

DEPARTMENTAL REGULATION		NUMBER: 4040-430
SUBJECT: Performance Management	DATE : October 1, 2007	
	OPI: Office of Human Capital Management	

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1. PURPOSE

The purpose of this directive is to set forth the Department of Agriculture's (USDA) policy on the USDA Performance Appraisal System (System) and the USDA Performance Appraisal Program (Program). This directive focuses on developing and maintaining a results-oriented performance culture as reflected in the Government Performance and Results Act of 1993, the Chief Human Capital Officers Act of 2002, the Office of Personnel Management (OPM) Human Capital Accountability and Assessment Framework, and the USDA Strategic and Human Capital Management Plans.

2. REFERENCES

This directive must be used in conjunction with the following authorities and applicable collective bargaining agreements:

- a. Title 5, United States Code (U.S.C.), Chapter 43 - Performance Appraisal; and
- b. Title 5, Code of Federal Regulations (CFR), Part 430 - Performance Management.

The following related topics provide additional guidance on performance management:

- a. 5 U.S.C., Chapter 45 - Incentive Awards;
- b. 5 CFR, Section 293.302 - Official Personnel Folder;
- c. 5 CFR, Sections 293.401 through 293.406 - Employee Performance File System Records;
- d. 5 CFR, Part 432 - Performance Based Reduction in Grade and Removal Actions;
- e. 5 CFR, Part 451 - Awards;
- f. USDA Guide for Employee Recognition; and
- g. USDA Senior Executive Service Performance Management System Handbook.

3. SPECIAL INSTRUCTIONS

This directive supersedes previously issued Department Personnel Manuals (DPM) Bulletins 430-1, Performance Appraisal; 430-3, Performance Appraisal; 430-4, Extension of Personnel Bulletin; 430-5, Extension of Personnel Bulletin; 430-6, Extension of Personnel Bulletin; and Departmental guidance related to Performance Management. The effective date of this directive is October 1, 2007.

4. POLICY

It is USDA's policy to establish a System that promotes excellence and a results-oriented performance culture that contributes to individual and organizational effectiveness and supports the Department's mission and goals. The System integrates performance, employee development and training, pay and recognition, and links to other related personnel decisions.

- a. The System requires:
 - (1) Adherence to the principles set forth in 5 U.S.C., Section 2301, Merit System Principles;
 - (2) A fair, credible, and transparent employee program that focuses on results and ensures the inclusion of objective performance measures in established performance plans;
 - (3) Employee involvement in the design and implementation of the program set forth in 5 CFR, Section 430.205, Agency Performance Appraisal Program(s);
 - (4) Adequate performance management training and retraining for managers, supervisors, and employees;
 - (5) Periodic feedback and communication throughout the performance appraisal period between managers, supervisors, and employees; and
 - (6) Adherence to the Department's civil rights and diversity initiatives while recognizing accomplishments and the improved management of a diverse workforce.

5. ABBREVIATIONS

CFR	Code of Federal Regulations
DPM	Department Personnel Manual
EPF	Employee Performance File
IDP	Individual Development Plan
OHCM	Office of Human Capital Management
OPF	Official Personnel Folder
OPM	Office of Personnel Management
PII	Personally Identifiable Information
QSI	Quality Step Increase
U.S.C.	United States Code
USDA	Department of Agriculture
WGI	Within-Grade Increase

6. DEFINITIONS

The following definitions provide meanings for words as they are to be interpreted in the context of this directive.

- a. Acceptable Performance. An employee's performance that meets the performance requirement(s) or standard(s) at a level of performance above "unacceptable" in the critical element(s) at issue.
- b. Agency. An organizational unit of the Department, other than a staff office as defined below, whose head reports to an Under Secretary.
- c. Appraisal. The process under which performance is reviewed and evaluated.
- d. Appraisal Period. The established period of time, normally 12 months, for which performance will be reviewed and a rating of record will be prepared.
- e. Appraisal Unit. The unit of measure used to establish the relative weighted value of critical and non-critical performance elements.
- f. Competency. The measurable or observable knowledge, skills, abilities, behaviors, and other characteristics an individual needs to perform a particular job or job function successfully.
- g. Critical Element. A work assignment or responsibility of such importance that unacceptable performance of the element would result in a determination that an employee's overall performance is unacceptable. Such elements must be used to measure performance only at the individual level.
- h. Days. Calendar days, unless otherwise specified.
- i. Decision Table. A matrix used for deriving a summary rating from appraisal of individual performance elements.
- j. Element Rating. The level of performance assigned to an employee's performance for an individual performance element as measured by a comparison of accomplishments to the performance standards established for that element.
- k. Employee Performance File (EPF). A folder containing an employee's ratings of record and the associated performance plans for the most recent four years.
- l. Individual Development Plan (IDP). An annual plan developed jointly by the employee and supervisor that identifies the employee's short- and long-term learning and developmental goals. This plan may contain approved elective and

required training, education, and developmental activities to acquire the competencies required to meet the organization's goals and/or employee's career goals.

