



Department of Defense INSTRUCTION

NUMBER 1400.25, Volume 1404
June 26, 2014

USD(P&R)

SUBJECT: DoD Civilian Personnel Management System: Nonappropriated Fund (NAF)
Performance Management Program

References: See Enclosure 1

1. PURPOSE

a. Instruction. This instruction is composed of several volumes, each containing its own purpose. The purpose of the overall instruction, in accordance with the authority in DoD Directive (DoDD) 5124.02 (Reference (a)), is to establish and implement policy, establish procedures, provide guidelines and model programs, delegate authority, and assign responsibilities regarding civilian personnel management within the DoD.

b. Volume. In accordance with DoDD 1400.25 (Reference (b)), this volume:

(1) Reissues Volume 1404 of this instruction (Reference (c)) to establish policy, assign responsibilities, and prescribe procedures for performance management programs covering DoD NAF employees.

(2) Establishes a senior executive performance appraisal system for DoD NAF employees at the NF-6 payband level pursuant to section 1587a of Title 10, United States Code (U.S.C.) (Reference (d)), to regulate the amount of total compensation for senior NAF executives to achieve pay parity between DoD senior NAF executive and DoD senior appropriated fund (APF) executive performance.

2. APPLICABILITY. This volume:

a. Applies to OSD, the Military Departments, the Office of the Chairman of the Joint Chiefs of Staff and the Joint Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the DoD (referred to collectively in this volume of this instruction as the "DoD Components").

b. Unless otherwise stated:

(1) The Army and Air Force Exchange Service may be considered a DoD Component for the purposes of this volume, if delegated authority to oversee internal NAF performance management policy by the Secretaries of the Army and the Air Force, as applicable.

(2) The United States Marine Corps; the Navy Exchange Service Command; and the Commander, Navy Installations Command may be considered DoD Components for the purposes of this volume (with the exception of Enclosure 5), if delegated authority to oversee internal NAF performance management policy by the Secretary of the Navy.

c. Applies to all NAF employees and positions within the DoD, including those NAF positions authorized to receive funding from appropriated funds.

3. POLICY. It is DoD policy that:

a. Performance management programs are established within the DoD Components that accurately and fully measure the performance of all eligible NAF employees, establish goals and expectations, and assess individual employees, teams, or groups of employees, as well as whole organizations.

b. All DoD NAF senior executives at the NF-6 payband level will be compensated on a comparable level and basis as APF employees in the Senior Executive Service (SES). The NAF senior executive performance appraisal system will apply the requirements of section 5382(a) of Title 5, U.S.C. (Reference (e)), to provide applicable standards of comparison that make meaningful distinctions between levels of performance. The NAF senior executive performance appraisal system will:

(1) Support and facilitate performance excellence, accountability, and strategic alignment, and link performance to organizational results.

(2) Require executive performance plans that support such factors as the DoD (and respective DoD Component and organization) strategic plan(s), Public Law 111-352 (Reference (f)), and other related goals, desired outcomes, and system results.

(3) Require oversight of the performance appraisal process to include an annual assessment of the organization's performance, use of guidelines for performance evaluation, certification of the assessment process by the DoD Component head and the Under Secretary of Defense for Personnel and Readiness (USD(P&R)), through the Deputy Assistant Secretary of Defense for Civilian Personnel (DASD(CPP)) and Assistant Secretary of Defense for Readiness and Force Management (ASD(R&FM)), as described in Enclosure 2 of this volume, and assurance of appropriate recognition for senior executives.

(4) Allow for executive involvement in the evaluation process, communication between the rating official and the executive, clear accountability, executive pay progression based on performance and mission accomplishment, and an understandable basis for pay adjustments.

(5) Hold NAF senior executives accountable for rigorous performance management of subordinates and for aligning their subordinate employees' performance plans with organizational goals.

(6) Appraise the performance of NAF executives using measures that balance organizational results with customer, employee, and other perspectives.

(7) Be transparent across the DoD Components and have appropriate accountability mechanisms.

(8) Be applied in a consistent, equitable, and nonpolitical manner to employees in NF-6 positions DoD-wide.

4. RESPONSIBILITIES. See Enclosure 2.

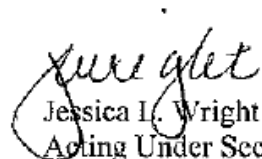
5. PROCEDURES. See Enclosure 3 for requirements for authorizing officials and rating officials. See Enclosure 4 for requirements for performance management programs for NAF employees in paybands NF-1 through NF-5, Child and Youth paybands, and Craft and Trade pay schedules. See Enclosure 5 for requirements for the NAF senior executive performance appraisal system.

6. RELEASABILITY. **Cleared for public release.** This volume is available on the Internet from the DoD Issuances Website at <http://www.dtic.mil/whs/directives>.

7. EFFECTIVE DATE. This volume:

a. Is effective June 26, 2014.

b. Will expire effective June 26, 2024 if it hasn't been reissued or cancelled before this date in accordance with DoD Instruction 5025.01 (Reference (g)).


Jessica L. Wright
Acting Under Secretary of Defense for
Personnel and Readiness

Enclosures

1. References
2. Responsibilities
3. Procedures

4. Performance Management Programs for NAF Employees in Paybands NF-1 through NF-5, Child and Youth (CY) Paybands, and Craft and Trades Pay Schedules
5. NAF Senior Executive Performance Appraisal System

Glossary

TABLE OF CONTENTS

ENCLOSURE 1: REFERENCES.....7

ENCLOSURE 2: RESPONSIBILITIES.....8

 USD(P&R).....8

 ASD(R&FM).....8

 DASD(CPP).....8

 DoD COMPONENT HEADS.....9

ENCLOSURE 3: PROCEDURES.....11

 AUTHORIZING OFFICIALS.....11

 RATING OFFICIALS.....12

ENCLOSURE 4: PERFORMANCE MANAGEMENT PROGRAMS FOR NAF
EMPLOYEES IN PAYBANDS NF-1 THROUGH NF-5, CHILD AND YOUTH (CY)
PAYBANDS, AND CRAFT AND TRADES PAY SCHEDULES.....14

 CORE REQUIREMENTS.....14

 PERFORMANCE RATINGS.....15

 LESS THAN SATISFACTORY PERFORMANCE (LEVEL ONE OR TWO
 ON A FIVE-LEVEL RATING SYSTEM).....15

 DISPUTING A PERFORMANCE RATING.....15

ENCLOSURE 5: NAF SENIOR EXECUTIVE PERFORMANCE APPRAISAL SYSTEM.....16

 PERFORMANCE PLANNING.....16

 Developing Performance Plans.....16

 Content of Performance Plans for NAF Senior Executives.....16

 MONITORING PERFORMANCE.....17

 DEVELOPING PERFORMANCE.....17

 APPRAISING AND RATING PERFORMANCE.....18

 Performance Appraisal Period.....18

 Preparing the Appraisal.....19

 Assigning Ratings.....20

 Communicating Assessment.....20

 HIGHER-LEVEL REVIEW.....21

 EXECUTIVE REQUEST FOR HIGHER-LEVEL REVIEW.....21

 LINKING PAY AND PERFORMANCE.....21

 PRB.....22

 FINAL PAY AND PERFORMANCE RESULTS.....23

APPENDIXES

1. NAF SENIOR EXECUTIVE PERFORMANCE APPRAISAL PROCESS	24
2. NAF SENIOR EXECUTIVE PERFORMANCE APPRAISALS: PERFORMANCE ELEMENTS, PERFORMANCE LEVELS, AND DERIVATION FORMULAS	26
3. NAF SENIOR EXECUTIVE PERFORMANCE BENCHMARK DESCRIPTORS	33
GLOSSARY	42
PART I: ABBREVIATIONS AND ACRONYMS	42
PART II: DEFINITIONS.....	42
TABLES	
1. Steps in the Performance Appraisal Process.....	24
2. NAF Senior Executive Performance Element Rating Derivation Formula.....	31
3. Performance Rating and Score Ranges Conversion Chart	32
4. Example of NAF Senior Executive Derivation Calculation	32
5. Examples of Senior Executive Work Behaviors.....	33

ENCLOSURE 1

REFERENCES

- (a) DoD Directive 5124.02, “Under Secretary of Defense for Personnel and Readiness (USD(P&R)),” June 23, 2008
- (b) DoD Directive 1400.25, “DoD Civilian Personnel Management System,” November 25, 1996
- (c) DoD Instruction 1400.25, Volume 1404, “DoD Civilian Personnel Management System: Nonappropriated Fund (NAF) Performance Management Program,” January 29, 2010 (hereby cancelled)
- (d) Title 10, United States Code
- (e) Title 5, United States Code
- (f) Public Law 111-352, “GPRRA Modernization Act of 2010,” January 4, 2011
- (g) DoD Instruction 5025.01, “DoD Issuances Program,” June 6, 2014
- (h) Title 38, United States Code
- (i) Office of Personnel Management, “Operating Manual for the Federal Wage System Nonappropriated Funds,” as amended¹

¹ Copies may be obtained from the Internet at: <http://www.opm.gov/oca/wage/nafnew/index.asp>

ENCLOSURE 2

RESPONSIBILITIES

1. USD(P&R). The USD(P&R):

a. Establishes performance management policy applicable to all DoD NAF employees.

b. Establishes a DoD NAF senior executive performance appraisal system that applies Reference (e) requirements to pay senior executives based on individual performance, contribution to the agency's performance, or both, as determined under a rigorous performance management system.

(1) Oversees and assesses implementation of the NAF senior executive performance appraisal system to ensure that NAF system standards of comparison are comparable to those of the DoD performance appraisal system for APF senior executives.

(2) Certifies that the NAF senior executive performance appraisal system, as designed and applied, makes meaningful distinctions between levels of executive performance and appraises executive performance in relation to contributions to DoD and DoD Component strategic goals. This positive certification will be contingent upon the DoD obtaining and maintaining Office of Personnel Management certification of a DoD performance appraisal system for DoD APF senior executives.

(3) Validates the DoD Component head certification of the NAF senior executive performance appraisal system to ensure that executive pay adjustments and bonuses are based on performance and reflect NAF organizational performance. Validation must be provided before annual performance bonuses and performance pay increases can be given.

