

**Department of the Interior
Departmental Manual**

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Series: Personnel Management

Part 370: Departmental Personnel Program

Chapter 430: Performance Management System

Originating Office: Office of Human Resources

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1.1 **Purpose.** This chapter establishes the policy, procedures, and authority/responsibility for performance management within the Department of the Interior (Department), and implements a 5-level Performance Management System, consisting of the following levels of performance: Exceptional (Level 5), Superior (Level 4), Fully Successful (Level 3), Minimally Successful (Level 2), and Unsatisfactory (Level 1).

1.2 **Authority.** Chapter 43 of Title 5, United States Code and Part 430 of Title 5, Code of Federal Regulation.

1.3 **Coverage.**

A. This system applies to all bureaus and offices of the Department. Bureaus/offices will not issue supplemental performance management policy, except where otherwise prescribed in this policy. Bureaus/offices may issue supplemental implementing guidance at their discretion.

B. The provisions of this system apply to all employees except:

(1) Presidential appointees, Senior Executive Service (SES) members, Senior Level and Scientific or Professional (SL/ST) employees;

(2) Temporary and/or Excepted service employees whose employment is not expected to exceed 120 days in a consecutive 12-month period;

(3) Employees outside the United States who are paid in accordance with local prevailing wage rates, administrative law judges appointed under 5 U.S.C. 3105, Board of Contract Appeals judges appointed under 41 U.S.C. 607, and employees occupying positions excluded by Office of Personnel Management regulations.

1.4 **Definitions.**

- A. Appraisal. The process of reviewing and evaluating work, and assessing achievement of established objectives.
- B. Appraisal Period. Also called the appraisal or rating cycle, this is the established 12-month period of time during which performance is reviewed and a rating of record prepared. The Department appraisal period will coincide with the fiscal year unless approval for variation is granted.
- C. Benchmark/Generic Standards. Generically defined performance standards at each of the 5 levels of performance, which may be used in combination with individually developed performance standards. Each Standard should be augmented specifically to the position being evaluated. The benchmark standards are applied to each critical job element.
- D. Critical Element. A work assignment or responsibility of such importance that unsatisfactory performance on the element would result in a determination that an employee's overall performance is Unsatisfactory.
- E. Employee Performance Appraisal Plan (EPAP). A written performance plan consisting of identified critical elements and the performance standards that identify various levels of performance.
- F. Interim Appraisal. A written appraisal that includes a summary rating, prepared when an employee, who has been under an EPAP for at least 90 days, changes position or when the rating official leaves the supervisory position prior to the end of the appraisal period.
- G. Minimum Appraisal Period. The length of time, 90 calendar days, that the employee must be performing in a position supervised by the rating official and under an approved performance plan in order to be eligible for an interim or annual appraisal.
- H. Performance. The manner in which the employee accomplishes work assignments or position responsibilities.
- I. Performance Award. A Quality Step Increase, performance-based cash award, or time-off award based on an employee's rating of record and qualified performance.
- J. Performance Element. A primary function or work assignment/responsibility, which is results-oriented, represents a significant amount of the employee's time, and successful performance of which is essential to overall success in the position. At least one (1) and not more than five (5) performance elements, all of which must be critical elements, will be identified in the performance plan. (There are no non-critical elements).
- K. Performance Improvement Plan (PIP). A written plan that identifies the critical element(s) in which the employee is failing, addresses what is needed to bring performance up to

an acceptable level, (Minimally Satisfactory) which identifies assistance that will be provided, and the consequences of failing to improve during the specific period of time provided.

L. Performance Plan. A written plan consisting of identified performance elements and the performance standards that identify levels of performance.

M. Performance Rating. The written appraisal of performance compared to the performance standard(s) for each critical element for which there has been an opportunity to perform during the minimum rating period. It includes a rating for each performance element, as well as a summary rating which will be used as a rating of record. This is also referred to as a “summary rating” or a “rating of record.”

N. Performance Standard. The expression of the performance threshold(s), requirement(s), or expectation(s) that must be met to be appraised on a critical element at a particular level of performance.

O. Progress Review. Discussion with the employee at least once during the appraisal period to review the employee’s progress and communicate performance on the identified elements as compared to the standards established; to make any recommended revisions to critical elements/performance standards; and to consider/identify any developmental needs or performance improvements required. The results of the progress review must be documented on the EPAP.

