weaknesses, goals, and developmental needs are reviewed.

d. The performance plans provided in this process are generic and provide a wide range of application. The intent of the generic performance plan is to specify a group of performance elements, place significance on team performance, address specific job responsibilities, and standardize the documented evidence of performance.

5. Information

a. The PARP performance appraisal regulations cover employees in General Schedule (GS/GM) grades GS-1 through GS-15 and Federal Wage System (FWS) employees. This instruction does not apply to employees specifically excluded by administrative exclusion defined by Office of Personnel Management (OPM) for excepted service employees and Non-Appropriated Fund employees.

b. The critical purpose of the performance appraisal process is to enhance communication between employees and their supervisors on project/job status, acceptability of work products, support and development needs, and other data useful to employees and supervisors in progressing work and improving the quality of products. This feedback will help the employee understand what their organization needs from them. The use of PARP described here is intended to facilitate the performance appraisal and feedback process and to minimize the barriers inherent in most rating processes. This instruction and the PARP Handbook, reference (b), will be used for specific program guidance and procedures.

c. Employees whose performance needs improvement in one or more performance/development elements on the appraisal form must be rated Unacceptable. Reference (c) provides additional guidance on ratings below the Acceptable level.

d. Ratings for veterans shall not be lowered because the veteran has been absent to seek medical treatment, as provided in Executive Order 5396.

e. When an employee transfers, the most recent ratings of record and any subsequent ratings will be transferred to the gaining activity. Consideration will be given to transferred ratings covering performance within the current appraisal period in determining the next rating of record.

6. Appraisal Period

a. The fixed annual appraisal period for rating of record purposes will be 1 April through 31 March.

b. The rating period shall be extended beyond the fixed annual appraisal period when necessary to ensure a minimum 90-day period under the generic performance plan. Because generic performance plans are used, extensions are expected to be the exception. Performance reviews previously conducted within the rating cycle will be used to complete the final rating of record. There are no "Presumptive" ratings.

c. Interim appraisals will be conducted at least once at mid-cycle. Other interim appraisals may be conducted as appropriate. Enclosures (1) and (2) will be used when conducting interim appraisals.

d. Use of non-critical elements is prohibited.

7. Responsibilities

a. The Director of Human Resources (Code 1110) will facilitate the overall administration of the PARP and will:

(1) Provide guidance, advice, and training to supervisors, managers, and employees concerning regulations, policy, and procedures; and provide assistance as necessary on all other performance management issues.

(2) Maintain PARP records at the Human Resources Service Center, Northwest (HRSC-NW).

(3) Ensure that supervisory certifications of position description accuracy are reviewed and appropriate actions taken.

b. Department/Office Heads will:

(1) Ensure proper administration of the PARP.

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(2) Ensure position descriptions are current and accurate.

(3) Accomplish first- and second-level supervisory responsibilities, as applicable, for subordinate employees.

c. Second-Level Supervisors will:

(1) Review and sign employees' performance plans and plan changes.

(2) Review and approve/disapprove recommended "Unacceptable" ratings and performance based actions.

(3) Accomplish first-level supervisor responsibilities, as applicable, for employees under their immediate supervision.

(4) Use enclosure (2) for each GS and FWS supervisory employee.

d. First-Level Supervisors will:

(1) Use enclosure (1) for each GS and FWS non-supervisory employee.

* (2) Provide employees with a copy of their written performance plans within 30 days of the beginning of each appraisal period and for each detail or temporary promotion.

(3) Conduct interim appraisals using enclosure (1) or (2), as appropriate. Interim appraisals are required when: the supervisor leaves the position (changes Position Description (PD)); employee completes a detail or temporary promotion; employee changes position (changes PD); employee moves to a new organization at the mid-point of the appraisal cycle; or when employee's performance falls below Acceptable. Interim appraisals will be conducted for assignments of 90 days or more. Completed interim appraisals will be forwarded to the employee's parent shop or code administrative office. Copies will be provided to employees upon request.

(4) Prepare a final rating of record for each employee at the end of the fixed annual rating cycle. Employees will be rated at one of two levels: Acceptable or Unacceptable.

(5) Provide a copy of the final rating of record to each covered employee.

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(6) Per reference (d), use enclosure (1) or (2) to prepare a special rating when a within-grade increase determination is not supported by the most recent final rating.

(7) Provide assistance to employees whose performance falls below Acceptable. The assistance may include, but will not be limited to, the following:

- (a) Formal classroom training.
- (b) Increased daily supervision and guidance.
- (c) On-the-job training.
- (d) Additional assistance from co-workers.