- m. Interim Appraisal. A written appraisal of an employee's performance conducted during the appraisal period. Interim appraisals are also referred to as advisory ratings.
- n. Manager. An individual in a management position who typically supervises one or more supervisors.
- o. Marginal Performance. Performance determined to be below "Fully Successful" or equivalent but above "Unacceptable."
- p. Minimum Period. The minimum 90-day period of performance that must be completed before a performance rating may be prepared.
- q. Non-Critical Element. A dimension or aspect of individual, team, or organizational performance, exclusive of a critical element, that is used in assigning a summary level. Such elements may include, but are not limited to, objectives, goals, program plans, work plans, and other means of expressing expected performance.
- r. Opportunity Period. The minimum period of time for an employee to demonstrate acceptable performance in a critical element(s) previously rated as unacceptable.
- s. Opportunity to Demonstrate Acceptable Performance. A reasonable chance for an employee whose performance has been determined to be unacceptable in one or more critical elements to demonstrate acceptable performance in the critical element(s) at issue.
- t. Performance. The accomplishment of work assignments or responsibilities.
- u. Performance Appraisal Program. The specific procedures and requirements established under the policies and parameters of a Department's appraisal system.
- v. Performance Appraisal System. A framework of policies and parameters established by a Department as defined by 5 U.S.C., Section 4301 (1) for the administration of performance appraisal programs under 5 U.S.C., Chapter 43, Subchapter I.
- w. Performance Goals. Specific goals assigned to an employee by the rating official that establish the results that are to be achieved.
- x. Performance Improvement Plan. A written plan that provides an employee an

opportunity to demonstrate an acceptable level of performance in one or more critical elements previously rated as unacceptable.

- y. Performance Management. The systematic process of planning work and setting expectations, continually monitoring performance, developing the capacity to perform, periodically rating performance in a summary fashion, rewarding good performance, and addressing performance deficiencies.
- z. Performance Measures. Quantitative or qualitative assessments of an employee's work results, which appropriately address outputs or outcomes (products or services) for which the employee is responsible. Activities or job duties themselves are not adequate measures.
- aa. Performance Plan. All of the written, or otherwise recorded, performance elements that set forth expected performance. A plan must include all elements, critical and non-critical elements if used, and their performance standards.
- bb. Performance Rating. The written or otherwise recorded, appraisal of performance compared to the performance standard(s) for each critical and non-critical element on which there has been an opportunity to perform for the minimum period.
- cc. 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. A performance standard may include, but is not limited to, quality, quantity, cost-efficiency, timeliness, and manner of performance.
- dd. Personally Identifiable Information (PII). Refers to information about an individual maintained by an agency, including, but not limited to, financial transactions, medical history, or criminal history and information which can be used to distinguish or trace an individual's identity, such as their name, social security number, date and place of birth, mother's maiden name, biometric records, etc., including any other personal information which is linked or linkable to an individual.
- ee. Progress Review. Communicating with the employee about performance compared to the performance standards for critical and non-critical elements.
- ff. Quality Step Increase (QSI). A one-step increase in pay granted to an employee based upon performance as reflected in the employee's most recent rating of record. A QSI requires certification that the employee's performance exceeds the normal requirements of the position, and, based upon the employee's past performance; it is likely such high-quality performance will be sustained. An outstanding rating of record is required for granting a QSI.

- gg. Rating Based Performance Award. A performance based award granted to an employee on the basis of a current rating of record. Rating based awards are granted in accordance with USDA's employee recognition policy.
- hh. Rating Official. A representative of management, generally the employee's immediate supervisor, who establishes the employee's performance plan; provides the progress review; prepares an interim appraisal, as applicable; and prepares the final rating of record.
- ii. Rating of Record. The performance rating prepared at the end of an appraisal period for performance of assigned duties over the applicable period and the assignment of a summary rating.
- jj. Reviewing Official. A representative of management, generally the employee's second-level supervisor, who reviews and approves the performance plan; interim appraisal, as applicable; and rating of record.
- kk. Staff Office. A Departmental administrative office whose head reports to the Secretary.
- ll. Supervisor. An individual employed in USDA having authority, in the interest of an Agency or Staff Office, to hire, direct, assign, promote, reward, transfer, furlough, layoff, recall, suspend, discipline, or remove employees; to adjust their grievances or to effectively recommend such action, if the exercise of the authority is not merely routine or clerical in nature but requires the consistent exercise of independent judgment except with respect to any unit which includes firefighters or nurses, the term "supervisor" includes only those individuals who devote a preponderance of their employment time to exercising such authority.
- mm. Supplemental Standards. Performance standards added to an element in an employee's performance plan when generic standards do not address a significant component of an employee's responsibilities or performance goals and expectations.
- nn. Unacceptable Performance. An employee's performance that fails to meet established performance standards in one or more critical elements of such employee's position.

