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National Security Personnel System (NSPS)

**Operations Project Managers Course
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NSPS—The Case for Action

Why NSPS?

- **Advance DoD's critical national security mission**
- **Respond swiftly and decisively to national security threats and other missions**
- **Accelerate DoD's efforts to create a Total Force**
- **Retain and attract talented and motivated employees committed to excellence**
- **Compensate and reward employees based on performance and mission contribution**
- **Expand DoD's ability to hire more quickly and offer competitive salaries**

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What Does Not Change?

- **Merit System Principles**
- **Veterans' Preference Principles**
- **Whistleblower Protections**
- **Rules against prohibited personnel practices**
- **Anti-discrimination laws**
- **Fundamental due process**
- **Benefit laws on retirement, health, life, etc.**
- **Allowances and travel/subsistence expenses**
- **Training**

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Who is covered by NSPS?

- **NSPS Human Resources System**
 - **Vast majority of DoD employees**
 - **Initially applies only to selected GS/GM and acquisition demo employees**
 - **Employees in special pay/classification systems (e.g., wage grade) will be phased in later**
 - **Certain categories excluded (e.g, intelligence personnel, Defense Labs listed in NSPS law)**

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Major Design Elements of NSPS

Human Resources System

- **Classification** – Simple, flexible
- **Compensation** – Performance-based, market sensitive
- **Performance Management** – Linked to agency/organization mission
- **Staffing** – Right person, right place, right time
- **Workforce Shaping** – Streamlined, mission responsive

Labor Relations System, Adverse Actions and Appeals

- **No change at this time**

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Classification

- Four career groups cover all GS jobs
- Jobs in broad “pay bands” based on nature of work
- Fewer, more generic position descriptions— provides greater flexibility in assigning new or different work
- Promotes broader skill development and advancement opportunities within and across pay bands

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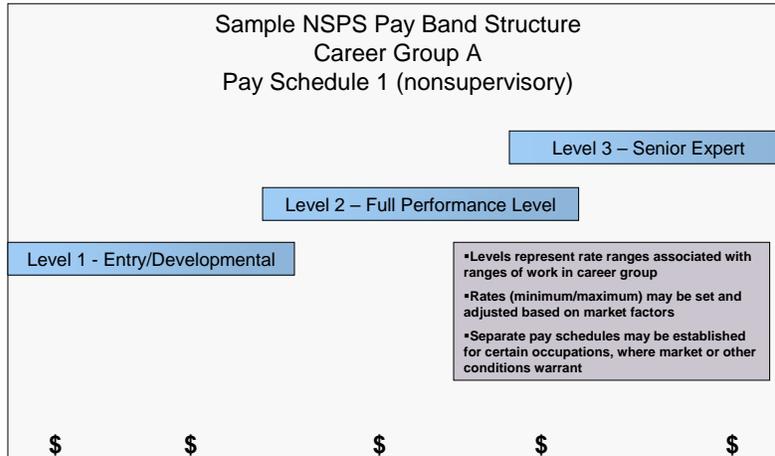


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Pay Band Illustration

Pay Bands replace General Schedule



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Compensation

- Pay bands replace GS grades and steps
- Annual pay raises and/or bonuses based on performance
- Local Market Supplement (LMS) replaces Locality Pay
 - Based on geographic or occupational market conditions
 - May vary by occupation within a given geographic area
- Rate ranges and LMS reviewed annually
- 6% minimum salary increases for performance
- Eligibility for salary increase for reassignment or reduction in band

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Staffing/Workforce Shaping

- **More flexible hiring and placement practices**
 - New hiring authorities tailored to DoD needs
 - Non-competitive career progression within pay band
 - DoD may establish qualification requirements
 - Managers may set pay based on market conditions
 - Veterans preference rights protected
- **Streamlined, mission responsive Reduction in Force**
 - More flexibility in defining competitive area
 - More emphasis on performance
 - Bump and retreat rights combined into displacement
 - Veterans preference rights protected

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Conversion to NSPS

- **Employees will not lose pay upon conversion**
- **Conversion is based on current position of record**
- **Employees eligible for a within grade increase (WGI) will receive pro-rated increases in their salaries**
- **Career conditional employees become Career**
- **Probationary periods continue**
- **Conversion process is automated—employees will receive Notification of Personnel Action (NPA)**