2. ASD(R&FM). Under the authority, direction, and control of the USD(P&R), and in accordance with Reference (a), the ASD(R&FM) develops policies and oversees civilian personnel management and DoD NAF instrumentalities, including ensuring that DoD performance management policy and procedures are consistently and uniformly applied.

3. DASD(CPP). Under the authority, direction, and control of the ASD(R&FM), the DASD(CPP):

a. Issues guidelines, as necessary, for the implementation and certification of the DoD NAF senior executive performance appraisal system.

b. Reviews annual certifications of performance appraisal results provided by DoD Component heads, pursuant to paragraph 4b(5) of this enclosure, before USD(P&R) validation.

c. Monitors NAF executive performance management requirements and oversees compliance with the provisions of this volume.

4. DoD COMPONENT HEADS. The DoD Component heads:

a. Develop plans and establish a performance management program, consistent with Enclosure 4 of this volume, that measures performance, establishes goals and expectations, and assesses individual employees, teams, or groups of employees as well as whole organizations.

(1) Measures of performance will determine what has been accomplished and serve as the basis for performance pay increases or bonuses, special recognition, and formal and informal awards.

(2) Programs may be tailored to fit the mission and culture of the organization. They will be designed to improve individual and organization performance and strengthen the link between pay and performance.

b. Implement an NAF senior executive performance appraisal system consistent with Enclosure 5 of this volume.

(1) Function as the authorizing official as defined in the Glossary. This responsibility and authority may not be delegated below the DoD Component head level except as described in the definition.

(2) Ensure that the NAF senior executive appraisal process takes into account the organization's assessment of its performance relative to the accomplishment of strategic goals and other program measures.

(3) Ensure pay adjustments are based on performance and reflect organizational performance.

(4) Provide to the USD(P&R), through the DASD(CPP) and ASD(R&FM), documents as necessary for performance system certification:

a. Copies of DoD Component performance management policy and strategic plan.

b. NAF senior executive performance plans.

c. DoD Component-wide ratings distribution, average pay adjustments, and average performance award amounts granted to executives from the previous 2 years. DoD Components should provide an adequate description of how the ratings distribution reflects organizational performance.

d. Any additional supporting documentation requested.

(5) Provide, no later than 90 days after the end of the DoD Component annual official appraisal period, a memorandum to the USD(P&R), through the DASD(CPP) and ASD(R&FM), certifying performance appraisal results. (For situations in which individual achievement of specific financial performance goals are measured against DoD Component financial-related results, this 90 day period may be extended up to an additional 60 days, for a total of 150 days after end of the rating period, to ensure availability of year-end financial results.)

a. The certification memorandum will include information necessary for the USD(P&R) to validate that pay adjustments to DoD Component NAF senior executives are based on performance and reflect organizational performance. The memorandum must include attachments providing:

1. An assessment of DoD Component performance against program performance measures, including organizational strategic goals.

2. Copies of all DoD Component NAF appraisal guidelines issued to authorizing officials, performance review boards (PRBs), and rating officials.

3. A summary of annual performance ratings, associated pay increases, and bonuses for the appraisal period.

4. Justification (to include, as necessary, copies of respective performance appraisals themselves) for any level 5 ratings.

5. Justification for any executive rate of basic pay that exceeded Executive Level III. NAF senior executive pay may be set at a rate higher than Executive Level III, but less than or equal to Executive Level II under a certified performance appraisal system, if the criteria in Appendix 1 to Enclosure 3 of Volume 1405 of this instruction are met.

b. The memorandum will certify that:

1. The appraisal system makes meaningful distinctions based on relative performance and holds executives accountable for organizational performance and rigorous performance management. The memorandum also certifies that pay adjustments, performance bonuses, and final ratings reflect and recognize individual performance and contribution to the DoD and Component mission.

2. The annual performance rating, pay adjustments, and bonuses accurately reflect the employee's performance requirements and that they are not the result of a forced distribution. Performance requirements include business results; employee and customer perspectives; and, when applicable, accountability for the performance management of subordinates.

ENCLOSURE 3

PROCEDURES

1. AUTHORIZING OFFICIALS

a. For the purpose of Enclosure 5 of this volume, DoD Component heads function as the authorizing official. This responsibility and authority may not be delegated below the DoD Component head level, with the exception that the Secretaries of the Military Departments may delegate the authority in writing to the Commandant of the Marine Corps; the Commander, Naval Supply Systems Command; and the Commander, Navy Installations Command. Further delegation is not authorized.

b. Authorizing officials will:

(1) Implement and apply requirements of the NAF senior executive performance appraisal system in a consistent, transparent, trusted, creditable, equitable, nondiscriminatory, and non-political manner.

(2) Ensure that NAF executives are held accountable for rigorous performance management and for aligning subordinate employee performance plans with organizational goals.

(3) Establish mechanisms to evaluate how well NAF organizations met mission performance requirements during the performance appraisal period. These mechanisms will be used to help evaluate how well NAF executives met the performance requirements that link to the organization's mission and goals.

(4) Establish a PRB, and select a chairperson in accordance with Enclosure 5 of this volume and DoD Component-specific PRB procedures.

(5) Provide training and performance appraisal guidelines to rating officials, executives, PRBs, and other officials in the performance management process to ensure effective implementation of the DoD performance management policy. Performance appraisal guidelines are based on USD(P&R) guidance, assessment of mission requirements and strategic goals, and external standards such as those in Reference (e).

(6) Review disputes between the rating official, NAF executive, or PRB concerning the initial summary rating and make informed final determinations.

(7) Make a written determination on the annual summary rating, performance score, and performance pay increase or bonus after consideration of PRB recommendations.

(8) Ensure basic pay, pay adjustments, performance bonuses, and other awards based on the results of the appraisal process accurately reflect and recognize individual performance or contribution to agency or organizational performance.

(9) Communicate aggregate performance rating, pay increase, and bonus results for their organization to executives, while maintaining individual confidentiality, to foster understanding of the basis for annual summary ratings and accompanying performance payouts.

(10) Establish guidance for scoring and weighting performance elements and performance requirements.

(11) Conduct the processes in Enclosure 5 of this volume.

2. RATING OFFICIALS

a. The rating official is the supervisor who is responsible for assessing performance for the appraisal period.

b. For the purpose of Enclosure 5 of this volume, rating officials will:

(1) Hold subordinate NAF executives accountable for rigorous performance management of subordinates consistent with the performance management programs established in Enclosure 4 and 5 of this volume.

(2) Apply performance management principles and practices, including planning, developing, assessing, and communicating performance to carry out the full range of performance management responsibilities.

(3) Consult with the subordinate NAF executive in developing the performance plan.

(4) Develop performance plans that include results-oriented performance requirements, align with organizational goals, and support meaningful distinctions in performance levels.

(5) Conduct meaningful progress reviews that address performance progress and developmental opportunities at least once during the performance appraisal period to promote, sustain, and improve performance as described in section 2 of Enclosure 5 of this volume.

(6) Appraise the executives realistically and fairly using the results of organizational performance assessments as a factor and the performance rating level descriptors in Appendix 2 to Enclosure 5 of this volume to determine the appropriate performance rating.

(7) Communicate to the NAF executive the initial summary rating at the end of the rating cycle and the annual summary rating when approved by the authorizing official as described in section 4 of Enclosure 5 of this volume.

(8) Recommend a total performance payout adjustment consistent with policy outlined in Volume 1405 of this instruction.

(9) Be prepared to discuss the executive's individual performance rating and contributions at PRB meetings, as necessary.

(10) Address executive performance deficiencies in a timely and constructive manner.

ENCLOSURE 4

PERFORMANCE MANAGEMENT PROGRAMS FOR NAF EMPLOYEES
IN PAYBANDS NF-1 THROUGH NF-5, CHILD AND YOUTH (CY) PAYBANDS,
AND CRAFT AND TRADES PAY SCHEDULES

1. CORE REQUIREMENTS. Performance management programs for all NAF employees in NF-1 through NF-5 payband levels, CY paybands, and crafts and trades pay schedules, as established in Enclosure 3 of Volume 1405 of this instruction, must include:

a. A written policy establishing the performance management program criteria. The written policy must include: the requirements for setting and communicating employee performance expectations, monitoring performance and providing feedback, addressing poor performance, providing opportunities for employees to develop performance, rating and rewarding performance, and applicable approval authorities for performance ratings and rewards. DoD Component performance management program policies will be communicated to employees, supervisors, and managers.

b. A process for communicating performance expectations. Performance expectations must be communicated to the employee in writing before holding the employee accountable for those expectations and must be discussed with the employee on at least an annual basis. The expectations must be results-oriented and aligned with the organization's mission. The process of developing the performance expectations should include an opportunity for the employee to provide input. Expectations must include job objectives that are measurable and are reflective of expected accomplishments and contributions for the appraisal period. Job objectives must be commensurate with the duties and responsibilities assigned to the employee and the salary paid to that employee.

c. A fair and consistent method for appraising performance and deriving a rating of performance that is based on measurable results. The typical performance appraisal method must enable supervisors to measure the employee's achievements and contributions against performance expectations. The performance appraisal method should include an opportunity for employee and supervisor dialogue during the appraisal period and provide the flexibility to accommodate changing program objectives, as needed.

d. An annual written appraisal of whether the employee's performance met expectations.

e. A five level rating system.

f. An official DoD Component appraisal period consisting of a consecutive 12-month period.

g. Description of actions to be taken when performance expectations are not met.

h. Approval of the appraisal or rating at a level above the rater, where practicable.

- i. Retention of the appraisal in the employee's official personnel file.

2. PERFORMANCE RATINGS

- a. When a rating of record cannot be prepared at the time specified in the performance management program, the appraisal period will be extended until the conditions necessary to meet the minimum period of performance have been met. However, the extension may not result in an appraisal period that exceeds 15 months.

- b. DoD Component heads may use an equivalent rating of record in the event of a missed rating or a rating earned under a different agency or organization (government or private sector). To qualify as an equivalent rating, the performance evaluation must have been the designated official's evaluation under the previous employer's system and must identify whether the employee performed at an acceptable or satisfactory level or higher.