7. RESPONSIBILITIES

- a. The Director, OHCM is responsible for:
 - (1) Establishing USDA's performance management policy and providing technical assistance and advice on issues that arise;
 - (2) Designing and implementing USDA's System and Program in accordance with 5 CFR, Part 430, Performance Management;
 - (3) Monitoring and evaluating USDA's Program for compliance with applicable law, regulations, and OPM guidance, including the merit system principles and prohibited personnel practices stated in 5 U.S.C., Chapter 23, Merit System Principles; and
 - (4) Ensuring that appropriate and adequate training and retraining in the implementation and operation of performance management occurs for supervisors, managers, and employees as required by 5 CFR, Section 430.209, Agency Responsibilities.

- b. Agency and Staff Office Heads are responsible for:
 - (1) Providing their employees with information concerning USDA's System and Program;
 - (2) Delegating appropriate authority to managers, supervisors, and other management officials, as required, to effectively implement and operate under the Program in a manner consistent with effective operations and sound management practices;
 - (3) Developing and communicating the Department, Agency, and/or Staff Office organizational goals and priorities used in developing individual performance plans, and for assessing organizational performance, communicating results to employees, and providing formal guidance to rating officials and reviewing officials on how organizational performance is considered when deciding ratings and awards; and
 - (4) Ensuring appropriate and adequate performance management training is provided for supervisors, managers, and employees within their organizations as required by 5 CFR, Section 430.209, Agency Responsibilities.

- c. Agency and Staff Office Human Resources Officers are responsible for:

- (1) Ensuring that performance ratings are used appropriately to train, recognize, reassign, promote, reduce in grade, retain, and remove employees;
 - (2) Providing adequate training and information on performance management for managers, supervisors, and employees;
 - (3) Providing instruction and guidance for linking performance to organizational goals and establishing performance plans with results-focused performance elements and balanced, credible performance measures;
 - (4) Providing assistance for supervisors and managers in the execution of their performance management responsibilities;
 - (5) Conducting evaluations or participating in program evaluations using established program assessment tools to assess program compliance with established principles, policies, procedures, and determining the need for improvement, training, or guidance; and
 - (6) Providing required reports and documentation of Program activities to support USDA and OPM accountability program reviews and/or audits.
- d. Rating Officials are responsible for:
- (1) Establishing individual performance plans and creating a performance culture and environment that fosters a highly performing work unit;
 - (2) Communicating performance expectations clearly and holding employees accountable, monitoring performance during the appraisal period and providing performance feedback to employees, developing employees, making meaningful distinctions for assigned ratings based upon performance, fostering and rewarding excellent performance, and taking appropriate action to address performance not meeting expectations;
 - (3) Conducting one or more progress reviews, giving feedback on the quality of performance during the appraisal period, and preparing ratings as provided for in this directive;
 - (4) Engaging the employee in the process of establishing and documenting the employee's performance plan. A written copy of the plan should be provided to the employee no later than 30 days after the beginning of each appraisal period, assignment of an employee to a different position, or when plans have been revised during the appraisal period;

- (5) Ensuring that each employee's performance appraisal plan has at least one critical element focused on results and linked to the Department, Agency and/or Staff Office strategic goals. Determining and communicating the appropriate mission, strategic goal(s), objectives, priorities, and relative performance measures and results to employees; and
 - (6) Preparing performance ratings in a timely manner and recognizing employees who demonstrate noteworthy performance, ensuring equity and consistency in consideration for awards within their organization.
- e. Reviewing Officials are responsible for:
- (1) Establishing a performance culture that supports a high performing organization through management of individual and organizational performance;
 - (2) Implementing the principles, policies, procedures, and requirements of the Program that are within their span of control;
 - (3) Ensuring that rating officials carry out their performance management responsibilities and evaluating the rating officials to ensure accountability for performance management; and
 - (4) Reviewing and approving the performance plans and ratings of their subordinate rating officials for consistency, fairness, objectivity, and completeness and ensuring plans reflect the overall needs and goals of the organization.
- f. Employees are responsible for:
- (1) Participating in discussions with their rating officials concerning the development of performance elements, standards and measures and participating in their progress reviews and performance appraisals;
 - (2) Ensuring they have a clear understanding of their performance expectations and how performance relates to the mission of the organization and requesting clarification from the rating official, if necessary;
 - (3) Taking responsibility to improve their own performance, performing at their full potential, supporting team endeavors, and continuing professional development;
 - (4) Identifying work problems and cooperating to resolve them with rating officials; and

- (5) Seeking performance feedback from their rating official and, as appropriate, from internal and external customers.

8. APPLICABILITY

This directive is applicable to all USDA employees except:

- a. Members of the Senior Executive Service;
- b. Foreign Service employees;
- c. Employees appointed by the President;
- d. Employees appointed to positions who are not expected to be employed longer than the 90 day minimum period;
- e. Employees serving in temporary appointments for less than one year, who agree to serve without a performance evaluation, and who will not be considered for reappointments or pay increases based, in whole or in part, on performance; and
- f. Employees excluded from coverage by statute or by OPM regulation, including those excluded by 5 U.S.C., Section 4301(2).

Schedule C employees appointed under 5 CFR, Section 213.3301, Positions of a Confidential or Policy-determining Nature, are subject to the provisions of this directive except for coverage by the rights in 5 U.S.C., Section 4303, Actions Based on Unacceptable Performance.