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Performance Management

- Performance expectations and job objectives linked to agency/organization mission
- Job objectives are Specific, Measurable, Aligned, Realistic and Relevant and Timed (SMART)
- Focus on results
- Greater recognition of superior performance
- Less pay for poor performance
- Communication between supervisors and employees essential to ensure expectations are clearly understood

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Performance Management, cont'd

- What not change under NSPS?
 - Ratings based on performance of job objectives
 - Employees provide input on accomplishments
- What does change under NSPS?
 - One cycle for all employees (1 Oct – 30 Sep)
 - Rating scale is reversed: 5 is highest; 1 is lowest
 - 90 day minimum rating period
 - Job objectives may be weighted differently
 - Supervisor recommends rating and share distribution
 - Pay Pool Panel/Manager makes final rating and payout decisions

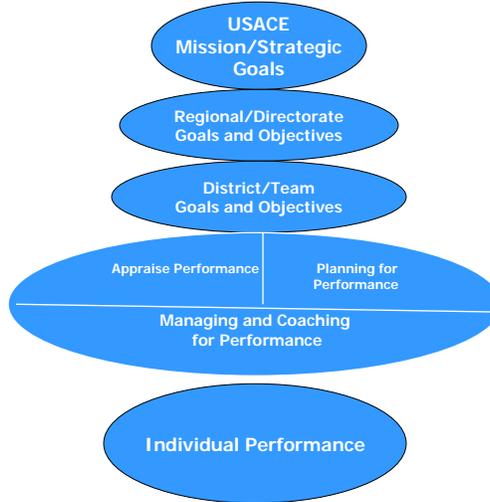
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The Alignment Cascade



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Pay Pool Basics

- **What is a pay pool?**
 - A group of employees who share in the distribution of a common pay-for-performance fund
 - Army policy recommends that supervisors and non-supervisors are in separate pay pools
- **How is the pay pool funded?**
 - The equivalent amount of the members' projected WGs, QSIs, annual pay adjustments, promotions and performance awards
- **What does the pay pool do?**
 - Ensures equity and consistency in the rating and payout determinations by recommending rating and payout adjustments for final approval by the Pay Pool Manager

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NSPS Training

Dual Focus:

- Core Competencies (“Soft Skills”)
 - Change Management, Interpersonal Communications, Coaching and Counseling and Performance Management
 - Web-based courses identified to develop competencies
 - Available through Army E-Learning (AKO)
 - Classroom training also available
- Functional/Technical NSPS Training
 - Fundamentals of NSPS/NSPS 101 – web-based
 - Classroom training
 - Printed materials
 - Managers/HR Specialists trained as NSPS Instructors

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USACE Implementation Status

- **Spiral 1.2 to implement January 21, 2007**
 - All USACE supervisors (less ERDC and WG)
 - All non-bargaining unit and non-supervisory employees assigned to the following locations:
 - Headquarters, USACE
 - Humphreys Engineer Support Center
 - USACE Finance Center
 - Transatlantic Command
 - 249th Engineering Battalion
 - Institute for Water Resources
 - SWD Headquarters

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How Employees Can Prepare for NSPS

- Keep abreast of NSPS information – check Army and DoD websites
- Review organization's goals
 - How does my work support these goals?
 - Can I make a greater contribution to my organization's success?
- Attend training
- Develop core competencies
- Seek feedback about performance and recommended developmental activities

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How Leaders can Prepare for NSPS

- Reinforce organizational goals and how employees' work contributes to meeting goals
- Give timely and specific feedback on performance
- Keep abreast of NSPS information
- Host informal or formal meetings to discuss NSPS
- Attend training and ensure employees are trained
- Consider serving as NSPS trainer
- Provide opportunities for employees to develop core competencies

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What Can We Gain from NSPS?

- A better understanding of how our jobs contribute to the Army and our organization's mission accomplishment
- A pay system that takes market considerations into account for recruitment and retention
- An opportunity to work in a high performing environment
- Less complex classification, recruitment and promotion processes
- A fair, consistent performance management system with clear objectives and greater accountability for results
- Monetary recognition of high performance achievements
- Opportunities for career development and progression

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Keep in mind...

- Individuals drive mission accomplishment
- Performance management is a continuous process which is based on open communication between supervisors and employees
- Begin now to develop core competencies
- Take online Fundamentals and NSPS 101 courses
- Stay informed and involved

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Check NSPS websites for latest information:

DOD: *www.cpms.osd.mil/nsps*

DA: *www.cpol.army.mil/library/general/nsps*

USACE: *www.hq.usace.army.mil/cepa/nsps/nsps.htm*

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