(8) Initiate a Performance Improvement Plan (notice of opportunity), reference (c), when an employee shows significant weakness in one or more performance/development element.

(9) Review and discuss position descriptions with employees and certify position descriptions as accurate and current. If they are not accurate and current at the start of the appraisal period, action must be taken to ensure they are updated. Contact the Human Resources office for assistance.

e. Covered employees will participate in performance reviews.

Note: Employee's signature does not constitute agreement with the performance review; it merely signifies that the applicable step has been completed.

8. Exceptional Performance. Reference (e), Incentive Awards Program instruction, should be consulted when exceptional performance warrants recognition.

9. Training. New supervisors will receive training on the PARP during basic supervisory training. Additional training/briefings will be provided upon request through the Human Resources Office.

10. Audit. The effectiveness of the program will be measured through on-site evaluations conducted by the Office of Personnel Management. PSNS & IMF will continuously monitor the PARP operation and correct deficiencies as necessary.

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11. Forms. Electronic versions of the following forms are available on the Intranet and via the Trident Resource Management System (TRMS). Hard copies may be obtained through Department Forms Managers.

- * a. Performance Appraisal Review Process (Non-Supervisory), PSNS&IMF 12430/56 (Rev. 9-04).
- * b. Performance Appraisal Review Process (Supervisory), PSNS&IMF 12430/58 (Rev. 10-04).

/s/
J. C. ORZALLI

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PERFORMANCE APPRAISAL REVIEW PROCESS (NON-SUPERVISORY)

Ref: PSNS&IMFINST 12430.4

Performance Appraisal Ratings

Acceptable - Performance rated "Fulfilled Requirements" or higher on all elements

Unacceptable - Improvement needed in one or more elements which has had a negative impact on overall performance of the work group. Documentation required. Formal Performance Improvement Plan initiated on _____ (date)

Employee Name		SSN	
Organization Code		Badge	
Job Title / Series / Grade / PD or JD number			
PD Current & Accurate?		Rating:	
Yes <input type="checkbox"/>	No <input type="checkbox"/>	Interim <input type="checkbox"/>	Final <input type="checkbox"/>
Appraisal Period _____ to _____			
Performance Appraisal Rating			
Acceptable <input type="checkbox"/>		Unacceptable <input type="checkbox"/>	

Major Job Responsibilities during this appraisal period. (Supervisor input)

--

Individual Performance/Development Elements (Mark overall element rating in <input type="checkbox"/>)	Improvement Needed		Fulfilled Requirements		Significant Strength	
	Interim	Final	Interim	Final	Interim	Final
I. COMMUNICATION Effectively accomplishes the following: <ul style="list-style-type: none"> Establishes and maintains cooperative relationships and treats others with respect and courtesy. Understands written and oral communications. Communicates clearly in written communications. Communicates clearly in oral communications. Keeps supervisor and others informed. Conveys ideas in a clear and concise way. 	<input type="checkbox"/>					
II. TEAMWORK Consistently accomplishes the following: <ul style="list-style-type: none"> Contributes positively to the group goals by working with team members in a respectful way, helping others, sharing information and working daily to improve the team's performance. Adapts to changes in work priorities and procedures. Is open, constructive and positive in response to new ideas and work methods. Offers creative suggestions for improvement and develops new and unique approaches to such things as products and procedures. Initiates and coordinates cross-functional activities. 	<input type="checkbox"/>					
III. EXECUTION OF DUTIES Consistently accomplishes the following: <ul style="list-style-type: none"> Skilled at performing the specific tasks required of the position. Understands work procedures and relationship of job to others Structures activities and recognizes and responds to priorities. Organizes resources to get the job done with quality and on time. Disciplines self to use available time efficiently. Appropriately initiates assignments. Maintains a sense of responsibility for a task or project until completion. Follows safe, healthy and environmentally conscientious work practices. Identifies key issues and analyzes appropriate information. Uses good judgment when developing and evaluating alternatives. 	<input type="checkbox"/>					
IV SAFETY PERFORMANCE <ul style="list-style-type: none"> Demonstrates safe work practices by properly wearing Personal Protective Equipment (PPE), operating tooling and equipment in a safe manner, and following all safety rules. Proactively participates in activities that include Operational Risk Management (OPM), such as Interactive Assessment Briefings (IABs), Readiness Assessment Briefings (RABs), Job Safety Assessments (JSAs) Risk Mitigation, and Safety Meetings. Incorporates work site inspections and good housekeeping into daily assignments. In the course of daily work assignments, employee practices safe work habits and promotes the same with co-workers.	<input type="checkbox"/>					
IV OPTIONAL ADDITIONAL ELEMENT (if required)	<input type="checkbox"/>					