9. PROGRAM PROCEDURES

- a. Planning Performance. Performance planning includes establishing performance plans and communicating expectations.
 - (1) Appraisal Period. USDA's official appraisal period for which a performance plan must be prepared, during which performance must be monitored, and for which a rating of record must be prepared is October 1 through September 30 of each year. The minimum performance appraisal period is 90 days. If an employee has not served at least 90 days at September 30, the rating official may extend the appraisal period accordingly.
 - (2) Performance Plans. The performance plan must communicate, in writing, the critical elements, non-critical elements, and performance standards for the employee's position. Each performance plan must include all

elements that will be used in deriving and assigning a summary level rating.

- (a) All employee performance plans must:
 - 1 Align with the Department, Agency, and/or Staff Office goals and objectives. The performance plan must include at least one results-oriented performance element linked to the strategic goals and objectives of the organization (for example, Mission Results; Mission Support; Execution of Duties; and Program Management, Leadership/Management, or other appropriately assigned performance element). Employee performance plans must include balanced, credible measures of performance for each performance element and identify the accomplishment of organizational objectives; and
 - 2 Contain a minimum of three performance elements and not more than seven performance elements. Each employee's performance plan must contain at least one critical performance element.
- (b) In addition to the items discussed in subsection (a), performance plans for supervisors and managers must contain:
 - 1 An established critical performance element for leadership/management and/or supervision, which includes a performance standard that addresses accountability for performance management duties;
 - 2 An established critical element for equal opportunity/civil rights; and
 - 3 Appropriate measures or indicators of employee and or customer/stakeholder feedback, as applicable.
- (c) In addition to the items discussed in subsection (a), performance plans for all non-supervisory employees must contain performance standards that address civil rights awareness and interpersonal skills in either an existing or a newly established critical performance element(s).
- (d) Performance plans must contain performance elements and/or standards for safety and health, and the protection of PII where warranted by the employee's position.

- (e) Performance plans may contain generic elements and accompanying generic standards for similar occupations (for example, meat inspectors, human resources specialists, information technology specialists, forestry technicians, etc.).
 - (f) Performance plans may not contain sub elements. This restriction does not preclude the use of multiple standards within an element provided that only one rating level is assigned to each element.
 - (g) All performance plans must be documented, in writing, on Forms AD-435A, Performance Plan, Progress Review and Appraisal Worksheet, and AD-435B, Performance Plan, Progress Review and Appraisal Worksheet Continuation Sheet. Rating officials must provide either an overall narrative justification of the summary rating or a written justification for each element rating, or both. A written justification is required for any element rated “does not meet fully successful”.
- (3) Performance Elements. Performance elements and standards should be developed using such documents as the employee’s position description, work plan, instructions, project proposals, goals, targets, job analysis, equal opportunity action plans, individual development plans, or any other source that assigns responsibility for the accomplishment of work. Each performance element must be designated as either critical or non-critical. Critical elements must be assigned two appraisal units and non-critical elements one appraisal unit on Form AD-435, Performance Appraisal.
- (4) Performance Standards. Performance standards must be developed for the “meets fully successful” level. At the “meets fully successful” level, the employee produces the expected quantity of work and meets expectations for completed work. Performance standards may be developed for both the “exceeds fully successful” and “does not meet fully successful” levels. The absence of written standards at the “exceeds fully successful” level or the “does not meet fully successful” level does not preclude the assignment of an element rating at those levels.

Performance elements and standards must include credible measures of performance that are observable, measurable, and/or demonstrable. Specific measures of quality, quantity, timeliness, cost effectiveness, and or manner of performance requires supervisors and employees to identify which measures are appropriate.

- (5) Communicating Expectations. The supervisor or rating official must provide each employee with a performance plan at the beginning of each appraisal period (normally within 30 days) or when the employee is assigned to a different position with substantially different duties and

responsibilities (for example, a detail or temporary promotion for more than 120 days, promotion or reassignment.). Performance expectations must be communicated to employees before employees may be held accountable for them.

- (a) Prior to becoming final, reviewing officials must review and approve all performance plans within their span of control to ensure consistency among plans established for similar positions and conformity with organizational goals.
 - (b) Rating officials may revise an employee's performance plan whenever they determine there is a need, provided that the revision occurs at least 90 days prior to the end of the appraisal period. For example, plans may be revised to reflect new organizational goals; outside influences beyond an employee's control that make the original goals and standards unachievable; changes in work assignments; or new organizational or management priorities. The employee must be informed of all revisions made to the employee's performance plan.
- (6) Employee Participation. Communication between the supervisor and the employee is an essential element of effective performance management. Establishing meaningful performance plans requires participation of both the supervisor and the employee. Rating officials are expected to involve employees in the development of their performance plans in so far as practical. However, the final authority for establishing performance plans rests with the rating official.