P. Rating Official. The supervising official, ordinarily the employee’s immediate supervisor, who evaluates the employee’s performance and assigns the rating of record.

Q. Rating of Record. The performance rating prepared at the end of an appraisal period for overall performance over the entire period and the assignment of a summary rating as specified in section 430.208(d) of Title 5, Code of Federal Regulations. The Rating of Record, also called a summary rating, will be one of the five available ratings (i.e., Exceptional, Superior, Fully Successful, Minimally Successful, or Unsatisfactory).

R. Reviewing Official. The individual, generally the second-level supervisor, with authority to review and approve ratings at the Exceptional, Minimally Successful, and Unsatisfactory levels.

1.5 Responsibilities.

A. Heads of bureaus and offices are Responsible for:

(1) Implementing, supporting and communicating information to employees about the Departmental performance management program;

(2) Establishing a method for an employee not covered by a collective bargaining agreement to request reconsideration of a performance appraisal decision; and

(3) Establishing any additional roles and responsibilities for reviewing officials within the bureau/office other than those outlined in this policy.

B. Director, Office of Human Resources is Responsible for:

(1) Developing Departmental performance management policy; and issuing guidance in the Performance Appraisal Handbook.

(2) Monitoring, evaluating and revising the performance management program as necessary;

(3) Providing advice and assistance to bureaus/offices in administering the program; and

(4) Evaluating the Departmental performance management program.

C. Servicing Human Resources Offices (HRO) are Responsible for:

(1) Providing assistance to supervisors and employees in identifying critical elements and developing performance standards;

(2) Providing guidance to supervisors so they can effectively carry out their responsibilities for managing performance;

(3) Providing information to employees to ensure they understand the provisions of the performance management system;

(4) Providing assistance to supervisors/managers in dealing with the reconsideration process; and

(5) Providing assistance to supervisors on procedures for dealing with performance that falls below the Fully Successful level.

D. Reviewing Officials are Responsible for:

(1) Reviewing and approving ratings of 'Exceptional,' 'Minimally Successful,' and 'Unsatisfactory;' and

(2) Carrying out any other responsibilities as outlined by the Bureau/office Head.

E. Rating Officials are Responsible for:

(1) Engaging the employee in the process of determining critical elements and performance standards, documenting the elements and performance standards in a performance plan within 60 days of the beginning of the appraisal period, the employee's entrance on duty, the assignment of an employee to a detail or temporary promotion scheduled to exceed 120 days,

the assignment of an employee to a new position, or their assignment to a new or different supervisory position;

(2) Ensuring that each employee's performance plan has at least one critical element that is linked to strategic goal(s) of the organization. Rating officials should determine which appropriate Government Performance Results Act (GPRA)/mission strategic goal(s), end outcome goal(s), end outcome performance measure(s), strategies, or strategy performance measure(s) to utilize for developing the critical element and standards in each employee's performance plan.

(3) Monitoring employee performance during the appraisal period and communicating with employees on an ongoing basis about the status of their performance as compared to the performance standards;

(4) Conducting at least one progress review for each employee at approximately the midpoint of the rating period to assess progress and communicate performance;

(5) As appropriate, obtaining and utilizing feedback from internal and external customers, team members, coworkers, suppliers, or other appropriate individuals, concerning the employee's performance;

(6) Assisting the employee throughout the appraisal period in improving aspects of performance identified as needing improvement;

(7) Preparing interim ratings, as necessary;

(8) Preparing the rating of record and meeting with the employee to discuss the rating and employee developmental needs;

(9) Recognizing employees who demonstrate noteworthy performance and ensuring equity and consistency in consideration for awards within their organization;

(10) Advising the Reviewing Official and seeking advice from the servicing HRO when an employee's performance is Minimally Successful or Unsatisfactory (i.e., Minimally Successful results in denial of within-grade increase, Unsatisfactory initiates Performance Improvement Plan and opportunity period); and

(11) Initiating prompt action when Minimally Successful or Unsatisfactory performance does not improve to the Fully Successful level.