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Additional Comments (optional)			
Accomplishments and performance elements			
Employee's Career Goals (optional)			
Next Position (employee)		Long Range (employee)	
Job Knowledge, Skills, Capabilities, and Special Qualifications (employee and supervisor)			
Supervisor's Assessment of, and Direction of Next Job's		Employee's Action Plan (employee)	
Development Plan for Year Ahead (optional)			
Performance improvement and development plans or special activities / projects assigned or anticipated during the next year.			
Comments (optional)			
Next Level Supervisor's Comments			
Employee's Comments			
Signatures			
	Initial Discussion	Date	Mid/interim Review Date
Supervisor			
Employee			
Next-Level Supervisor Review (Mandatory for Unacceptable)			

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PERFORMANCE APPRAISAL REVIEW PROCESS (SUPERVISORY)

Ref: PSNS&IMFINST 12430.4

Performance Appraisal Ratings

Acceptable - Performance rated "Fulfilled Requirements" or higher on all elements

Unacceptable - Improvement needed in one or more elements which has had a negative impact on overall performance of the work group. Documentation required. Formal Performance Improvement Plan initiated on _____ (date)

Employee Name		SSN	
Organization Code		Badge	
Job Title / Series / Grade / PD or JD Number			
PD Current & Accurate?		Rating:	
Yes <input type="checkbox"/>	No <input type="checkbox"/>	Interim <input type="checkbox"/>	Final <input type="checkbox"/>
Appraisal Period			
Performance Appraisal Rating			
Acceptable <input type="checkbox"/>		Unacceptable <input type="checkbox"/>	

Major Job Responsibilities during this appraisal period. (Supervisor input)

Performance Appraisal Rating

Other Significant Projects/Activities during this appraisal period (if any). (Supervisor and/or employee input)

Individual Performance/Development Elements (Mark overall element rating in)

	Improvement Needed		Fulfilled Requirements		Significant Strength	
	Interim	Final	Interim	Final	Interim	Final
I. ORGANIZES, DIRECTS, AND CONTROLS THE WORK OF THE ORGANIZATION Consistently accomplishes the following: <ul style="list-style-type: none"> Sets the direction for the future, empowers and inspires others to achieve results with high integrity, questions current practices and strategies when appropriate. Defines quality goals and keeps employees focused on continuous improvement. Defines safety goals, addresses employee safety, health, and environmental concerns and maintains a safe and healthy work environment. Delegates responsibility and decision-making appropriately. Provides employees with clear direction and uses measurable control systems. Monitors performance standards. 	<input type="checkbox"/>					
II. PLANS WORK AND MANAGES HUMAN / FINANCIAL RESOURCES OF THE ORGANIZATION Effectively accomplishes the following: <ul style="list-style-type: none"> Identifies work priorities and goals, structures job assignments for maximum efficiency and has an organization structure consistent with financial goals. Makes decisions and operates with attention to long range and strategic direction of the organization. Develops realistic forecasts and budgets. Effectively utilizes resources to maximize economy. Meets forecasts and budget objectives and is responsive to changing business objectives. Recognizes, assesses and manages business risks consistent with financial goals. Manages change. Accountable for resolution of audit items and implementation of corrective actions. 	<input type="checkbox"/>					
III. MANAGES HUMAN RESOURCES Consistently accomplishes the following: <ul style="list-style-type: none"> Encourages internal and cross-functional teamwork. Emphasizes cooperation and breaks down barriers. Creates a climate where employees are comfortable expressing ideas. Respects dignity and worth of individuals. Values, sponsors, and rewards innovation. Maintains ongoing dialogue with employees about work group's objectives and progress as well as each employee's role within that context. Uses communication to help resolve conflicts. Helps employees understand the Shipyard, its values, and current well being. Ensures effective communication throughout entire reporting organization. Provides employees with accurate and timely feedback. Identifies employee strengths and weakness and works with them to establish development plans. 	<input type="checkbox"/>					
IV. EQUAL EMPLOYMENT OPPORTUNITY <ul style="list-style-type: none"> Actively supports and fosters DON / PSNS & IMF EEO Goals and Policy through demonstrated behavior and performance. (Affirmative Action Program, lack of complaints, Prevention of Sexual Harassment). Consistently keeps chain of command apprised of EEO related issues within the workforce. 	<input type="checkbox"/>					