When jointly developing performance plans, the following techniques may be useful:

- (a) Employee and supervisor discuss and develop the performance plan together;
 - (b) Employee provides supervisor with a draft performance plan;
 - (c) Employee comments on draft performance plan prepared by the supervisor; or
 - (d) Employees who occupy similar positions prepare draft performance plan(s), with the supervisor's approval.
- (7) Individual Development Plans. As a part of the performance planning process, each employee is encouraged to discuss short- and long-term learning and developmental goals with the supervisor and develop an IDP. The IDP includes approved elective training, education, and

developmental activities in which employees may engage to improve their knowledge, skills, and abilities and ultimately, job performance. The IDP should be set forth on Form AD-0881, Individual Development Plan. Rating officials retain sole discretion to determine the extent to which an IDP may be implemented taking into consideration operational requirements and budgetary limitations.

- b. Monitoring Performance. Monitoring performance includes conducting progress reviews, offering continuous feedback, providing and/or arranging for training.
- (1) Progress Reviews. At least once during the appraisal period, the employee's rating official must conduct an interim progress review. The interim progress review must be conducted at the midpoint of the appraisal period to ensure that performance elements and standards are appropriate and to advise an employee of current performance. The interim progress review does not usually result in a new appraisal period or rating. Interim progress reviews must be documented on the employee's performance plan, Form AD-435A, and in any tracking system used by the Agency or Staff Office to support established requirements for documentation and tracking. Continual performance feedback is encouraged. Additional interim progress reviews may be conducted but are not required.
 - (2) Details and Promotions Made on a Temporary Basis. If an employee is detailed into a different position within the Department or is temporarily promoted for more than 120 days, the supervisor responsible for the detail or temporary promotion must establish elements and standards and communicate them, in writing, to the employee normally within 30 days of the start of the detail or temporary promotion. An interim progress review must be conducted to document the employee's accomplishments at the end of the detail or temporary promotion and provided to the employee's rating official for consideration in the final rating of record.

If an employee is detailed into a different position within the Department or is temporarily promoted for 120 days or less, written performance elements and standards are not required. The supervisor responsible for the detail or temporary promotion should document the employee's accomplishments at the end of the detail or temporary promotion and forward it to the employee's rating official for appropriate consideration.

When employees are detailed outside of the Agency or Staff Office, the rating official must make a reasonable effort to obtain appraisal information from the outside organization.

- (3) Position Changes. If an employee is assigned to a new position through reassignment, transfer or appointment during the appraisal period, and the employee served for the minimum appraisal period in the position from

which the employee has changed, and was under a performance plan, the former rating official will prepare an interim appraisal and forward it to the new rating official.

- (4) Change in Supervisors. When an employee has had a performance plan in place for the minimum period and works under different supervisors during the appraisal period, each supervisor of 90 days or more must prepare an interim appraisal and forward it to the employee's rating official for appropriate consideration.

- c. Developing Performance. Developing performance pertains to increasing an employee's capacity to perform through training, rotational assignments that introduce new skills or higher levels of responsibility, improving work processes, or other appropriate methods.

Developing performance is an ongoing part of the performance management process. Together with meaningful performance-related discussions that assist the employee by reinforcing strengths and correcting weaknesses, employee development opportunities may include classroom training, on-the-job-training, mentoring, special assignments, details/reassignments, participating in professional and technical organizations, group performance meetings, process improvement teams, and self-development activities. An IDP may contain any or all of these developmental opportunities.

As appropriate, supervisors will encourage employees to seek professional and technical development opportunities to enhance their contribution to the Department, Agency and/or Staff Office goals.

- d. Evaluating Performance. Evaluating performance includes assessing the performance of employees in comparison to the communicated performance expectations and demonstrated results for the appraisal period.

- (1) Rating of Record. At the end of the appraisal period, the employee's rating official, in consideration of feedback provided by the employee, must evaluate the employee's accomplishments and issue a rating of record.

The rating official may assign a rating of record as long as there is supporting information and the employee has been under an established performance plan for the minimum appraisal period of 90 days or more. Ratings must be based on actual employee accomplishments. A presumptive rating may not be assigned.

- (2) Employee Feedback. Rating officials are encouraged to obtain and consider feedback given by coworkers, team members, and

customers/clients pertaining to applicable performance standards of their employees.

- (3) Employee Self-Assessment. Employees are encouraged to maintain a personal record of their accomplishments, achievements, and performance throughout the appraisal period. Rating officials must provide employees the opportunity to provide feedback on accomplishments covering their performance and contributions to the organization for the current appraisal period. Accomplishments should be relative to individual performance expectations and performance measures, Department, Agency, and/or Staff Office goals. This input will assist the rating official in evaluating more fully the employee's performance and the results of that performance.
- (4) Assessing Supervisory Performance. Each supervisor and manager must be evaluated by the appropriate rating official on their accountability for performance management responsibilities, including an assessment of how they plan, monitor, develop, evaluate, and recognize subordinate employees' performance in accordance with this directive.
- (5) Multiple Appraisals. All interim performance appraisals should be considered in deriving the employee's rating of record at the end of the appraisal period.
- (6) Collateral Duties. The rating of record must reflect both an employee's primary duties and responsibilities and his/her collateral duties.
- (7) Disabled Veterans. The performance appraisal and resulting rating of record for a disabled veteran may not be lowered because the veteran has been absent from work to seek medical treatment as provided for in Executive Order 5396, dated July 17, 1930.
- (8) Inability to Rate an Employee. When a rating of record cannot be prepared at the time specified, the appraisal period shall be extended, such as, when the employee has not met the 90-day minimum rating period at the end of the appraisal period. Once the conditions necessary to complete a rating of record have been met, a rating of record shall be prepared as soon as practicable.
- (9) Assessing Employee Performance. Each element contained in the performance plan must be evaluated. The rating official must prepare a narrative assessment describing that employee's accomplishments and contributions to the Department, Agency, or Staff Office relative to performance expectations.