- c. In the case of employees who are returning to NAF positions following service in the Military Services, the DoD Components will ensure that eligible employees are granted all reemployment rights provided by chapter 43 of Title 38, U.S.C., also known as the "Uniform Services Employment and Reemployment Rights Act of 1994" (Reference (h)).

3. LESS THAN SATISFACTORY PERFORMANCE (LEVEL ONE OR TWO ON A FIVE-LEVEL RATING SYSTEM)

- a. Payband employees, including CY payband employees, who are rated less than satisfactory are ineligible for pay increases in accordance with Appendix 1 to Enclosure 3 of Volume 1405 of this instruction and will not be granted a pay increase.

- b. Within-grade increases for prevailing rate employees who are rated less than satisfactory are not authorized in accordance with Office of Personnel Management Operating Manual (Reference (i)).

4. DISPUTING A PERFORMANCE RATING. An employee may challenge a performance rating under the DoD Component's prescribed procedures (e.g., appropriate grievance or EEO process), but not the amount of a pay increase.

ENCLOSURE 5

NAF SENIOR EXECUTIVE PERFORMANCE APPRAISAL SYSTEM

1. PERFORMANCE PLANNING

a. Developing Performance Plans. The rating official must develop the performance plan in consultation with the executive. NAF senior executive performance plans:

(1) Are established annually and shared with the NAF senior executive on or before the beginning of the appraisal period.

(2) Are in place within 30 days of the beginning of each appraisal period. For executives assigned after the beginning of the appraisal period, performance plans will be in place within 30 days of appointment.

(3) Are discussed with the executive on or before the beginning of the appraisal period, during the appraisal period, and at the end of the appraisal period. A summary of the performance appraisal process is outlined in Appendix 1 of this enclosure.

(4) Are developed using DD Form 2939, "NF-6 Performance Management System Executive Performance Agreement." An electronic version of DD Form 2939 is available on the DoD Forms Management Program Website at:
<http://www.dtic.mil/whs/directives/infomgt/forms/eforms/dd2939.pdf>

(5) Are modified whenever there is a significant change in mission, workload, or performance requirements.

(6) Are documented by signature of the executive and the rating official on DD Form 2939.

b. Content of Performance Plans for NAF Senior Executives. Performance plans must be consistent with the requirements of Appendix 2 of this enclosure and must:

(1) Convey the five mandatory performance elements for executives, as described in Appendix 2 of this enclosure, which are:

(a) Leading People.

(b) Leading Change.

(c) Building Coalitions.

(d) Business Acumen.

(e) Results Driven.

(2) Establish all performance elements as critical elements.

(3) Include at least one results-oriented performance requirement for the Results Driven performance element, and results-oriented performance requirements for the other performance elements as needed, written using the specific, measurable, aligned, realistic and relevant, timely and quality (SMART-Q) framework, that aligns with organizational goals and objectives.

(4) Establish weights for performance elements in which the sum of the weights for all performance elements used will be 100 percent. The Results Driven element must be weighted at least 20 percent, all other elements must be weighted at least 5 percent, and none may be weighted more than the Results Driven element. The authorizing official may establish the critical element weights annually. However, any critical element and weighting established for appropriated fund senior executives will apply to NAF senior executives.

2. MONITORING PERFORMANCE

a. Rating officials must monitor performance during the performance appraisal period and communicate feedback to the executive on progress in accomplishing the performance elements and performance requirements described in the performance plan.

b. Relative to the performance plan, the rating official provides ongoing feedback as necessary to reinforce, acknowledge, anticipate, and remedy performance. Feedback can be provided at any time during the performance appraisal period. Executives may request periodic feedback on performance.

c. At least one progress review must be held between the rating official and executive during the performance appraisal period. Rating officials must provide advice and assistance to executives on how to develop and improve performance. The rating official will document the feedback using the appropriate section of the NAF senior executive performance agreement.

d. Rating officials promptly inform the executive when deficient performance is identified. Any time an executive is failing to meet performance requirements, steps must be taken to promptly address the unacceptable performance. When addressing unacceptable performance, rating officials identify and communicate to the executive the specific performance deficiency requiring improvement and identify necessary evidence that demonstrates improvement.

3. DEVELOPING PERFORMANCE

a. Developing performance is integrated within the performance management process. Along with meaningful performance-related discussions that assist the executive in reinforcing strengths and correcting weaknesses, employee development opportunities should be discussed.

b. Performance elements and performance requirements may serve as the basis for assessing and discussing executive developmental needs.

c. Rating officials should discuss and encourage executives to seek development opportunities that promote achievement of the strategic initiatives of the DoD Component and the DoD. These may include:

(1) Enhancing individual contributions to DoD and organizational missions and goals.

(2) Increasing personal understanding of the DoD Components operational environment (e.g., increasing comfort level in working in remote regions of the world, dealing with local communities, adapting to foreign languages and cultures, working with networks, operating alongside or within the United Nations organizations, and working alongside nongovernmental organizations to further U.S. and partner interests).

(3) Developing cultural awareness and foreign language proficiency as needed by the DoD.

d. Rating officials should discuss and encourage executives to develop a portfolio of diverse experiences to broaden perspectives and view responsibilities in the context of the larger DoD enterprise, the national security mission, and public policy interests of the DoD.

4. APPRAISING AND RATING PERFORMANCE

a. Performance Appraisal Period

(1) The duration of the performance appraisal period is 12 months, except when:

(a) An executive fails to achieve expectations;

(b) A new executive is assigned to a position through appointment, reinstatement, reassignment, or transfer after the beginning of the performance appraisal period; or

(c) Other situations occur that may warrant a performance appraisal period of either fewer or more than 12 months (e.g., departure of the rating official before the end of the performance appraisal period). When the executive is being reassigned or the executive's supervisor is departing, an interim rating may be given during the rating period to reflect the executive's performance in the applicable portion of the rating period.

(2) The annual performance appraisal period is October 1 through September 30 each year, unless the DoD Component head determines that a different consecutive 12-month performance period is necessary to meet mission requirements and obtain key organizational performance metrics.

(3) The minimum performance appraisal period is 90 days, in order to provide for meaningful evaluation of an individual's performance.

(4) The performance appraisal period will be extended when an annual summary rating cannot be prepared at the end of the performance appraisal period because the executive has not completed the minimum performance appraisal period or for other reasons.

(5) The rating official determines how long the performance appraisal period will be extended to provide the executive ample opportunity to achieve the performance elements and requirements. However, the extension may **not** result in an appraisal period that exceeds 15 months.

b. Preparing the Appraisal

(1) Performance Accomplishments. At the end of the appraisal period, the rating official determines the degree and level to which the executive accomplished the performance requirements for each performance element in the executive's performance plan. Rating officials must use the performance elements, performance ratings, and derivation formulas in Appendix 2 of this enclosure. The performance benchmark descriptors in Appendix 3 of this enclosure may be used to aid in delineating performance between the level 3, 4, and 5 ratings.

(a) Rating officials must provide written appraisals of each executive's performance based upon an assessment of individual and organizational performance against the established performance elements and requirements.

(b) If the executive was supervised by more than one rating official during the appraisal period, the rating official for the last 90 days of the appraisal period must consider inputs provided by previous raters when preparing the appraisal.

(c) Rating officials may request the executive provide written input describing accomplishments throughout the performance appraisal period to assist the rating official in evaluating performance.

(d) The rating official considers the executive's input describing accomplishments toward performance elements and performance requirements, as well as input from individuals in the executive's rating chain, subordinates, and customers, if received.

(e) Rating officials document accomplishments on DD Form 2939.

(2) Initial Summary Rating. The rating official must prepare an initial summary rating at the end of the rating cycle for each executive who has completed at least 90 days on an established performance plan.

(a) The initial summary rating provides the executive a preliminary performance assessment pending review and approval by the authorizing official. It includes a discussion

about overall performance and the tentative performance rating. Signatures are required on the DD Form 2939 to document this review and rating.

(b) The initial summary rating discussion with the executive does not include discussion of a performance increase or bonus. The final performance score, rating, and associated pay increase or bonus is not communicated to the executive until the authorizing official makes a determination after consideration of PRB recommendations.

(3) Annual Summary Rating. After consideration of the initial summary rating, PRB recommendations, and the results of any higher-level review, the authorizing official determines the final annual summary rating, performance score, and performance increase or bonus. The decisions of the authorizing official are subject to validation by the official identified in Enclosure 2 of this volume.

c. Assigning Ratings. Appendix 2 of this enclosure provides the standard performance rating level descriptors.

(1) The performance appraisal system includes five performance rating levels:

- (a) Level 5 – Outstanding
- (b) Level 4 – Exceeds Fully Successful
- (c) Level 3 – Fully Successful
- (d) Level 2 – Minimally Satisfactory
- (e) Level 1 – Unsatisfactory

(2) Distribution of performance ratings and scores will not be forced or artificially constrained by a rating official, PRB, or authorizing official.

(3) Within each performance appraisal system, the highest performance scores and performance ratings are assigned to those who demonstrate the highest levels of performance and make the greatest contributions to the DoD Components performance and mission. Executives with the highest performance scores and ratings should receive the highest amounts of performance payout or other appropriate recognition, in accordance with Volume 1405 of this instruction.

d. Communicating Assessment

(1) The rating official must communicate to the executive the initial summary rating, changes to the initial summary rating by the higher level reviewer, the annual summary rating, and the organization's aggregate performance appraisal results.

(2) Results are documented on the appropriate section of the DD Form 2939. Authorizing officials and DoD Components may add Component-specific instructions for completing the form.

(3) Signatures are required from the rating official and the executive in the appropriate section of the DD Form 2939.

5. HIGHER-LEVEL REVIEW. The DoD Components may require a review of the rating official's recommendations by another official before review by the PRB. If the DoD Component requires a higher level review, the official should document the review by signing the appraisal form in the area indicated for the higher level reviewer.