F. Employees are Responsible for:

(1) Participating with their rating official in determining critical elements;

- (2) Assuring that they have a clear understanding of their rating official's expectations, and of how the critical elements relate to the mission of the organization; and requesting clarification if necessary;
- (3) Signing for receipt of the performance standards and completed performance appraisal (signature indicates receipt only, not necessarily agreement);
- (4) Managing their performance to achieve at least Fully Successful performance on critical elements and bringing to their rating official's attention circumstances that may affect achievement of Fully Successful performance;
- (5) Seeking performance feedback from their rating official and internal and external customers as appropriate;
- (6) Participating in discussions of their performance;
- (7) Taking action to improve aspects of performance identified as needing improvement; and

1.6 Policy.

A. General. It is Department of the Interior policy that the objective of performance management is to articulate the expectations of individual and organizational performance, to provide a meaningful process by which employees can be rewarded for noteworthy contributions to the organization and its mission, and provide a mechanism to improve individual and/or organizational performance as necessary. In accomplishing these objectives, individual and organizational goals will be communicated to employees, such that the individual understands how his/her job responsibilities and requirements support the overall strategic mission and GPRA goals of the Department, bureau/office, and/or work unit. The individual's responsibility for accomplishing organizational goals will be identified, performance will be monitored and evaluated, and the results of the performance rating will be used as a basis for appropriate personnel actions, including rewarding noteworthy performance and taking action to improve poor performance.

B. Development of Employee Performance Appraisal Plans (EPAP).

(1) Employee Participation. Rating officials should encourage employees to participate in establishing the critical elements and performance standards for their positions in order to give them a clearer understanding of their performance expectations, as well as the role their positions play in meeting the mission, goals and objectives of their organization. However, the final decision regarding critical elements and standards always rests with the management official.

(2) Timing. EPAP plans should be established and put in place within 60 days of the beginning of the appraisal period, the employee's entrance on duty, the assignment of an

employee to a detail or temporary promotion scheduled to exceed 120 days, the assignment of an employee to a new position, or their assignment to a new or different supervisory position.

(3) Number of Elements. At least one (1) and not more than five (5) critical elements will be identified in the performance plan.

(4) Mandatory Elements.

(a) Supervisors/Managers: Performance plans for all supervisors and managers shall include the following critical element (one of the maximum of five elements): ***Management Excellence: Performance of supervisory/managerial duties will be carried out in accordance with regulatory requirements governing the following areas:***

- (i) *Diversity/EEO Obligations;*
- (ii) *Internal management controls;*
- (iii) *Merit Systems Principles;*
- (iv) *Safety and Occupational Health obligations;*
- (v) *Effective performance management; and*
- (vi) *Effective management of ethics, conduct & discipline issues.*

(b) Strategic Mission Goals: Performance plans shall have at least one performance element that is linked to strategic goal(s) of the organization. Critical element(s) and standard(s) will be developed based on the appropriate GPRA/mission strategic goal(s), end outcome goal(s), end outcome performance measure(s), strategies, or strategy performance measure(s) as they relate to the job responsibilities of the individual employee.

(c) Other: Some positions, because of the unique nature of their job responsibilities, have specific mandates for critical elements to be included in the performance plan. Supervisors should be aware of those regulatory requirements and ensure that the mandatory criterion is adequately addressed as a critical element in the employee's performance plan.

(d) Standards: Performance standards must be focused on results and must include credible measures such as quality, quantity, timeliness, cost effectiveness, etc. If specific standards are developed in addition to or in lieu of the benchmark standards, regulation requires description at the Fully Successful level, at a minimum. However, supervisors are strongly encouraged to develop standards at additional performance levels so employees clearly understand their performance expectations. If performance falls below the Fully Successful level in any critical element and a specific Minimally Successful performance standard was not defined when the EPAP was developed and/or issued, a Minimally Successful standard must be defined at this time in order to distinguish between the Minimally Successful and Fully Successful performance standard.

(e) Review and Approval: Critical elements and performance standards are established and approved by the employee's rating official, and no higher level review is

required. Bureaus/offices may establish second-level review/approval procedures at their discretion.

C. Appraisal Period. The appraisal period is 12 months in length and based on the Fiscal Year - October 1 to September 30. Bureaus/Offices must request approval from the Department's Office of Human Resources if a different appraisal period is required. The appraisal period may be extended up to 90 days past the normal end date for an employee if, on the normal end date of the appraisal period, the employee has not been under standards for at least 90 days, or is on a Performance Improvement Plan (PIP) that will end within 90 days of the end of the normal period.