- (a) The following element rating levels must be used in evaluating employee performance:
- 1 Exceeds Fully Successful. Performance in an element that, overall, exceeds the performance standards established for the meets fully successful level.
 - 2 Meets Fully Successful. Performance in an element that meets the standards established for the meets fully successful level. The employee is completing the work assigned to do at the expected level of performance.
 - 3 Does Not Meet Fully Successful. Performance in an element that falls below the standards established at the meets fully successful level. Documentation is required for each element evaluated as does not meet fully successful.
- (b) After evaluating each performance element, the supervisor must calculate the summary rating using the Decision Table set forth on Form AD-435. The summary rating is derived by using the five rating levels (OPM summary level pattern H) and associated values assigned to each performance element. Summary rating levels are:
- 1 Outstanding (Level 5). A summary rating of “Outstanding” must be assigned when the level of performance demonstrates outstanding contributions to the accomplishment of the Department, Agency, and/or Staff Office mission. At this level, the employee demonstrates a mastery of the required technical skills and a thorough understanding of the mission of the organization. The employee’s efforts have a fundamental impact on the completion of program objectives. The employee produces an exceptional quality and quantity of work significantly ahead of established schedules or deadlines and with very little or no supervision. Performance for each element consistently exceeds the meets “Fully Successful” level.
 - 2 Superior (Level 4). A summary rating of “Superior” must be assigned when the level of performance demonstrates a comprehensive understanding of the objectives of the job and the procedures for accomplishing them. At this level, the employee produces a very high quality and quantity of work ahead of established schedules or deadlines and with minimal supervision.

- 3 Fully Successful (Level 3). A summary rating of “Fully Successful” must be assigned when the level of performance demonstrates quality work in support of the Department, Agency, and/or Staff Office mission. At this level, the employee effectively applies technical skills and organizational knowledge to successfully complete work products. The employee successfully carries out regularly assigned duties as well as difficult special assignments. The employee produces the expected quality and quantity of work and meets deadlines or schedules for completion of work.
- 4 Marginal (Level 2). A summary rating of “Marginal” must be assigned when the level of performance demonstrates the need for improvement to achieve a rating of “Fully Successful”. At this level, the employee’s work products frequently need revision or adjustments, often requiring assistance from the supervisor and/or peers. Organizational goals and objectives are only met because of close supervision.
- 5 Unacceptable (Level 1). A summary rating of “Unacceptable” must be assigned when the level of performance does not meet the established performance standards for meets “Fully Successful” in one or more of the employee’s critical elements. At this level, the employee’s work products do not meet the minimum requirements expected and corrective action must be consistent with established procedures for unacceptable performance.
- (10) Assigning Weights. Critical elements are assigned two appraisal units and non-critical elements are assigned one appraisal unit.
- (11) Documenting Performance. The employee’s rating official (supervisor) must document the employee’s accomplishments on Forms AD-435A and AD-435B or supplemental attachments to these forms. The employee’s reviewing official must review and approve the supervisor’s rating of record. The supervisor may not communicate ratings of record to employees prior to approval. This does not preclude preliminary performance discussions between a supervisor and employee prior to the determination of the rating of record.
- (12) Employee's Certification. The rating official must review the approved rating of record with the employee. The employee's signature on Form AD-435 will serve as certification that such a discussion took place.

If this discussion cannot take place or the employee refuses to sign the Form AD-435, the supervisor must document the reason for not having the employee's signature on Form AD-435. A performance rating is valid and becomes a rating of record when the rating official and reviewing official sign the performance rating and document the reasons why the employee refused to sign the rating of record on Form AD-435.

- (13) Grievances. A bargaining unit employee may challenge the rating of record under the terms of the applicable negotiated grievance procedure, as appropriate. A non-bargaining unit employee may challenge the rating of record under the terms of the administrative grievance procedure, as appropriate.
- (14) Rating Transfers. If an employee moves to a new organization within USDA or to another Federal Department at any time during the appraisal period, the performance ratings of record contained in the Official Personnel Folder (OPF) and the Employee Performance File (EPF) must be transferred to the new organization or Federal Department.

e. Recognizing and Rewarding Performance.