6. EXECUTIVE REQUEST FOR HIGHER-LEVEL REVIEW

a. The executive has the opportunity to comment in writing regarding the initial summary rating assigned by the rating official. Executives may request a review by an official at a higher level within the DoD Component before review by the PRB. The executive must request such review within 7 calendar days of receiving the rating official's initial summary rating.

b. If the executive requests a higher level review, a reviewing official at a higher level in the Component, either an executive or an active general or flag officer (G/FO), must be appointed to consider the executive's response. The DoD Components may appoint someone outside of the Component to perform the review when the authorizing official is also the rating official or the review is more appropriately conducted by an external executive or G/FO. When a G/FO is involved in the review, the executive must agree to the Service member's involvement.

c. The higher-level reviewing official must respond within 7 work days of receiving the request for higher level review. The higher-level reviewing official may not change the rating official's initial summary rating, but may recommend a different initial summary rating to the PRB and the authorizing official.

d. Copies of the reviewer's findings and recommendations must be given to the executive, the rating official, the higher-level reviewer (if conducted), the PRB, and the authorizing official.

e. The higher-level review is the final process by which an executive may request review of the initial summary rating. An executive may not appeal any performance plan, appraisal, performance score or rating, adjustment in basic pay, or amount or non-receipt of a performance bonus. The executive may file a complaint under the DoD Component's prescribed procedures, about any aspect of the rating process the executive believes to involve unlawful discrimination or a prohibited personnel practice.

7. LINKING PAY AND PERFORMANCE

a. NAF senior executive pay is set and adjusted, and bonuses are paid in accordance with Appendix 1 to Enclosure 3 of Volume 1405 of this instruction. Pay adjustments and bonuses must be linked to performance. The highest rates of pay adjustments and bonuses must go to the executives who demonstrate the highest level of performance and make the greatest contributions to DoD or DoD Component success.

b. Following assignment of the initial summary rating, the rating official uses Appendix 1 to Enclosure 3 of Volume 1405 of this instruction and applicable DoD and Component guidelines to develop a recommendation regarding an appropriate performance-based pay adjustment and bonus.

c. The rating official provides the PRB and the authorizing official with the initial summary rating, and a separate written recommendation on the performance-based pay adjustment and bonus warranted by the performance appraisal rating.

d. Executives must have a performance rating of Fully Successful to be considered for a performance bonus or performance pay increase.

8. PRB

a. The authorizing official establishes a PRB to review the rating official's initial summary rating and recommended pay increase or bonus. The PRB review assists the authorizing official in verifying that the performance assessment of the NAF senior executive is consistent among rating officials and comparable within the DoD Component.

b. Each PRB has three or more members appointed by the authorizing official. These members may include NAF or APF civilians and military officers from within or outside the DoD Component. Members are preferably at the senior executive level (SES or NF-6) or G/FO level. In a DoD Component with small numbers of NAF senior executives, a PRB that evaluates the Component's SES executives may be used, or a PRB may be shared among the DoD Components.

c. PRB members may not take part in any deliberations involving their own appraisals or those in their supervisory chain.

d. Within the parameters of this enclosure, the DoD Components may provide Component-specific PRB procedures.

e. The PRB reviews and evaluates the initial summary rating, and recommended pay increase or bonus, as they relate to mission accomplishments and performance. The PRB also reviews the executive's written response (if any) and the written review by the higher level reviewing official (if applicable).

f. The PRB makes written recommendations to the authorizing official regarding the executive's initial summary rating and pay increase or bonus.

9. FINAL PAY AND PERFORMANCE RESULTS

a. The authorizing official:

(1) Determines the executive's annual summary rating and appropriate performance pay increases and bonuses after consideration of PRB recommendations and any conclusions of a higher-level review.

(2) Certifies in writing, no later than 90 days after the end of the appraisal period, that the results of the appraisal process make meaningful distinctions based on relative performance and are consistent with the guidelines established in this policy. (For situations in which individual achievement of specific financial performance goals are measured against DoD Component financial-related results, this 90 day period may be extended up to an additional 60 days, for a total of 150 days after end of the rating period, to ensure availability of year-end financial results.) Authorizing official certifications must be reviewed and validated in writing by the appropriate official identified in Enclosure 2 of this volume before the executive performance ratings and payout results are made effective.

(3) Ensure that pay increases and performance bonuses (based on the results of the appraisal process) accurately reflect and recognize individual performance or contributions to the DoD Component's mission or performance, as appropriate.

b. Authorizing official's signature and determinations must be recorded on the appropriate section of DD Form 2939. Authorizing officials and DoD Components may add Component-specific instructions for completing the form that are within the parameters of Enclosure 5 of this volume.

Appendixes:

1. NAF Senior Executive Performance Appraisal Process
2. NAF Senior Executive Performance Appraisals: Performance Elements, Performance Levels, and Derivation Formulas
3. NAF Senior Executive Performance Benchmark Descriptors

APPENDIX 1 TO ENCLOSURE 5NAF SENIOR EXECUTIVE PERFORMANCE APPRAISAL PROCESS

The performance appraisal process for NAF senior executives is designed to communicate expectations and evaluate the performance through an interactive process. Table 1 summarizes the steps in the performance appraisal process.

Table 1. Steps in the Performance Appraisal Process

RATING OFFICIAL	
STEP	ACTION
1.	Develop performance plans using the five mandatory performance elements.
2.	Assign a weight to each performance element. Refer to DoD Component or DoD guidance if applicable. The Results Driven element must be weighted at least 20 percent, all others must be weighted at least 5 percent, and none may be weighted more than the Results Driven element.
3.	Develop, with the executive, at least one results-oriented performance requirement for the Results Driven performance element. Each performance requirement must be aligned to organizational goals and objectives (e.g., Org Goal #4).
4.	Discuss performance elements and requirements with executive.
5.	Document performance elements and requirements on DD Form 2939
6.	Provide ongoing feedback during the performance appraisal period.
7.	Hold at least one progress review during the performance appraisal period and document it on DD Form 2939.
8.	Assess the executive's accomplishments against the performance elements and requirements, considering the executive's input.
9.	Assign numeric score to performance elements as part of initial summary rating.
10.	Discuss initial summary rating with executive (includes only executive's overall performance and tentative performance rating), at the end of the rating cycle.
11.	Forward the initial summary rating and recommended performance pay increase or bonus to the PRB.
12.	Provide feedback to the PRB on their recommended changes to the performance rating, performance score, and associated performance pay increase or bonus (if warranted).
13.	Communicate the annual summary rating, when approved by the authorizing official, to the NAF executive.
PERFORMANCE REVIEW BOARD	
STEP	ACTION
1.	Review executive initial summary ratings and recommended performance pay increase or bonus.
2.	Review the senior executive response to the initial summary rating (if any) and the higher-level official's comments (if any).

Table 1. Steps in the Performance Appraisal Process, Continued

PERFORMANCE REVIEW BOARD	
STEP	ACTION
3.	Discuss recommended changes to the performance rating, performance score, performance pay increase or bonus with the rating official, and consider feedback – (PRB chairperson, if necessary).
4.	Recommend adjustment in total payout, in writing, to basic pay and performance bonuses to the authorizing official (if warranted).
AUTHORIZING OFFICIAL	
STEP	ACTION
1.	Determine the annual summary ratings, performance score, and performance pay increase or bonus.
2.	Provide, in writing, the annual summary ratings, performance score, and performance pay increase or bonus to the rating official.

APPENDIX 2 TO ENCLOSURE 5

NAF SENIOR EXECUTIVE PERFORMANCE APPRAISALS:
PERFORMANCE ELEMENTS, PERFORMANCE LEVELS, AND DERIVATION
FORMULAS

1. PERFORMANCE ELEMENTS

a. The five critical performance elements are established for NAF senior executive performance appraisals. All are mandatory, and the language for all of the elements, except “Results Driven,” must be used as provided:

(1) Leading Change. Develops and implements an organizational vision that integrates key organizational and program goals, priorities, values, and other factors. Assesses and adjusts to changing situations, implementing innovative solutions to make organizational improvements, ranging from incremental improvements to major shifts in direction or approach, as appropriate. Balances change and continuity; continually strives to improve service and program performance; creates a work environment that encourages creative thinking, collaboration, and transparency; and maintains program focus, even under adversity.

(2) Leading People. Designs and implements strategies that maximize employee potential, connects the organization horizontally and vertically, and fosters high ethical standards in meeting the organization’s vision, mission, and goals. Provides an inclusive workplace that fosters the development of others to their full potential; allows for full participation by all employees; facilitates collaboration, cooperation, and teamwork, and supports constructive resolution of conflicts. Ensures employee performance plans are aligned with the organization’s mission and goals, that employees receive constructive feedback, and that employees are realistically appraised against clearly defined and communicated performance standards. Holds employees accountable for appropriate levels of performance and conduct. Seeks and considers employee input. Recruits, retains, and develops the talent needed to achieve a high quality, diverse workforce that reflects the best of the nation, with the skills needed to accomplish organizational performance objectives while supporting workforce diversity, workplace inclusion, and equal employment policies and programs.

(3) Business Acumen. Assesses, analyzes, acquires, and administers human, financial, material, and information resources in a manner that instills public trust and accomplishes the organization’s mission. Uses technology to enhance processes and decision making. Executes the operating budget; prepares budget requests with justifications; and manages resources.

(4) Building Coalitions. Solicits and considers feedback from internal and external stakeholders or customers. Coordinates with appropriate parties to maximize input from the widest range of appropriate stakeholders to facilitate an open exchange of opinion from diverse groups and strengthen internal and external support. Explains, advocates, and expresses facts and ideas in a convincing manner and negotiates with individuals and groups internally and externally, as appropriate. Develops a professional network with other organizations and identifies the internal and external politics that affect the work of the organization.

(5) Results Driven. This critical element includes specific performance results expected from the executive during the appraisal period, focusing on measurable outcomes from the strategic plan or other measurable outputs and outcomes clearly aligned to organizational goals and objectives. At a minimum, the performance plan includes performance requirements (including measures, targets, timelines, or quality descriptors, as appropriate) describing the range of performance at Level 3 for each result specified. It is recommended to also establish the threshold measures or targets for Levels 5 and 2. The Results Driven critical element must also identify clear, transparent alignment to relevant agency or organizational goals and objectives, page numbers, from the Strategic Plan, Congressional Budget Justification/Annual Performance Plan, or other organizational planning document in the designated section for each performance result specified.

b. The main characteristics of these performance elements are:

(1) Leading Change

(a) Balances change and continuity.

