

NAVAIRINST 12430.5
AIR 7.3.1
14 May 98

NAVAIR INSTRUCTION 12430.5

From: Commander, Naval Air Systems Command

Subj: PERFORMANCE MANAGEMENT PROGRAM

Ref: (a) 5 U.S.C 4300
(b) 5 CFR 430
(c) DoD 1400.25M, Subchapter 430, "Performance Management"
(d) SECNAVINST 12430.4 of 11 Aug 97
(e) DON Implementation Guidance 430-01 of 1 Oct 97

Encl: (1) [Naval Aviation Systems Team Performance Appraisal \(NAVAIR 12430/1 \(3/98\)\)](#)
(2) [Additional Performance Requirements](#)

1. Purpose. To publish command policy for evaluating performance of civilian employees per references (a) through (e).

2. Scope. This instruction applies to the Naval Aviation Systems Team (TEAM) and its Program Executive Office (PEO) civilian personnel with the exception of employees covered under the Demonstration Project, Senior Executive Service employees, non-appropriated fund employees, employees on appointments of less than 120 days, and employees excluded from coverage by other applicable law or regulation. In the event of a conflict between this instruction and a negotiated agreement, the provision(s) of the agreement will prevail.

3. Modification. NAVAIRINST 12430.4 (Performance Evaluation Supplement (PES) for Integrated Program Team (IPT) Members) remains in effect but will be reviewed and modified as necessary to reflect Navy's change to a two-level summary performance rating system. The IPT team leaders will continue to be expected to provide specific input during the development of an IPT member's performance plan. In addition, IPT leaders will continue to provide summary performance evaluation input to be used by the supervisor when evaluating a team member's performance.

4. Background. This instruction meets all the regulatory requirements and procedures set forth in references (a) through

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(c). References (d) and (e) changed Navy's performance management program to a two-level summary rating program, which appraises an employee's performance as being either at the "Acceptable" or at the "Unacceptable" level. This instruction provides clarification of how performance management will be conducted within the TEAM.

5. Policy. Performance management is an integral part of any human resources program. Its objective is to provide an opportunity for supervisory-employee dialogue to improve organizational effectiveness in accomplishing mission requirements and goals and to encourage employees to continuously improve, support team endeavors, develop professionally, and perform at their full potential. IPT, Externally Directed Team, and other team leaders are expected to provide meaningful input to the relevant supervisor when a team member's performance plan is developed, throughout the performance year and when an overall final rating is developed for a team member.

6. Definitions

a. Acceptable Performance. Performance of an employee which meets the established performance requirement(s) or standard(s) at the "Acceptable" level in all critical elements of an employee's position.

b. Appraisal Period. The established period of time for which performance will be reviewed and a rating of record prepared. The performance appraisal period will begin 1 August and will end 31 July. To receive a rating of record, an employee must have served for a minimum of 90 days under an approved performance plan, in the same position and under the same first level supervisor. If necessary, the employee's appraisal period will be extended beyond the cycle ending date to insure the minimum 90 day appraisal period is met.

c. 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 a minimum of 90 days. Close-out ratings will be in writing and used in deriving the rating of record, and may in some cases, become the rating of record.

d. Critical Element. A work assignment or responsibility of such importance that "Unacceptable" performance on the element would result in a determination that the employee's overall performance is unacceptable.

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e. Progress Review. A review of the employee's performance which is conducted mid-way through the appraisal period. Progress reviews do not require the assignment of a summary level, however, the first-level supervisor shall sign and date NAVAIR 12430/1 (3/98), Naval Aviation Systems Team Performance Appraisal, enclosure (1), and request the employee do the same. Open two-way communication focusing on mission requirements and goals, organizational effectiveness improvements, and developmental objectives is strongly encouraged.

f. Rating of Record. The performance rating prepared at the end of an appraisal period for performance over the entire appraisal period. The rating of record is the employee's official performance rating for pay, performance-related awards, and retention purposes.

g. Summary Rating. The overall rating assigned when conducting a close-out rating or rating of record. The two summary rating levels are: "Acceptable" and "Unacceptable."

h. Acceptable Performance. Performance of an employee which meets the established performance standard(s) in all critical elements.

i. Unacceptable Performance. Performance of an employee which fails to meet the established performance standard(s) in one or more critical elements.

