

DEFENSE BUSINESS BOARD



National Security Personnel System Task Group Review

Mr. Rudy deLeon, Task Group Chair

July 16, 2009

Task Group Overview

TASK: Review NSPS to help the Department determine: (1) if the underlying design principles and methodology for implementation are reflected in the NSPS program objectives; (2) whether the program objectives are being met; and (3) whether NSPS is operating in a fair, transparent, and effective manner.

TASK GROUP: Mr. Rudy deLeon (Chair), Robert Tobias, Michael Bayer

MILITARY ASSISTANT

COL Kevin Doxey, USA

Methodology

- Background data collected from PEO NSPS and other Federal sources, including the 2008 NSPS Evaluation Report
- Public comments solicited from June 9th through July 9th
- Interviews with United Defense Workers Coalition, June 12th
- Interviews with DOD stakeholders, June 19th
- Public meetings with experts and members of public, June 25th and 26th

Background

- One expert representing the Merit Systems Protection Board stated:
 - Effective pay for performance systems have many prerequisites for success, and require a substantial commitment of resources, in terms of time, money and effort.
 - A supportive culture requires leadership commitment, open communication and system transparency, and employee trust of supervisors and leaders.
 - Pay for performance systems may need to evolve over time as part of a regular evaluation and modification process to ensure that they are fostering the achievement of organizational goals

Findings

- Pay Pool Process
 - Is complex and lacks transparency
 - Payout formulas for share value and salary/bonus split are confusing
- Pay Bands
 - Pay Band 2 is very broad
 - Reassignments within pay bands
 - Limited promotion opportunities
- First Line Supervisor
 - Supervisors and employees have built up reserves of trust on working together to accomplish the DOD mission, but the current implementation of NSPS does not have the same level of trust between supervisors and employees

NSPS RECOMMENDATIONS

- Initiate a reconstruction of the NSPS
- Continue existing moratorium on transitions of more work units into NSPS until DOD can present a corrective action plan to address identified issues, supported by data that the implemented corrective actions will address the identified issues
 - Continue statutory exclusion of Federal Wage employees
 - It is noted that the Wage Grade is currently managed differently than the General Schedule (GS) or NSPS. Since Wage Grade is a market-based system, which conducts comprehensive market studies in the local area to determine pay rates, it may already possess desirable compensation elements
 - Continue excluding bargaining unit GS employees from being converted
- Reestablishing DOD commitment to collaborating with employees and manager associations

GS RECOMMENDATIONS

- Create a collaborative process for DOD managers and employees to design and implement a pay for performance system
- Explore the replacement of the current General Schedule classification system
- Reestablish a DOD commitment to collaborating with employees through their unions
- Establish DOD commitment to strategic management and investment in career civil servants

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Questions?

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