D. Progress Reviews. While it is expected that Rating Officials will provide employees with continuous informal feedback on their performance as compared to the expectations set forth in the performance plan, at least one mid-year performance review discussion is required as defined in section 1.4 (P). This review should be completed at approximately the mid point of the appraisal year, but no later than 90 days prior to its end, and must be documented as provided on Part B of the EPAP. More frequent progress reviews may be required by specific policy or subsequent Collective Bargaining Agreements.

E. Basis for Appraisal. A performance appraisal will be based on individual employee performance for the 12-month period of the rating cycle, including any details over 120 days. The rating official may seek input from all appropriate sources to assist in determining the appropriate rating to assign the employee. The rating official should make a reasonable effort to obtain written input for details/temporary assignments over 120 days.

F. Minimum Rating Period. The minimum length of time that an employee must be in a position supervised by the rating official and under signed performance standards in order to receive a performance rating of record or summary rating is 90 calendar days.

G. Ratings.

(1) Numerical Levels for Critical Elements: A numerical rating level is required for each critical element. Only one numerical rating level is assigned for each critical element, regardless of the number of sub-elements described. The rating assigned reflects the level of the employee's performance as compared to the standards established. The ratings assigned for each level are as follows:

<i>Rating Level</i>	<i>Standard</i>	<i>Points Assigned</i>
Exceptional	Particularly excellent performance in all aspects of the position that is of such high quality that organizational goals have been achieved that would not have been otherwise. (Refer to the Performance Appraisal Handbook for additional criteria.)	5 points
	Continued	

Superior	Unusually good performance that exceeds expectations in critical areas and exhibits a sustained support of organizational goals. (Refer to the Performance Appraisal Handbook for additional criteria.)	4 points
Fully Successful	Good, sound performance that meets organizational goals. Employee effectively applies technical skills and organizational knowledge to get the job done. (Refer to the Performance Appraisal Handbook for additional criteria.)	3 points
Minimally Successful	The Department of the Interior has not developed a benchmark standard for the Minimally Successful level. However, managers and supervisors should develop a Minimally Successful standard at the development and issuance of the Performance plan and/ or at the time it is determined that an employee has not achieved Fully Successful performance.	2 points
Unsatisfactory	Quality and/or quantity of work are not adequate for the position. Work products do not meet the minimum requirements identified for Minimally Successful performance. (Refer to the Performance Appraisal Handbook for additional criteria.)	0 points

(2) Annual Summary Ratings:

(a) Numerical ratings for each critical element will be added together, and the total will be divided by the number of critical elements to get an average score. The summary rating will then be assigned based on the following:

<i>Summary Rating Points</i>	<i>Summary Rating</i>
4.6 – 5.00 AND No critical element rated lower than ‘Superior’	Exceptional
3.6 – 4.59 AND No critical element rated lower than ‘Fully Successful’	Superior
3.0 – 3.59 AND No critical element rated lower than ‘Fully Successful’	Fully Successful
2.0 – 2.99 AND No critical element rated lower than ‘Minimally Successful’	Minimally Successful
One or more critical elements rated ‘Unsatisfactory’	Unsatisfactory

(b) Each eligible employee on board as of the end of the rating cycle each year and who had an EPAP established no later than the last day of the performance cycle will receive an annual summary rating which will become the official rating of record for personnel decisions.

(c) The annual summary rating will be derived from an average of the ratings from each of the critical elements making up the performance plan.

(d) If an employee is on detail or temporary assignment of less than 90 days at the time the annual rating is due, the rating official shall be the employee's permanent supervisor of record. In the absence of that official, the reviewing official will prepare the summary rating.

(e) Within 30 days following completion of the appraisal period (including extensions, if applicable), the rating official **MUST** review the performance of each employee based on previously communicated critical elements and performance standards and prepare the annual summary rating.

(f) Rating officials shall not assign employee ratings under any pre-determined distribution system (such as bell curve). This is contrary to the intent of the appraisal system and would interfere with assigning ratings based on actual performance.