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Sheet 1 of 3

WARNING: CONTAINS INFORMATION SUBJECT TO THE PRIVACY ACT OF 1974

Enclosure (2)

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Performance Appraisal Review Process (Supervisory)

V. MANAGES SAFETY PROGRAM REQUIREMENTS	Improvement Needed		Fulfilled Requirements		Significant Strength	
	Interim	Final	Interim	Final	Interim	Final
<p><u>CHOOSE APPLICABLE ELEMENT BASED ON SUPERVISORY LEVEL</u></p> <p><i>(First-Level Supervisor)</i></p> <ul style="list-style-type: none"> To fulfill the requirement of this Performance Element, the number of process-related injuries sustained by employees supervised must be at or below the Shop/Code average. Conducts quality safety meetings. Performs daily Interactive Briefings (IABs) with each worker with regard to safety. Communicates Safety Standards and Expectations and recognizes employees for safety activities performed. Adequately performs investigations of near miss and actual mishaps. Completes proper documentation (MSRs) for all injuries in a timely manner. Demonstrates through actions, proper Safety Standards and Expectations (leads by example, wears PPE, maintains housekeeping, etc.). 	<input type="checkbox"/>					
<p><i>(Second-Level Supervisor)</i></p> <ul style="list-style-type: none"> Meets or exceeds annual injury reduction goals within area of responsibility. Promotes Shop/Project/Code Safety Plans with aggressive annual injury reduction goals. Inspects work sites daily and monitors work in progress. Holds first-level supervisors accountable for maintaining a safe workplace. Takes or initiates corrective actions for deficiencies and follows-up to ensure corrections are made. Attends a crew/team safety meeting monthly. Attends a shop/project/code safety committee meeting quarterly. Holds supervisor accountable for participation and completions of actions. Monitors Interactive Briefings (IAB) between supervisors and workers. Identifies and corrects weakness and holds supervisors accountable for their performance. Demonstrates through actions, proper Safety Standards, and Expectations (leads by example, wears PPE, maintains housekeeping, etc.). Participates in VPP activities. 	<input type="checkbox"/>					
<p><i>(Manager)</i></p> <ul style="list-style-type: none"> Meets or exceeds annual injury reduction goals. Promotes and implements shop/project/code Safety Plans with aggressive annual injury reduction goals and proactive measures to prevent injuries. Includes initiatives to focus attention and recognition on safety and injury-free performance, such as one-day/week/month-at-a-time programs. Ensures shop or project has an active Safety Committee which meets regularly. Attends shop and/or project safety meetings monthly. Holds managers accountable for participation and completion of actions. For Shop and Project Superintendents: Attends Code 106 ESH Policy Council Meetings. Accountable to ensure first- and second-level supervisors meet injury reduction goals. Participates in and promotes VPP Activities. 	<input type="checkbox"/>					

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Additional Comments (optional)						
Accomplishments and performance elements						
Employee's Career Goals (optional)						
Next Position (employee)			Long Range (employee)			
Job Knowledge, Skills, Capabilities, and Special Qualifications (employee and supervisor)						
Supervisor's Assessment of, and Direction of Next Job's			Employee's Action Plan (employee)			
Development Plan for Year Ahead (optional)						
Performance improvement and development plans or special activities / projects assigned or anticipated during the next year.						
Comments (optional)						
Next-Level Supervisor's Comments						
Employee's Comments						
Signatures						
	Initial Discussion	Date	Mid/interim Review	Date	Final Appraisal	Date
Supervisor						
Employee						
Next-Level Supervisor Review (Mandatory for Unacceptable)						

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Additional Comments (optional)						
Accomplishments and performance elements						
Employee's Career Goals (optional)						
Next Position (employee)			Long Range (employee)			
Job Knowledge, Skills, Capabilities, and Special Qualifications (employee and supervisor)						
Supervisor's Assessment of, and Direction of Next Job's			Employee's Action Plan (employee)			
Development Plan for Year Ahead (optional)						
Performance improvement and development plans or special activities / projects assigned or anticipated during the next year.						
Comments (optional)						
Next-Level Supervisor's Comments						
Employee's Comments						
Signatures						
	Initial Discussion	Date	Mid/interim Review	Date	Final Appraisal	Date
Supervisor						
Employee						
Next-Level Supervisor Review (Mandatory for Unacceptable)						