7. Action

a. Activity heads will implement this instruction and facilitate the negotiation of this instruction with the local labor unions.

b. Supervisors will:

(1) Communicate with the employee regarding mission requirements, the performance elements and standards, and the employee's developmental needs;

(2) Establish and discuss performance standards with employees within 30 days after the beginning of each appraisal period, and/or of each detail or temporary promotion expected to last 120 days or longer;

(3) Solicit feedback from the program/project team leaders throughout the performance rating cycle;

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(4) Provide assistance to employees in improving their performance if at any time during the appraisal period their performance is determined to be "Unacceptable" in one or more critical elements;

(5) Conduct a minimum of one progress review midway through the appraisal period;

(6) Prepare a close-out rating if either the employee or the supervisor leaves the position prior to the completion of the appraisal period;

(7) Recommend employees for awards throughout the performance rating cycle; and

(8) Prepare a rating of record for each covered employee. This includes a rating for each element and the assignment of a summary level.

c. Employees are expected to maintain acceptable performance and encouraged to actively participate in employee-supervisory discussions of performance standard development, mid-year performance evaluations, and end of the year performance appraisals.

8. Implementation. The use of a standard performance management procedure and form are intended to support a common TEAM-wide performance management process. Both are intentionally streamlined and straightforward.

a. Setting Performance Standards

(1) The first level supervisor will provide performance standards to employees within 30 days after the beginning of each appraisal period, and/or of each detail or temporary promotion expected to last 120 days or longer. The supervisor is to meet with the employee to discuss and review mission requirements, the employee's developmental needs and the performance element(s) and standard(s). The first level supervisor will sign and date NAVAIR 12430/1 (3/98) and then request that the employee sign and date the form. A copy of the form is to be provided to the employee; the original is kept by the supervisor.

(2) NAVAIR 12430/1 will include all critical performance elements and related standards. Most non-supervisory employees will have one element: "Execution of Duties." Most Team Leaders will have two critical elements: "Execution of Duties" and "Leadership and Organizational Support." Most managers and

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supervisors will have three elements: "Execution of Duties," "Leadership and Organizational Support" and "Personnel Management/EEO." Supervisors may further clarify and define critical elements and standards by whatever means practical (e.g. memorandums, verbal communications, e-mail, etc.). Supervisors may also use the "Additional Critical Elements/Written Comments" section of NAVAIR 12430/1 to further clarify and define critical elements and standards. In addition, supervisors are reminded that the form is simply a documentation and communication tool. Performance management includes continuous open communication (on-going, focused discussions of missions, goals, objectives, expectations, etc.) between the supervisor and the employee throughout the appraisal period.

(3) Specific provisions of law, regulation, and Department of Defense (DoD) policy require certain matters be considered in the performance evaluations of some employees. Except as provided in enclosure (2), this does not require the establishment of specific performance elements and standards addressing the individual's performance. Enclosure (2) provides the additional DoD performance evaluation requirements along with the designated references for guidance. For employees whose positions require an additional critical element not already covered in the three generic performance elements, supervisors may use the "Additional Critical Elements/Written Comments" portion of the form to identify and rate these requirements.

(4) At the time the performance standards are set, supervisors must certify on NAVAIR 12430/1 that the employee's position description is current and accurate. If the position description is not current, supervisors must take action to revise the position description and forward it through the local approval chain for appropriate action. Supervisors should communicate with the employee about any revisions to ensure the changes are complete.

b. Monitoring and Rating Performance

(1) Feedback. Supervisors are encouraged to solicit feedback of the employee's performance from as many applicable sources as appropriate (i.e., Team leaders, IPTs, customers, etc.).

(2) Progress Review. The first level supervisor must, at a minimum, conduct a documented review of an employee's performance midway through the appraisal period. Employees will be informed of their success in meeting the standard(s) of their critical element(s). To the maximum extent possible, progress

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reviews will be informative and developmental in nature and will focus on future performance. The supervisor and employee will discuss the employee's accomplishments, update priorities, and define new assignments and expectations. Progress reviews do not require the assignment of a summary level. The first level supervisor will sign and date the form indicating that the review was conducted. The employee should then sign and date the form.

(3) "Unacceptable" Performance. If at any time during the appraisal period an employee's performance is determined to be "Unacceptable" in one or more critical element(s), the supervisor must communicate the performance deficiency and the expectations to the employee in writing. The servicing Human Resources Office should be contacted for guidance on the procedural requirements and the second level supervisor should be advised of the issues.