(g) If the rating official does not place an employee under standards for at least 90 days during a rating period, the employee will not be eligible for a rating of record. A presumptive rating may not be assigned. (5 CFR § 430.208(a) (2)). See paragraph 1.6 (G) (4) below regarding the process to extend the rating period.

(h) If the supervisor of record leaves in the final 90 days of the rating period, and the employee otherwise meets the criteria for rating, the departing supervisor will prepare a summary rating for his/her employees, which will serve as the rating of record for that rating period.

(i) If an employee has not been supervised by the rating official for 90 days, the second-level supervisor may perform the rating.

(3) Due Date of Annual Summary Ratings: Annual summary ratings are to be completed and presented to the employee no later than 30 days after the completion of the annual appraisal period, or upon completion of the 90-day rating extension period. The original ratings will be submitted to the servicing HRO within 60 days following the end of the rating period.

(4) Eligibility for Ratings: All permanent full-time and permanent part-time employees who for the last 90 days have been under established standards, and all temporary employees who have worked more than 120 days during the annual appraisal period ending on September 30 and for the last 90 days have been supervised by the same supervisor and covered

by a performance plan are eligible for ratings. The annual appraisal period may be extended for up to a maximum of 90 days past the end of the appraisal period to allow for rating of employees who have not been in the same position, under the same supervisor, or under written performance plan for the full 90 days at the end of the appraisal year.

(5) Interim Appraisals:

(a) Interim appraisals are assigned when an employee completes a detail or temporary promotion over 120 days or when an employee has served 90 days under a performance plan and changes positions during the annual appraisal period. Interim appraisals are also completed when the employee has been under the performance plan for at least 90 days and the supervisor leaves his/her supervisory position during the annual appraisal period.

(b) Interim appraisals are also used to document a level of competence determination for within-grade-increase purposes when the employee's most recent rating of record is not consistent with the level of competence determination or when the employee does not have a rating of record. Interim ratings are also used to support a career ladder promotion if the employee does not have a rating of record. A rating for this purpose becomes the rating of record.

(c) A copy of the interim appraisal must be provided to the employee and, if applicable, to the new supervisor. Any interim appraisals are then used by the new supervisor in assigning an official annual summary rating. The weight given to interim appraisals in deriving the annual summary rating shall be proportional to their share of the appraisal period. If an employee does not have an opportunity to perform a critical element, no rating will be assigned and the words "Not Rated" should be written on the rating form.

(6) Narrative Summaries: A narrative summary must be written for each critical element assigned a rating of Exceptional, Minimally Successful, or Unsatisfactory, and are encouraged for ratings at all levels. This summary should contain examples of the employee's performance that substantiate and explain how the employee's performance falls within the levels assigned. The narrative summaries are recorded on the EPAP.

(7) Discussion with Employee:

(a) After the rating is completed and approved/signed by the reviewing official, as required for Exceptional, Minimally Successful and Unsatisfactory ratings, the summary rating and narratives shall be discussed with the employee. A copy of the completed and signed appraisal will be provided to the employee and the original shall be forwarded to the servicing Human Resources Office (HRO) to be filed in the Employee Performance Folder (EPF).

(b) If the employee refuses to sign the rating, the supervisor documents the refusal on the rating form. The supervisor retains a copy of the rating and forwards the original to the servicing HRO for filing in the EPF.

(c) An employee may submit written comments to the overall rating of record, the element ratings and/or the narrative comments if they desire. This may occur if an employee wishes to provide specific information on noteworthy accomplishments that the rating official did not mention, or if they have other comments that they wish to include as part of the performance appraisal plan, if they disagree with a given element rating that would not affect the outcome of the rating of record, etc. This process may be utilized **ONLY WHEN THE EMPLOYEE IS NOT CONTESTING THE RATING RECEIVED ON A GIVEN ELEMENT THAT, IF CHANGED, WOULD AFFECT THE OUTCOME OF THE OVERALL RATING OF RECORD.** These comments must be submitted within 30 days of receipt of the rating, and will be filed with the completed performance appraisal in the EPF. They will not change the rating of record as determined by the rating official.