- (1) Rating Based Performance Awards. Performance awards must be linked to a rating of record based upon results achieved. The granting of performance awards is discretionary, not an entitlement, subject to approval at the appropriate level.
- (2) Eligibility. Employees rated "Outstanding," "Superior" or "Fully Successful" are eligible for recognition, as appropriate. Employees rated below "Fully Successful" are not eligible for rating based performance awards.
- (3) Award Levels. Managers and supervisors are responsible for making distinctions in award levels such that higher performing employees receive larger awards than lower performing employees in the same unit at the same grade level.

f. Addressing Unacceptable Performance.

- (1) Employee Notification. At any time during the performance appraisal period that an employee's performance is determined to be unacceptable in one or more critical elements, the rating official must:
 - (a) Notify the employee, in writing, of the critical element(s) for which performance is unacceptable; and

- (b) Inform the employee of the performance requirement(s) or standard(s) that must be attained to demonstrate acceptable performance.

The rating official should inform the employee that unless his/her performance in the critical element(s) improves to and is sustained at an acceptable level, the employee may be reassigned, reduced in grade or removed.

- (2) Performance Improvement Plan. For each critical element in which the employee's performance is unacceptable, the rating official must afford the employee a reasonable opportunity to demonstrate acceptable performance commensurate with the duties and responsibilities of the employee's position and place the employee on a performance improvement plan.
 - (a) When an employee is placed on a performance improvement plan, the opportunity period must be at least 60 days. The performance improvement plan must clearly identify and describe the performance deficiencies in the performance elements and standards for which the employee's performance is at the unacceptable level. If the rating official concludes that additional time is required to assess the employee's performance progress, the initial opportunity period may be extended. If the opportunity period is extended, the rating official must notify the employee in writing, of the extension.
 - (b) If the employee does not demonstrate an acceptable level of performance for a critical element during or following the opportunity period, the rating official may initiate a reassignment, reduction in grade, or removal action.
 - (c) If an employee has performed acceptably for one year from the beginning of an opportunity period and the employee's performance again becomes unacceptable, the rating official must afford the employee an additional opportunity to demonstrate acceptable performance before determining whether to propose a reassignment, reduction in grade or removal action.

A proposed action may be based upon instances of unacceptable performance which occur within a 1-year period ending on the date of the notice of proposed action.

Note: The above requirements to establish a Performance Improvement Plan exclude employees as listed in 5 CFR, Section 432.102(f),

including an employee in the competitive service who is serving a probationary or trial period under an initial appointment.

- (3) Marginal Performance. Supervisors are encouraged to make efforts to help employees with marginal performance to raise their performance to a fully successful level. The rating official should inform the employee of the performance deficiencies and discuss efforts that both the supervisor and employee will take to assist the employee in overcoming the deficiencies.
- (4) Performance-Based Misconduct. An Agency or Staff Office may take a performance-based adverse action only if it will promote the efficiency of the service. Please refer to 5 U.S.C., Chapter 75, Adverse Actions, and 5 CFR, Part 752, Adverse Actions, for such actions.
- (5) Savings Provision. Administrative actions initiated against employees whose performance is “Unacceptable” under 5 U.S.C., section 4303 and the USDA Performance Management Plan or another program in existence prior to the effective date of this Program shall continue to be processed consistent with that pre-established set of procedures and requirements.
- (6) Supervisors and managers are encouraged to contact their servicing Human Resources Office for additional advice and guidance when addressing unacceptable performance.

10. LINKING PERFORMANCE TO OTHER PERSONNEL SYSTEMS

- a. Rating of Record. The rating of record has a bearing on various other personnel actions, such as probationary periods, granting within-grade increases, promotions, training and development, pay increases and performance awards, and determining additional retention service credit in a reduction in force:
 - (1) Probationary Employees. The rating official must evaluate a probationary employee to determine whether the employee has demonstrated the ability to perform the functions of the position successfully and their fitness for continued employment. Please refer to 5 CFR, Part 315, Subpart H, Probation on Initial Appointment to a Competitive Position.

An employee may be removed at any time during the probationary period when work performance or conduct fails to demonstrate fitness for or the qualifications necessary for continued employment. An employee’s probationary period ends upon completion of the scheduled tour of duty on the day before the anniversary date of employee’s appointment. The

rating official must notify the employee, in writing, of the reason for termination, the effective date, and the official's conclusions as to the inadequacies of the employee's performance or conduct.

- (2) Probationary Supervisors and Managers. The rating official must evaluate a probationary supervisor or manager to determine whether he/she has demonstrated the ability to perform the functions of the position successfully. Please refer to 5 CFR, Part 315, Subpart I, Probation on Initial Appointment to a Supervisory or Managerial Position. An employee who, for reasons of supervisory or managerial performance, does not satisfactorily complete the probationary period is entitled to be assigned, except as provided below, to a position of no lower grade and pay than the one the employee vacated to accept the supervisory or managerial position.

A non-supervisory or non-managerial employee who is demoted into a supervisory and/or managerial position for which a probationary period is required and who, for reasons of supervisory or managerial performance, does not satisfactorily complete the probationary period is entitled to be assigned to a position at the same grade and pay as the position in which he or she was serving a probationary period. The rating official must notify the employee, in writing, of the decision to assign the employee to a different position.

