

PERFORMANCE MANAGEMENT SYSTEMS

1. **REASON FOR ISSUE:** To revise and reissue Department of Veterans Affairs (VA) policy regarding performance management systems.
2. **SUMMARY OF CONTENTS/MAJOR CHANGES:** This directive is revised as follows:
 - a. Revised language to indicate the most recent Office of Personnel Management's approval of VA's performance appraisal program is April 11, 2024.
 - b. Removed the Scope paragraph from the Title 38 proficiency rating system as covered employees are defined in VA Handbook 5013, Part II.
 - c. Removed the Exclusions paragraph from the Title 38 proficiency rating system as employees excluded are defined in VA Handbook 5013, Part II.
3. **RESPONSIBLE OFFICE:** Office of Human Resources and Administration/ Operations, Security, and Preparedness (HRA/OSP) (006), Office of the Chief Human Capital Officer (OCHCO) (05), Employee Relations and Performance Management Service (051).
4. **RELATED HANDBOOK:** VA Handbook 5013, "Performance Management Systems."
5. **RESCISSIONS:** VA Directive 5013, dated April 15, 2002.

CERTIFIED BY:

**BY DIRECTION OF THE SECRETARY
OF VETERANS AFFAIRS:**

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1. PURPOSE. This directive establishes VA's performance appraisal policy for title 5, hybrid title 38 and title 38 employees. Procedures for implementing the policies in this directive are found in VA Handbook 5013. VA's performance appraisal system was most recently approved by the Office of Personnel Management (OPM) on April 11, 2024. A copy of OPM's approval of the performance appraisal system is available on the [OCHCO Employee Relations & Performance Management SharePoint](#). The performance appraisal policy for employees in the Senior Executive Service (SES) is covered in [VA Handbook 5027, Senior Executive Service](#).

2. POLICY.

a. Title 5 Performance Appraisal Program.

- (1) The performance appraisal program will be used in achieving the mission of the Department to serve Veterans and their families. In supporting a results-based and customer-oriented environment, performance appraisals provide an ideal mechanism for communicating and clarifying the Department's overall strategic goals, as well as organizational goals, to employees by linking individual appraisal and performance to achievement of these Departmental goals. A decentralized, flexible appraisal system will be used to improve individual and organizational performance and improve and enhance the quality of service delivered to Veterans and their families.
- (2) Through a strategic management process, goals will be established, measured, and monitored in a systematic manner. This permits the Department to design specific appraisal programs and procedures that meet their respective needs and cultures. Performance appraisal results may be used as the basis for recognizing and rewarding accomplishments, identifying developmental needs, and recommending appropriate personnel actions.
- (3) VA's appraisal system supports achievement of the Department's overall strategic goals as well as its organizational goals. To accomplish this, managers and employees must be held accountable for achieving desired outcomes. The success of this system and each organization's performance appraisal program established under it will:
 - (a) Link employee performance to the achievement of the Department's overall strategic goals as well as organizational goals and objectives.
 - (b) Encourage employee and employee bargaining unit representative participation in the development and operation of the system and programs.
 - (c) Ensure the inclusion of customer service goals and standards in all individual performance appraisal plans.

- (d) Provide for the continued performance improvement of the organization and its employees and assist employees in improving unacceptable performance, when applicable.
- (e) Recognize and reward organizational/team and individual performance accomplishments.
- (f) Continuously improve the performance appraisal, feedback, and recognition policies and processes through systematic and periodic evaluations.

b. Title 38 Proficiency Rating System.

- (1) The proficiency rating system is designed to assure the effective and efficient utilization of covered title 38 employees and to furnish a basis for assistance and guidance in the performance of their assignments as well as the development of their skills and abilities.
- (2) The proficiency rating system will provide for planned, continuous, and systematic review, analysis and evaluation by all supervisors of the effectiveness of employees in their assignments.

3. RESPONSIBILITIES.

a. Title 5 Performance Appraisal Program.

- (1) **Under Secretaries, Assistant Secretaries, and Other Key Officials** will:
 - (a) Develop and manage performance appraisal programs for their respective organizations.
 - (b) Determine the linkage, if any, between the results of performance appraisal under any program developed and awards.
 - (c) Provide training with technical assistance for raters and employees on relevant parts of the appraisal program.
 - (d) Periodically evaluate the effectiveness of performance appraisal programs developed under this system within their respective organizations.
 - (e) Encourage participation of employees and employee bargaining unit representatives in the development and implementation of organizational performance appraisal programs.
- (2) **Chief Human Capital Officer, Office of Human Resources and Administration/Operations, Security, and Preparedness** will:

- (a) Provide guidance and assistance in developing performance appraisal programs.
 - (b) Analyze and evaluate the effectiveness of the performance appraisal system periodically and recommend modifications, as needed.
 - (c) Develop core training on performance appraisal and VA's appraisal system.
- (3) **Raters** will:
 - (a) Encourage involvement by employees and employee bargaining unit representatives in the development of performance plans.
 - (b) Ensure employees receive and have an understanding of the performance expectations contained in their performance plan.
 - (c) Communicate with employees on a continuing basis regarding their achievements and areas in which they could improve.
- (4) **Employees are encouraged to:**
 - (a) Participate in the development of their performance plan.
 - (b) Communicate with the rater on a continuing basis about their performance and its relationship to organizational goals and objectives.
- b. **Title 38 Proficiency Rating System.** The Under Secretary for Health and designees will prescribe instructions for periodic counseling of employees, for regular annual proficiency ratings, delays of these ratings, and special ratings as administratively required. (See Part II of VA Handbook 5013, Performance Management Systems.)

4. REFERENCES.

- a. [5 U.S.C., chapter 43](#)
- b. [5 C.F.R., part 430](#)
- c. [5 C.F.R., part 432](#)
- d. [38 U.S.C., chapter 73](#)
- e. [38 U.S.C., chapter 74](#)
- f. [38 U.S.C. § 305](#)
- g. [38 U.S.C. § 501 \(a\)](#)