(4) Close-out Ratings. Close-out ratings shall be conducted when an employee completes a detail/temporary promotion of 120 days or longer under established performance standards or if an employee changes positions, is promoted, or moves to a new agency/activity, after being under established standards a minimum of 90 days. The supervisor should check "CLOSE-OUT RATING" on NAVAIR 12430/1 and assign a summary rating. The first level supervisor will sign and date the form indicating that the close-out rating was conducted. The employee should then sign and date the form. Signatures indicate only that the review has been accomplished. A copy of the completed form is given to the employee. Close-out ratings must also be conducted when the first level supervisor leaves the position after the employee is under established performance standards for a minimum of 90 days. In this situation, the employee may continue under the same performance plan.

(5) Ratings of Record. Normally within 30 days after the end of the appraisal period, a written rating of record will be given to each employee. The supervisor should check "RATING OF RECORD" on NAVAIR 12430/1 and assign a summary rating. Supervisors may use the "Written Comments" section of NAVAIR 12430/1 to acknowledge special accomplishments. The first level supervisor will sign and date the form indicating that the rating of record was conducted. The employee should then sign and date the form. Signatures indicate only that the review has been accomplished. The signature of the reviewing official is only required in the event of an "Unacceptable" rating. A copy of the completed form is given to the employee, a copy is kept by the supervisor, and the original is forwarded per the local operating procedures to have the rating recorded.

(a) If, at the end of the appraisal period, the employee has not completed the 90-day minimum period of performance under the current performance standards, but has received a close-out rating during the same appraisal period, the close-out rating may become the rating of record. The check for "CLOSE-OUT RATING" should be crossed out and "RATING OF RECORD" should be checked on the form (the new supervisor must initial the form). If the employee has not received a close-out rating during the same appraisal period, the appraisal period shall be extended to ensure the minimum 90 day requirement is met.

(b) The end of the appraisal period also marks the beginning of the new performance management cycle. This is the appropriate time to discuss and sign the next appraisal period's Performance Appraisal using NAVAIR 12430/1.

9. Relationship to other Personnel Actions

a. Within-Grade Increases. Federal Wage System (FWS) and General Schedule (GS) employees will receive within-grade increases when eligible provided their performance equates to an "Acceptable" rating of record.

b. Promotions. To be promoted, an employee must be performing at the "Acceptable" level on all critical elements.

c. Probationary Period. Evaluation of the employee's performance, as well as other considerations such as conduct and reliability, will serve as a basis for the decision to retain or remove an employee from Federal Service during the initial probationary period. Evaluation of the supervisor's performance under the Personnel Management/EEO critical element will serve as a basis for the decision to retain or remove a supervisor from his/her position during the supervisory probationary period.

d. Reduction-in-Force (RIF). During a RIF employees are placed on a retention register in tenure groups on the basis of their tenure of employment, veteran's preference, length of service and performance ratings. The three most recent performance ratings of record received in the last four years impact the employee's retention standing for RIF purposes.

e. Awards. Throughout the appraisal period, awards should be used to acknowledge and motivate employees by recognizing and rewarding significant individual, team, or organizational achievements and contributions. A wide variety of award options are available: Special Act, Time-off, Honorary, Informal

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Recognition, On-the-Spot, etc. The awards process will be covered by a separate instruction. Contact the servicing Human Resources Office for procedures and requirements governing awards.

f. Quality Step Increases (QSI). The purpose of a QSI is to provide appropriate incentives and recognition for excellence in performance by granting faster than normal step increases for GS employees. Careful consideration should be given before recommending a QSI. To be eligible, GS employees:

(1) Must not have received a QSI within the previous 52 weeks;

(2) Must have received a rating of record of "Acceptable";

(3) Demonstrated sustained performance of high quality significantly above that expected at the "Acceptable" level (i.e., exceeded the "Acceptable" criteria depicting excellent quality of work provided ahead of schedule and with less than normal supervision);

(4) Made a significant contribution to the organization's mission; and,

(5) Must demonstrate a basis for reasonable expectation that the high quality performance will continue in the future.

10. Grievances. Employees may raise issues relating to the performance appraisal process through the administrative grievance procedure, or where applicable, the negotiated grievance procedure.

11. Forms. NAVAIR 12430/1 (3/98) is available locally and will be electronically accessible.

12. Effective Date. The policy contained in this instruction is effective immediately.

13. Review. The Head, Civilian Personnel Programs and Policy, AIR-7.3.1, will review this instruction annually.

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