- (3) Within-Grade Increase (WGI). An eligible employee may be granted a within-grade increase only when the employee is rated "Fully Successful" or above. The basis for the decision to grant or withhold a WGI is the employee's rating of record within the appropriate waiting period. If a WGI decision is not consistent with the employee's most recent rating of record, a more current rating of record must be prepared. This may require the 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.
- (4) Promotion. An employee's performance rating must be considered when evaluating that employee for promotion or reassignment to a position with greater promotion potential. No employee will receive a career promotion unless the employee's current rating of record is "Fully Successful" or above.
- (5) Training and Development. Supervisors are responsible for meeting Department, Agency, and/or Staff Office performance goals and for assisting employees in improving their performance. The appraisal process is a tool that identifies opportunities for improving and enhancing knowledge, skills, abilities, and job performance.

Employees are responsible for self-development, successfully completing and applying authorized training, and fulfilling continued service agreements. Employees share the responsibility for identifying the training opportunities that will improve their performance and methods to meet those needs effectively and efficiently.

- (6) Pay Increases and Rating Based Performance Awards. Ratings of record may be used as a basis for granting pay increases and rating-based performance awards. Employees who receive performance ratings of “Outstanding,” “Superior” or “Fully Successful” are eligible for incentive awards and recognition, as appropriate. Employees rated below “Fully Successful” are not eligible for rating based performance awards.
- (7) Reduction-in-Force (RIF). Ratings of record are used to establish service credit for reduction-in-force (RIF) purposes. For RIF purposes, the rating of record is the annual summary rating required at the time specified in this Departmental Regulation. A rating official may not assign an employee a new rating of record for the sole purpose of affecting their retention standing. Performance ratings that were due before the date of specific RIF notices but were not officially approved and placed on record until on or after the date of the specific notices will not be used to determine additional service credit.

11. PERFORMANCE MANAGEMENT TRAINING REQUIREMENTS

a. Training Requirements.

- (1) Agency and Staff Office Human Resources Officers must include modules on performance management in supervisory training sessions and provide training on performance management for non-supervisory employees.

Performance management training must include the following components:

- (a) The concepts and practical use of performance management;
- (b) Managing performance for results;
- (c) Linking individual performance to organizational goals;
- (d) The performance appraisal process;
- (e) Establishing and applying objective measures of performance;

- (f) Using reward and recognition to achieve and sustain higher levels of performance;
 - (g) Addressing performance deficiencies;
 - (h) Developing competencies;
 - (i) Giving and receiving feedback; and
 - (j) Communicating organizational performance with employees.
- (2) Agency and Staff Office Human Resources Officers must provide refresher training, briefings, and information on all aspects of the performance management system on a regular recurring basis for all supervisory and non-supervisory employees.
- b. Training Methodologies. A variety of training methodologies may be used including:
- (1) Classroom;
 - (2) Automated or online training modules such as AgLearn;
 - (3) Distance learning programs;
 - (4) Formal and informal discussions between supervisors and employees;
 - (5) Employee briefings;
 - (6) Supervisory and leadership training; and
 - (7) Employee orientation materials.

12. PERFORMANCE MANAGEMENT FORMS AND RECORDS

- a. Appraisal Forms. The rating official must use the following forms to prepare and document performance plans and IDPs. Forms are accessible online at the Office of the Chief Information Officer internet site <http://www.ocio.usda.gov/forms/index.html>.
- (1) Form AD-435, Performance Appraisal;
 - (2) Form AD-435A, Performance Plan, Progress Review and Appraisal Worksheet;

- (3) Form AD-435B, Continuation Sheet-Performance Plan, Progress Review and Appraisal Worksheet; and
 - (4) Form AD-0881, Individual Development Plan.
- b. Records Maintenance. Performance records must be maintained in accordance with the procedures set forth in 5 CFR, Part 293, Personnel Records; 5 CFR, Part 297, Privacy Act Procedures for Personnel Records; and any Departmental Directives associated with the Privacy Act and the Freedom of Information Act. Ratings of record and the supporting performance plans must be maintained for four years, or longer periods as required. Rating officials must regard performance records as confidential in their maintenance and distribution.

When an employee's OPF is sent to another servicing Human Resources Office within USDA, another Federal Department, or the National Personnel Records Center, the "losing" servicing Human Resources Office must include the last four years' performance ratings of record and performance plans, including the most recent rating and the summary rating prepared when the employee changes positions. The "losing" servicing Human Resources Office will purge all performance ratings, performance plans, and the supporting performance-related documents that are more than four years old from the OPF or EPF.

- c. Distribution. Upon completion of the ratings of record, the rating official must:
- (1) Provide a copy of the completed appraisal and worksheets (Forms AD-435, AD-435A, and AD-435B) to the employee;
 - (2) Provide a copy of the completed rating and the supporting documentation to the servicing Human Resources Office for processing and maintenance; and
 - (3) Retain one copy for the rating official's supervisory file.

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