(b) Innovates, integrates, and implements needed change based on the organizational vision, mission, and goals.

(2) Leading People

(a) Rigorous performance management of subordinates.

(b) Equal employment opportunity, affirmative employment, and diversity.

(c) Two-way communication with the employee and active solicitation of employee feedback.

(d) Use of employee feedback to inform decisions.

(3) Building Coalitions

(a) Uses two-way communication with the customer and active solicitation of customer feedback.

(b) Uses customer feedback to inform decisions.

(c) Develops professional networks.

(d) Explains, advocates, and expresses facts and ideas in a convincing manner.

(4) Business Acumen

(a) Use of technology to enhancing process and decision making.

(b) Proper and mission-beneficial use of human, financial, material, and information resources.

(5) Results Driven

(a) Weighted at least 20 percent.

(b) Weighted more than any other performance element.

(c) Results-oriented and aligned to mission goals.

c. The rating official establishes weights for each of the performance elements in each executive performance plan, the sum of which must be 100 percent.

(1) The Results Driven performance element must be weighted at least 20 percent; the other four elements must be weighted at least 5 percent each, and none may be weighted more than the Results Driven element.

(2) DoD may establish the critical element weights annually or the authorizing official may establish guidance for weighting performance elements each fiscal year or new rating period. However, any critical element and weighting established for appropriated fund senior executives will apply to NAF senior executives.

d. The rating official works with the executive to develop specific results-oriented performance requirements for the Results Driven element, and for the other performance elements, as needed, to reflect the duties, responsibilities, and expected outcomes. There must be at least one and typically, no more than four, SMART-Q written performance requirements for the Results Driven performance element. Agency-specific performance requirements may also be added to the other elements, if needed to evaluate performance, normally no more than four performance requirements per element. When crafting these additional requirements, employees and rating officials should ensure the use of the SMART-Q framework, especially for the Results Driven element, to specify measurable results and outcomes of a particular performance element. SMART-Q performance requirements:

(1) Apply to the executive's areas of responsibility.

(2) Are mission focused, results-oriented, aligned with strategic plans and initiatives of the DoD Component or Department, and reflect expected agency or organizational performance.

(3) Clearly describe performance that is attainable, measurable, verifiable, or apparent.

(4) Focus on tangible outputs, outcomes, milestones, or other deliverables that allow the rating official to make meaningful distinctions in performance.

(5) Reflect the perspectives of distinct groups including customers and employees.

(6) Demonstrate the complexity and scope of the work, and describe the level of performance required to be rated “Fully Successful.”

(7) Contain only measurable results-oriented performance requirements in the Results Driven performance element, and include a specific reference to an organizational strategic plan, initiative, goal or objective after each one (e.g., Org Goal #4).

2. PERFORMANCE APPRAISAL FORM. The performance elements, performance requirements, and element weights will be documented on DD Form 2939. The form includes a derivation formula that depicts how the ratings for each performance element combine to provide the overall summary score. The performance elements and requirements documented on the form are acknowledged by both the executive and the rating official as evidenced by signatures on the form.

3. PERFORMANCE RATINGS AND PERFORMANCE SCORE. The performance ratings in this system are:

a. Level 5 (Outstanding). The executive demonstrates exceptional top-level performance in fostering a climate that sustains excellence and optimizes results in the executive’s organization, agency, department, or government wide. This represents the highest level of executive performance, as evidenced by the extraordinary impact on the achievement of the organization’s mission. The executive is an inspirational leader and is considered a role model by agency leadership, peers, and employees. The executive continually contributes materially to, or spearheads agency efforts that, address or accomplish important agency goals, consistently achieves expectations at the highest level of quality possible, and consistently handles challenges, exceeds targets, and completes assignments ahead of schedule at every step along the way. Performance may be demonstrated when the executive:

(1) Overcomes unanticipated barriers or intractable problems by developing creative solutions that address program concerns that could adversely affect the organization, agency, or government.

(2) Creates a work environment that fosters creative thinking and innovation, through leadership by example, fosters core process re-engineering, and accomplishment of established organizational performance targets.

(3) Takes the initiative to identify new opportunities for program and policy development and implementation, or seeks more opportunities to contribute to optimizing results; takes calculated risks to accomplish organizational objectives.

(4) Accomplishes objectives under demands and time pressure beyond those typically found in the executive environment.

(5) Achieves results of significant value to the organization, agency, or government.

(6) Achieves significant efficiencies or cost savings in program delivery or in daily operational costs of the organization.

b. Level 4 (Exceeds Fully Successful). The executive demonstrates a very high level of performance beyond that required for successful performance in the executive's position and scope of responsibilities. The executive is a proven, highly effective leader who builds trust and instills confidence in agency leadership, peers, and employees. The executive consistently exceeds established performance expectations, timelines, or targets, as applicable. Performance may be demonstrated in ways such as:

(1) Advances progress significantly toward achieving one or more strategic goals.

(2) Demonstrates unusual resourcefulness in dealing with program operations or policy challenges.

(3) Achieves unexpected results that advance the goals and objectives of the organization, agency, or government.

c. Level 3 (Fully Successful). The executive demonstrates the high level of performance expected, and the executive's actions and leadership contribute positively toward the achievement of strategic goals and meaningful results. The executive is an effective, solid, and dependable leader who delivers high-quality results based on measures of quality, quantity, efficiency, or effectiveness within agreed upon timelines. The executive meets and often exceeds challenging performance expectations established for the position. Performance may be demonstrated in ways such as:

(1) Seizes opportunities to address issues and effects change when needed.

(2) Finds solutions to serious problems and champions their adoption.

(3) Designs strategies leading to improvements.

d. Level 2 (Minimally Satisfactory). The executive's contributions to the organization are acceptable in the short term but do not appreciably advance the organization towards achievement of its goals and objectives. While the executive generally meets established performance expectations, timelines and targets, there are occasional lapses that impair operations or cause concern from management. While showing basic ability to accomplish work through others, the executive may demonstrate limited ability to inspire subordinates to give their best efforts or to marshal those efforts effectively to address problems characteristic of the organization and its work.

e. Level 1 (Unsatisfactory). In repeated instances, the executive demonstrates performance deficiencies that detract from mission goals and objectives. The executive generally is viewed as ineffectual by agency leadership, peers, or employees. The executive does not meet established performance expectations, timelines, or targets and fails to produce or produces unacceptable work products, services, or outcomes.

4. RATING CRITICAL ELEMENTS

a. The rating official must assign a rating level for each performance element. The rating level determination for each performance element is based on the relationship of the executive's accomplishment to the performance requirements, as established in the executive's performance plan. When any critical performance element contains more than one performance requirement, the rating official uses the derivation formula in Table 2.

Table 2. NAF Senior Executive Performance Element Rating Derivation Formula

Element Rating Levels	Element Derivation	Final Elemental Rating Score
Outstanding	Overall, the performance requirements in the element were performed at the Outstanding level, with none below the Exceeds Fully Successful level, as defined by Level 5 in Appendix 2 of this enclosure.	5
Exceeds Fully Successful	Overall, the performance requirements in the element were performed at least at the Exceeds Fully Successful level, with none below the Fully Successful level, as defined by Level 4 in Appendix 2 of this enclosure.	4
Fully Successful	Overall, the performance requirements in the element were performed at least at the Fully Successful level, with no more than one performed at the Minimally Satisfactory level, and none performed at the Unsatisfactory level, as defined by Level 3 in Appendix 2 of this enclosure.	3
Minimally Satisfactory	Two or more of the performance requirements in the element were performed at the Minimally Satisfactory level, with no more than one performed at the Unsatisfactory level, as defined by Level 2 in Appendix 2 of this enclosure.	2
Unsatisfactory	Two or more of the performance requirements in the element were performed at the Unsatisfactory level, as defined by Level 1 in Appendix 2 of this enclosure.	1

b. Once the rating for each critical element is determined, the following point values are assigned to the element ratings:

- (1) Level 5 = 5 points
- (2) Level 4 = 4 points
- (3) Level 3 = 3 points
- (4) Level 2 = 2 points
- (5) Level 1 = 0 points

5. DERIVATION FORMULA

a. The derivation formula is calculated as follows:

(1) If any critical element is rated Level 1 (Unsatisfactory), the overall summary rating is Unsatisfactory. If no critical element is rated Level 1 (Unsatisfactory), continue to the next step.

(2) The rating official multiplies the assigned numerical rating of each performance element by the element's percentage weight and adds the results to determine the performance score. The maximum performance score is 500 points.

(3) The rating official assigns the initial summary rating using the summary level ranges in Table 3.

Table 3. Performance Rating and Score Ranges Conversion Chart

SUMMARY LEVEL RANGES
475-500 = Level 5
400-474 = Level 4
300-399 = Level 3
200-299 = Level 2
Any critical element rated Level 1 = Level 1

b. An example of the derivation formula, with the initial summary rating determined to be Level 4 (Exceeds Fully Successful), is provided at Table 4.

Table 4. Example of NAF Senior Executive Derivation Calculation

Critical Element	Rating Level	Weight	Score	Summary Level Range
	Initial Element Score		Initial Point Score	
1. Leading Change	4	15	4 x 15 = 60	475-500 = Level 5 400-474 = Level 4 300-399 = Level 3 200-299 = Level 2 Any CE rated Level 1 = Level 1
2. Leading People	5	15	5 x 15 = 75	
3. Business Acumen	3	15	3 x 15 = 45	
4. Building Coalitions	4	15	4 x 15 = 60	
5. Results Driven	4	40	4 x 40 = 160	
Total		100%	400	

APPENDIX 3 TO ENCLOSURE 5

NAF SENIOR EXECUTIVE PERFORMANCE BENCHMARK DESCRIPTORS

The performance benchmark descriptors in Table 5 provide examples of typical senior executive work behaviors at performance levels 3 (Fully Successful) and 5 (Outstanding). Table 5 may be used as a guide to help identify where an executive's performance falls on the performance rating scale and to delineate performance between level 3, 4, and 5 ratings.