(8) Reconsideration of Summary Rating: When employees have a concern about the rating given on a particular element that, if changed, will affect the outcome of the rating of record, they are entitled to request reconsideration of this rating through their Bureaus/Offices reconsideration process. Employees covered by a Collective Bargaining Agreement that includes a reconsideration procedure will be governed by that procedure as the exclusive method to request reconsideration. Additional information regarding the reconsideration process is contained in the Performance Appraisal Handbook.

(9) Disposition of Records: Performance appraisals that document ratings of record will be maintained in the EPF, in accordance with 5 CFR § 293.405. The performance appraisals will be retained for 4 years. When an employee transfers to another agency, the employee's performance appraisals for the last 4 years will be transferred to the gaining agency.

1.7 **Link to Other Personnel Actions.**

A. Awards. An employee must be rated at Level 4 (Superior) or Level 5 (Exceptional) to be eligible for a Special Achievement Cash Award for sustained superior performance. Employees rated at Level 5 (Exceptional) must be considered for an award and are eligible for a Quality Step Increase, a cash award for sustained superior performance, a time-off award, or other appropriate recognition. Employees rated at Level 4 (Superior) are eligible for a cash award for sustained superior performance, a time-off award, or other appropriate recognition.

B. Career-Ladder Promotions. An employee must be rated at Level 3 (Fully Successful) or higher to receive a noncompetitive promotion to the next level in the career ladder.

C. Within-in Grade Increases. An employee's rating of record must be no lower than Level 3 (Fully Successful) for an employee to receive a within-grade increase (WGI). This may require a supervisor to prepare a new rating of record before the end of the appraisal period to document the appropriate level of performance at the time the WGI is due. Assistance must be requested from the servicing HRO.

D. Probationary/Trial Periods. New employees must be carefully observed during the probationary/trial period to determine whether they have the qualities needed to become

satisfactory career employees. Proper use of periodic progress reviews to determine progress during the probationary/trial period can do much to assure that these employees have adequately demonstrated their qualifications and fitness. However, an employee may be removed at any time during the probationary/trial period if his/her performance is less than 'Fully Successful' on any critical element.

E. Performance that is Less Than Fully Successful.

(1) Whenever supervisors observe employee performance that is 'Unsatisfactory' on any critical element after the minimum appraisal period, they must promptly initiate special efforts to bring about improvements. Action must not be postponed until the end of the annual rating period. The supervisor must initiate and document frank discussions with the employee to identify the problems and to assist the employee in correcting deficiencies. If a specific measurable Minimally Successful performance standard was not established when the EPAP was developed and/or issued, an EPAP must be established at this time to distinguish between the Minimally Successful and Fully Successful levels of performance. Additionally, supervisors are encouraged to make efforts to help employees with 'Minimally Successful' performance and to assist employees' raise their performance to a 'Fully Successful' level.

(2) During these discussions, the performance plan should be reviewed and the employee specifically informed of how he/she failed to meet the established standards. These discussions should outline specific efforts that both the supervisor and the employee will take to assist the employee in overcoming problems. In all instances of 'Minimally Successful' or 'Unsatisfactory' performance, supervisors and managers must seek the advice and assistance of their servicing HRO.

F. Unsatisfactory Performance. In order to initiate demotion or removal action for 'Unsatisfactory' performance under 5 CFR Part 432, the employee must first be afforded a reasonable opportunity to demonstrate at least 'Minimally Successful' performance in the form of a PIP. A performance evaluation is conducted again at the end of the PIP period, and if the employee's performance is again evaluated as 'Unsatisfactory,' appropriate action must be initiated. In accordance with 5 U.S.C. § 4302(b) (6), appropriate actions for employees who continue to perform unsatisfactorily after a PIP include reduction in grade, removal or reassignment. In addition, supervisors may deal with 'Unsatisfactory' performance using adverse action procedures citing 5 CFR Part 752 for such cause as the action will promote the efficiency of the service. (5 CFR §§ 752.403 and 432.101) In all cases of 'Unsatisfactory' performance, immediate contact with the servicing HRO must be made.

G. Reductions-In-Force. An employee's performance rating of record is used to determine the employee's assignment rights during a Reduction-in-Force (RIF). An employee is given performance credit for RIF retention when the performance meets certain criteria. Credit is given by adjusting an employee's service date for RIF purposes. Employees will receive service credit in accordance with 5 CFR Part 351.