Table 5. Examples of Senior Executive Work Behaviors

Leading Change: This performance element involves the ability to bring about strategic change, both within and outside the organization, to meet organizational goals. Inherent to this element is the ability to establish an organizational vision and to implement it in a continuously changing environment.			
	Work Behaviors	Examples of Fully Successful Behavior	Examples of Outstanding Behavior
Vision	<ul style="list-style-type: none"> Works with senior leaders and others across DoD Components to forge and communicate a shared strategic vision, translates that vision into terms and actionable activities that are relevant for the component, and generates enthusiasm and rallies support among others to accomplish the vision. In partnership with other senior leaders, engages in strategic, business, and financial planning to meet DoD's shared vision and develops standards for evaluating program success. 	Establishes strategic vision in support of component and parent organization; communicates a strategic vision in support of component and parent organization; aligns vision to meet the DoD's shared vision; translates that vision into actionable activities; readily engages in the core planning tasks needed to meet the DoD's shared vision (e.g., strategic, business, financial); generates sufficient support and enthusiasm among others to accomplish the vision; ensures adequate standards and metrics are in place to evaluate program success.	Establishes strategic vision in support of component and parent organization, aligned with the DoD shared vision; develops and achieves support of a compelling strategic vision; spearheads the strategic, business, and financial planning tasks required to meet the DoD's shared vision, energizing subordinate units to embrace and accomplish the vision; insists that robust standards and metrics are in place to evaluate program success and oversees their implementation; achieves measurable impact on organizational behavior.
Change and Innovation	<ul style="list-style-type: none"> Acts as a catalyst for organizational change by developing and implementing programs, unit structures, plans, or objectives that integrate and align component activities and achieve DoD-wide priorities and goals. Positions the organization or component for future success by fostering an environment of innovation and improvement, regardless of professional or personal risk. 	Encourages innovative solutions to problems and organizational continuous process improvement; promotes an environment in which innovation is enabled and status-quo thinking and assumptions are challenged in order to mitigate risk and increase productivity.	Develops a culture which anticipates and embraces change and innovation; positions the organization for success under future conditions; ensures that change efforts integrate and align component activities and achieve DoD-wide priorities and goals; demonstrates willingness to evaluate institutionalized policies and procedures; demonstrates willingness to test unproven ideas to achieve improved outcomes; overcomes significant obstacles; influences change in other organizations.

Table 5. Examples of Senior Executive Work Behaviors, Continued

Leading People: This performance element involves the ability to lead people toward meeting the organization's vision, mission, and goals. Inherent to this element is the ability to provide an inclusive workplace that fosters the development of others, facilitates cooperation and teamwork, and supports constructive resolution of conflicts.			
	Work Behaviors	Examples of Fully Successful Behavior	Examples of Outstanding Behavior
DoD Values	<ul style="list-style-type: none"> Creates a merit-based work environment and organizational culture that values and promotes equal opportunity and diversity (of both persons and points of view), that does not tolerate harassment or discrimination. Demonstrates and serves as a role model of integrity, honesty, openness, and respect in dealings with subordinates, coworkers, peers, stakeholders, and others. Demonstrates and promotes organizational, component, and DoD core values. Serves as a role model of commitment to selfless service and excellence in support of DoD's mission. 	Creates a merit-based work environment that values and promotes equal opportunity and diversity; provides open and constructive feedback; demonstrates organizational core values as well as inclusiveness and sensitivity to individual differences, modeling the full range of DoD core values for subordinate leaders and staff.	Creates and supports progressive programs and policies that support merit principles, equal opportunity, and diversity; fosters a culture of trust and inclusion by modeling behavior that underscores the value of individual differences, open communication, and merit; fully considers equal employment opportunity-implications when making decisions; personally demonstrates organizational core values and influences others to do so.
Leveraging Human Capital	<ul style="list-style-type: none"> Delegates and assigns tasks to individuals or work teams based on skills, experience, developmental needs, growth opportunities, and workload. Accurately and fairly evaluates employee's contributions to organizational, component, and DoD-wide results, and links rewards or corrective action to the accomplishment of those results. Counsels and assists subordinate managers in resolving work problems, conflicts, and issues to ensure effective performance and productivity. 	Assigns staff to projects, teams, and job experiences where their skills and talents can be fully leveraged or developed; accurately and fairly evaluates individual employee contributions to mission objectives and links rewards or corrective action to the accomplishment of those results; ensures all employees have written performance plans; collaborates with subordinate managers to ensure effective workforce performance and productivity.	Creates enduring and new opportunities to increase the number and quality of developmental experiences; leverages individuals' abilities to capitalize on their potential; partners with subordinate managers to optimize the performance management system and effectively reinforce and foster superior performance across the board.
Talent Retention and Development	<ul style="list-style-type: none"> Serves as a proactive advocate to management on the promotion, advancement, recognition, job assignment, and retention of personnel, both within and temporarily assigned to, the organization or component. Plans for succession by proactively identifying and recruiting a talented pool of candidates for upcoming vacancies and ensuring that any knowledge or skill gaps are addressed in a timely manner. 	Identifies, develops, and promotes highly qualified personnel; develops a diverse pool of talent; develops a succession plan for direct reports.	Shapes the workforce by consistently assessing personnel knowledge and skill gaps and identifying, developing, and promoting highly qualified personnel; develops a diverse pool of talent for key organizational positions; develops succession plans and identifies and supports the development of internal leaders for key organizational positions; retains a cadre of high-performing professionals that enhances the outputs and reputation of the organization.

Table 5. Examples of Senior Executive Work Behaviors, Continued

Leading People: This performance element involves the ability to lead people toward meeting the organization's vision, mission, and goals. Inherent to this element is the ability to provide an inclusive workplace that fosters the development of others, facilitates cooperation and teamwork, and supports constructive resolution of conflicts.

	Work Behaviors	Examples of Fully Successful Behavior	Examples of Outstanding Behavior
Continuous Learning	<ul style="list-style-type: none"> Creates a learning culture and empowers others by mentoring and developing personnel through tools such as training, skill development, timely performance feedback, details, and work assignments. Expands own leadership and managerial knowledge and skills by soliciting and acting upon constructive feedback. Encourages and supports joint duty assignments and developmental experiences that develop and reinforce a DoD-wide enterprise focus among subordinates. 	Serves as a mentor; routinely provides and solicits candid and constructive feedback that can be translated into meaningful behaviors, empowering personnel (including self) to reach full potential; ensures existing continuous learning activities reinforce a component- or organization-wide focus.	Implements and achieves results through mentoring and development programs; promotes a climate that encourages development across a variety of learning methods (e.g., training, skill development, timely and candid performance feedback, details, and work assignments); identifies and implements innovative continuous learning and developmental activities that reinforce a DoD-wide enterprise focus.

Results Driven: This performance element involves the ability to meet organizational goals and customer expectations. Inherent to this element is the ability to make decisions that produce high-quality results by applying technical knowledge, analyzing problems, and calculating risks.

	Work Behaviors	Examples of Fully Successful Behavior	Examples of Outstanding Behavior
Strategic Thinking	<ul style="list-style-type: none"> Prioritizes and aligns work activities to accomplish the component's and DoD's long-term goals. Proactively identifies and implements actions to address and overcome potential mission shortfalls. Recognizes or capitalizes on emerging opportunities to enhance component and DoD mission accomplishment. 	Develops an approach or plan for achieving component and organizational goals and objectives that is responsive to critical requirements, prioritizing and aligning work activities as necessary, and capitalizing on opportunities to ensure mission accomplishment.	Anticipates and leverages change to enhance mission success; envisions a future, and articulates a vision with specific plans, goals, and objectives; capitalizes on opportunities and strategically prioritizes and aligns work activities to ensure mission success.
Organizational Savvy	<ul style="list-style-type: none"> Understands and keeps up-to-date on how the missions, structures, leaders, and cultures of the DoD Components interact and connect. 	Demonstrates an extensive understanding of how various DoD component missions, structures, leaders, and cultures interact and connect in area of responsibility; seeks out and capitalizes on opportunities to use this knowledge to help DoD accomplish its mission and move toward its long-term vision.	Acts as an institutional resource, consistently consulted by senior-level officials for his or her expertise regarding the interactions and connections between various DoD component missions, structures, leaders, and cultures; fully leverages this knowledge to make contributions with far-reaching impact; maintains extensive professional relationships with the whole of government and private industry.

Table 5. Examples of Senior Executive Work Behaviors, Continued

Results Driven: This performance element involves the ability to meet organizational goals and customer expectations. Inherent to this element is the ability to make decisions that produce high-quality results by applying technical knowledge, analyzing problems, and calculating risks.			
	Work Behaviors	Examples of Fully Successful Behavior	Examples of Outstanding Behavior
Performance Measurement	<ul style="list-style-type: none"> Develops metrics, procedures, measures and tools to ensure that component and DoD goals and objectives are achieved. Assesses the unit's or component's performance and takes actions to ensure successful achievement of component and DoD-wide goals and objectives. Continuously assesses and updates plans, goals, and objectives for the program, unit, organization, or component to accomplish the component's and DoD's mission more effectively. 	Identifies key metrics, procedures, measures, or tools to track efficiency and effectiveness of work processes and results; regularly assesses the unit's or component's performance and uses these data constructively in establishing plans and goals that ensure DoD-wide objectives are achieved.	Establishes metrics and stretch goals that support strategic objectives and drive the proper ethics, values and behaviors; focuses on and measures outcomes, not outputs; uses meaningful assessment data to drive continuous improvements in efficiency and effectiveness, updating plans and goals to ensure objectives are met, ultimately enhancing mission contribution to DoD-wide objectives.
Situational Awareness	<ul style="list-style-type: none"> Determines the need for new or updates to existing component or DoD-wide policies or procedures and evaluates the effectiveness and organizational impact of changes after implementation. 	Identifies the need to update existing component policies or procedures and recommends/implements updates in area of responsibility; plays a key role in evaluating the effectiveness and organizational impact of changes after implementation.	Anticipates future strategic changes to DoD-wide policies or procedures; recommends/implements updated policies and procedures based on external awareness of policy developments outside the immediate organization; is a driving force in ensuring thorough evaluation of the effectiveness and organizational impact of changes after implementation.
Work Quality	<ul style="list-style-type: none"> Ensures products and services within area of responsibility are of maximum quality, timely, and contribute to mission objectives. Takes responsibility for subordinates' performance 	Takes personal accountability for accomplishment of all mission tasks; manages the delivery of products or services within area of responsibility, and ensures that they are high quality, timely, and address mission requirements; anticipates and proactively implements effective solutions that prevent problems and avoid gaps in delivery; is responsible for subordinates' performance.	Manages the delivery of products and/or services within area of responsibility, and ensures that they are high quality, timely, and address current and future mission requirements; takes the initiative to integrate the organization's long-term goals and vision into future product and service offerings, resulting in highly valued deliverables that significantly advance mission objectives, while simultaneously implementing solutions that address current quality issues; takes responsibility for subordinates' performance.

Table 5. Examples of Senior Executive Work Behaviors, Continued

Business Acumen: This performance element involves the ability to manage human, financial, and information resources strategically.			
	Work Behaviors	Examples of Fully Successful Behavior	Examples of Outstanding Behavior
Resource Planning	<ul style="list-style-type: none"> Adopts a broad perspective and takes a long-term DoD-wide view when planning for acquiring, prioritizing, integrating, and allocating the human, financial, material, and other resources to accomplish the organization's, component's, and DoD's mission and objectives. Provides for the future by revising and updating resource management action plans to align with changes in the situation or environment. 	Implements DoD guidance; develops near-, mid-, and long-term perspectives in acquiring and allocating resources (e.g., human, financial, material) to accomplish the organization's, component's, and DoD's mission and objectives; anticipates and responds to changes in the situation or environment, adjusting plans and redistributing resources to address changing requirements.	Taking into account a DoD-wide perspective, formulates strategic plans and identifies the resources needed to achieve near-, mid-, and long-term organizational goals; develops contingency plans to effectively deal with and anticipate changes in the situation or environment; achieves significant real total cost savings near-, mid-, and long-term.
Resource Management	<ul style="list-style-type: none"> Formulates strategies and safeguards and monitors budgets to ensure effective and efficient resource use in accordance with applicable laws and regulations. Leverages appropriate tools and resources to improve business processes and increase efficiency in accomplishing the component's and DoD's mission. Synthesizes resources and information to integrate and align the DoD Components and DoD interests and activities to achieve mission results. 	Uses resources provided to support and contribute to meeting mission requirements; uses standard processes to make efficient and effective use of available resources to accomplish the component's and DoD's mission, doing so in accordance with applicable laws and regulations.	Identifies and obtains additional resources needed to increase mission results; develops and implements flexible and innovative approaches to stretch limited resources in accordance with applicable laws and regulations, resulting in greater contributions to the organization.
Compliance	<ul style="list-style-type: none"> Receives and acts upon complaints and requests for assistance concerning any DoD activity which might constitute mismanagement, fraud, waste, abuse of authority, danger to health, safety, environment or related matters, or violation of law, rule, or regulation. 	Establishes a compliance-oriented culture that reinforces continuous ethical behavior; addresses issues and requests for assistance concerning any DoD activity that might constitute mismanagement, fraud, waste, abuse of authority, danger to health, safety, environment or related matters, or violation of law, rule, or regulation.	Strengthens and reinforces a compliance-oriented culture by anticipating and following up on issues and identifying root causes; develops effective risk mitigation strategies; promotes an atmosphere of transparency and ethical behavior where subordinates can surface issues.
Program or Process Evaluation	<ul style="list-style-type: none"> Conducts specific analytic, assessment, or evaluation activities to inform or enhance innovations to component or DoD-wide programs, processes, or policies. 	Conducts or leads analytic assessment or evaluation activities to inform or enhance organizational, component or DoD-wide programs, processes, or policies; evaluates outcomes.	Anticipates and defines problem or question; envisions end state; conducts or leads analytic assessment or evaluation activities to significantly advance organizational, component or DoD-wide programs, processes, or policies to obtain high-impact, measurable results; evaluates outcomes.

Table 5. Examples of Senior Executive Work Behaviors, Continued

Business Acumen: This performance element involves the ability to manage human, financial, and information resources strategically.			
	Work Behaviors	Examples of Fully Successful Behavior	Examples of Outstanding Behavior
Enhancing Technical Expertise	<ul style="list-style-type: none"> Stays abreast of changes and developments in relevant technical areas, including an awareness of technical developments outside of one's own area, and continually builds competencies, skills, and knowledge to maintain the highest levels of expertise and drive DoD mission accomplishment. Acts as an advocate for others within specialty area with respect to professional development, career enhancement, and attrition and retention issues. Conducts research and consults with colleagues in related fields to extend the state-of-the-art in area of expertise (e.g., peer-reviewed publications or awards and other recognitions). 	Stays up-to-date with the latest developments in relevant disciplines and builds the knowledge and skills necessary to drive DoD mission accomplishment; provides others with challenging opportunities and experiences to enhance their skills, inspiring them to continually strive for excellence.	Continually strives to broaden and enhance expertise, knowledge, and skills both within and beyond own area, leading to contributions that significantly advance key organizational goals and objectives; effectively applies understanding gained from learning activities; clearly recognizes and reinforces professional development and continual learning; broadens the body of knowledge in relevant fields.
Technical Oversight or Consultation	<ul style="list-style-type: none"> Provides expertise, generates alternatives, and offers advice and guidance to others within and across DoD Components on approaches, techniques, and methods to aid in resolving highly complex problems. Works with others to establish technical goals and objectives for projects or programs that align with DoD's strategic goals and objectives. Reviews and provides meaningful technical feedback on products of projects and/or programs. Directs and provides technical oversight for projects, programs, or initiatives relevant to organization, component, or DoD mission success. 	Utilizes and applies domain knowledge and expertise to aid in resolving highly complex problems, establish strategically aligned goals and objectives, provide feedback and oversight, and offer advice and guidance to others within and across DoD Components to ensure mission success.	Leads multi-disciplinary teams while fully leveraging domain knowledge and expertise to successfully address critical issues and problems, thereby significantly advancing DoD's strategic goals and objectives; serves as a noted expert and is routinely sought out for advice on projects, programs, or initiatives relevant to organization, component, or DoD mission success; uses domain knowledge to positively influence decision making processes to better achieve mission goals.
Technical Credibility	<ul style="list-style-type: none"> Represents an organization's or component's position on specific technical issues with confidence, expertise, and authority. Understands and communicates the broader technical context in which programs are pursued and how they will be synthesized into the larger organization or component. 	Advocates an organization's or component's position on specific issues; understands how specific issues exist within a broader context, conveying how and why programs are synthesized into the larger organization or component.	Advocates an organization's or component's position on specific issues; leverages domain knowledge, communicating a balanced understanding of how specific issues fit within a broader context, and instilling in others an understanding of how programs are synthesized into the larger organization or component; positively influences outcomes.

Table 5. Examples of Senior Executive Work Behaviors, Continued

Building Coalitions: This performance element involves the ability to build coalitions internally and with other federal agencies, State and local governments, nonprofit and private sector organizations, foreign governments, or international organizations to achieve common goals.			
	Work Behaviors	Examples of Fully Successful Behavior	Examples of Outstanding Behavior
Representing DoD	<ul style="list-style-type: none"> Applies expertise to represent DoD in interactions with representatives from other agencies, organizations, or countries. Demonstrates an understanding of the cross-component shared commitment to the DoD's core values. 	Represents organization within DoD to clearly communicate the organization's stance on important issues; contributes valuable input in strategic planning and conversations, and upholds organization's values across DoD Components by incorporating them into communications with external organizations.	Represents DoD, Service component, command or agency to other parties within and outside of DoD; melds the goals, values, and capabilities of other agencies, organizations, and countries with those of the DoD to achieve common objectives; influences decision making of other agencies, organizations, or countries to incorporate DoD's core objectives.
Partnering	<ul style="list-style-type: none"> Leverages cross-component collaborative networks to adapt and respond to unexpected changes or situations, engaging peers and stakeholders in key decisions. Develops strategic networks and alliances with key personnel both within and outside DoD to create synergy across boundaries, foster cooperation, develop and implement policies, and garner support and resources to effectively and efficiently accomplish the assigned mission and achieve significant mission results. 	Develops and maintains productive, collaborative, professional relationships within activities and across DoD Components and external to DoD; uses relationships and networks to obtain support, resources, and cooperation to efficiently and effectively achieve mission objectives and share ideas.	Implements an organizational relationship and engagement program that grows and nurtures professional networks of key partners internal and external to the DoD; leverages strategic alliances to maintain agility and ability to quickly respond to novel or unforeseen situations; capitalizes on networks to create a synergistic approach in achieving mission results (e.g., through knowledge and resource sharing), maintaining constant awareness of organizations that are critical to the organization's functioning.
Disseminating Best Practices	<ul style="list-style-type: none"> Interacts with other DoD Components, Services, agencies, organizations, or industries to gather insights, lessons learned, and best practices for potential application across DoD. Develops and distributes knowledge and lessons learned to relevant communities in an effort to promote and encourage organizational learning. 	Considers feedback pertaining to potential methods to improve organizational functioning; collaborates with leadership to discuss lessons learned and generate discussions for improvement, while keeping and encouraging an open mind to improve current work methods; disseminates and implements strategies for improvement to relevant communities and stakeholders.	Actively seeks insights from individuals at varying levels (both internal and external) to identify strategies that improve areas of weakness and capitalize on areas of strength; is recognized as a thought leader who gathers information and leaders of best practices; regularly reevaluates organizational functioning and applies lessons learned to facilitate a culture of continuous learning and improvement.
Information Sharing	<ul style="list-style-type: none"> Provides timely, accurate, relevant, and precise information to others, including information related to problem situations and work progress, and appropriately shares information and knowledge to achieve desired component and DoD goals. 	Shares information related to major projects with stakeholders in a timely manner; understands the proper flow of information, both internal and external to the organization, ensuring that new information flows through appropriate channels; engages in knowledge sharing with partners to help achieve common goals and understanding.	Strategically shares important information across the organization to integrate organizational activities into strategic outcomes; initiates new processes to adapt to new information requirements; proactively shares information with key persons across the DoD Components and DoD so that they have the situational awareness needed for current and future mission success; anticipates and incorporates future challenges or opportunities into communication.

Table 5. Examples of Senior Executive Work Behaviors, Continued

Building Coalitions: This performance element involves the ability to build coalitions internally and with other federal agencies, State and local governments, nonprofit and private sector organizations, foreign governments, or international organizations to achieve common goals.			
	Work Behaviors	Examples of Fully Successful Behavior	Examples of Outstanding Behavior
Understanding and Communicating Policies/Directives	<ul style="list-style-type: none"> Drafts proposed component and DoD-wide directives, policies, regulations, instructions, or legislation and prepares reports, comments, and suggested amendments or redrafts. Interprets and communicates the future impact of proposed directives, policies, regulations, instructions, or legislation to the organization, component, or DoD. 	Considers the legal requirements, values, goals, and needs of stakeholders when developing or modifying directives, policies, regulations, instructions, or legislation; writes directives and policies that are clear, concise, logical, and presented in a contextually appropriate manner; interprets and clearly articulates the meaning of directives, policies, regulations, instructions, or legislation, anticipating the impact they may have.	Develops or modifies directives, policies, regulations, instructions, or legislation that reflect the legal requirements, values, goals, and needs of stakeholders; establishes a firm understanding of impacted persons and gains buy-in from key stakeholders; writes clear, concise, logical, and contextually appropriate policies, directives, etc. and serves as a resource for others; adeptly analyzes, interprets, and conveys potential consequences of proposed directives, etc. that could impact various stakeholders in the organization, component, or DoD and, when imminent, prepares relevant individuals or systems accordingly.
Identifying Customer Needs	<ul style="list-style-type: none"> Communicates with and obtains information from others across the organization or DoD to understand their environment and accurately anticipate their current and future needs. Takes initiative to identify and understand emerging issues and adapts to respond to others' needs. Sets clear (agreed-upon) expectations with key stakeholders in the organization, component, or across DoD and keeps them informed of issues, changes, or problems to avoid "expectation gaps" and maximize information sharing. 	Meets with customers on a recurring basis to identify current and emerging customer needs; sets clear expectations with all stakeholders, ensuring they are fully informed about any issues, changes, or problems; identifies the risk of various solutions to the customer; obtains and addresses customer feedback; establishes service level agreements and meets those commitments.	Anticipates customers' current and future needs by developing and implementing highly agile or innovative ideas or solutions for adapting products and services beyond the immediate organization; exceeds service level agreement commitments.
Customer Service	<ul style="list-style-type: none"> Provides advice, information, and services to others across the organization or DoD that clearly demonstrate added value and contribute to the organization's or component's mission. Designs and delivers high-quality and practical products and services to meet the organization's and DoD's needs. 	Contributes to the organization's or component's mission by delivering high-quality advice, products, and services that add significant value and meet DoD needs, even when balancing competing priorities.	Significantly contributes measurable value to partner organization or component's mission by anticipating requirements, dispensing insightful advice and delivering products and services, even when balancing complex, competing priorities; consistently exceeds customer expectations.
Conflict Management	<ul style="list-style-type: none"> Negotiates and resolves conflicts in a productive manner to achieve agreed upon outcomes. 	Instills a management culture of trust and honesty; resolves work-related disagreements or conflicts in a positive and constructive manner; takes effective measures to minimize conflict escalation.	Establishes a management culture that minimizes conflict; anticipates potential problems and establishes policies or procedures to prevent or mitigate; effectively resolves even complex or sensitive work-related disagreements or conflicts.

Table 5. Examples of Senior Executive Work Behaviors, Continued

Building Coalitions: This performance element involves the ability to build coalitions internally and with other federal agencies, State and local governments, nonprofit and private sector organizations, foreign governments, or international organizations to achieve common goals.			
	Work Behaviors	Examples of Fully Successful Behavior	Examples of Outstanding Behavior
Collaboration and Team Building	<ul style="list-style-type: none"> Creates a collaborative environment that promotes active engagement, integration, knowledge sharing, and the candid, open exchange of diverse points of view across organizational and component boundaries. Brings together groups of individuals with competing interests and priorities to actively engage them in discussion, achieve goals, and develop action plans that are mutually beneficial. Fosters a work environment between offices, organizational units, or other DoD Components to anticipate, mitigate, and resolve key issues or disputes at the appropriate level. 	<p>Fosters a collaborative environment where individuals across the organization actively engage in idea sharing and constructive feedback; considers others' perspectives without interjecting one's own pre-established opinions; unites groups with competing priorities and viewpoints to establish a plan that is mutually beneficial for all involved, serving in a mediating role throughout the process; uses group discussions/meetings to develop points of contact in different offices, emphasizing the benefits of resolving issues at the appropriate level (e.g., unit, component) to avoid unnecessary escalation.</p>	<p>Establishes and promotes a culture of collaboration across the organization with other stakeholders, promulgating an environment that values candid knowledge sharing and respectful, honest feedback; increasing trust through collaboration; where appropriate, participates or leads cross-organizational teams, committees, or working groups; openly considers diverse viewpoints and models inclusive behavior; unites key players and groups with competing priorities and strategically obtains buy-in to devise action plans that are beneficial for all involved and achieve mission objectives.</p>
Communication	<ul style="list-style-type: none"> Follows up and solicits feedback to ensure that the intended message was clearly communicated and understood by the end user or stakeholder. Tailors the presentation of information (i.e., tone, level of specificity, technical detail, organization) to the audience's level of expertise and needs to ensure that information is understood and processed. 	<p>Communicates with stakeholders (appropriate to level), leveraging knowledge of audience's understanding of subject matter and tailors information content and delivery style accordingly, distilling complex issues into clearer and actionable objectives; solicits feedback and encourages questions in an approachable manner; interprets and skillfully responds to a variety of questions ranging in difficulty and incorporates stakeholder ideas in dialogue.</p>	<p>Communicates with stakeholders by incorporating a comprehensive understanding of the audience's background and expertise, instilling confidence in the information conveyed and building support for position; incorporates audience cues to make dynamic and engaging changes to the content and style of presentation; ensures audience understanding, thoughtfully anticipating and responding to complex questions; uses situational awareness to anticipate impact of message.</p>

GLOSSARY

PART I. ABBREVIATIONS AND ACRONYMS

APF	appropriated fund
ASD(R&FM)	Assistant Secretary of Defense for Readiness and Force Management
CY	child and youth
DASD(CPP)	Deputy Assistant Secretary of Defense for Civilian Personnel Policy
DoDD	DoD Directive
G/FO	general or flag officer
NAF	nonappropriated fund
PRB	performance review board
SES	Senior Executive Service
SMART-Q	specific, measureable, aligned, realistic or relevant, timely, quality
U.S.C.	United States Code
USD(P&R)	Under Secretary of Defense for Personnel and Readiness

PART II. DEFINITIONS

These terms and their definitions are for the purpose of this volume.

annual summary rating. The overall rating that an authorizing official assigns at the end of the appraisal period after considering a PRB's recommendation. This is the official rating.

authorizing official. For the purpose of NAF senior executive performance appraisal system, the official that reviews the NAF senior executive's initial summary rating, and associated pay and bonus recommendations from the rating official and the PRB. The authorizing official determines the executive's annual summary rating, and the pay adjustments or performance bonus warranted.

executive. DoD NAF employees in positions at the NF-6 payband level.

initial summary rating. The overall rating level the rating official derives from appraising the senior executive's performance during the appraisal period and forwards to the PRB.

NE. NAF white-collar occupational category payband.

payband level. Distinguishes the level of compensation given for certain ranges of NAF jobs.

performance appraisal period. The established period of time for which a NAF employee's performance will be appraised and rated.

performance bonus. A lump-sum monetary bonus paid in recognition of performance during the appraisal period. A performance bonus is not part of the basic pay.

performance plan. The written summary of work that is expected to be accomplished during the appraisal period that includes the requirements against which performance is evaluated. For NAF senior executives, the plan must address all established critical elements.

performance levels. One of five terms used to summarize in a concise manner the overall performance of the employee. The five performance levels for NAF senior executives are: Outstanding, Exceeds Fully Successful, Fully Successful, Minimally Satisfactory, and Unsatisfactory. The rating official assigns the initial summary rating for an executive. The authorizing official authorizes the official rating for an executive.

performance elements. A key component of an executive's work that contributes to organizational goals and results and is so important that unsatisfactory performance of the element would make the executive's overall job performance unsatisfactory. The standard critical elements that are used when evaluating an executive include: Leading Change, Leading People, Business Acumen, Building Coalitions, and Results Driven.

performance requirements. A statement of the performance expected for a critical element.

performance review board. In the NAF executive performance appraisal system, a panel of selected individuals established to provide oversight to ensure balance, equity, and fairness to the evaluation and scoring process and to ensure there are meaningful distinctions in relative performance. The authorizing official establishes the applicable NAF PRB. The PRB reviews the rating official's initial summary rating and makes recommendations to the authorizing official regarding the executive's final performance score and rating.

rating official. The supervisor who is responsible for assessing performance for the appraisal period. For the NAF senior executive performance appraisal system, the rating official assigns the initial summary rating and recommends the pay adjustment and/or bonus warranted.

SMART-Q. A guideline for developing results-oriented performance requirements. Performance requirements may be subjected to a SMART-Q test to determine the quality of a particular performance metric. The acronym stands for:

specific. Define results to be accomplished within the scope of the job.

measurable. Define quality, quantity, and effectiveness.

aligned. Support specific strategic goals.

realistic or relevant. Requirements are achievable, yet challenging.

timely. Define a deadline for achieving the requirements.

quality. Identify the degree of excellence expected.