



National Security Personnel System

Background – Status – The Way Ahead

September 2004

Significance

- Most significant change to the civil service since the CSRA of 1978
- Potential for impacting entire civil service
- Flexibilities never before afforded to the civil service system

Why NSPS?

- Current system inadequate to manage DoD civilian personnel in today's environment
 - Hiring too slow; recruiting adversely affected
 - Outstanding performers paid the same as poor performers
 - Limited flexibility to reassign
 - Limited accountability
- NSPS needs to bring about essential change while preserving the core and enduring values of the civil service



Why Now? Change Drivers

- Demands historically placed on DoD and its civilians have elevated since 9/11 – with no ceiling in sight
- Quick and effective civilian personnel actions will free military personnel to support the war fighting mission
 - For example
 - Hiring civilian mechanics allows military maintainers to keep equipment operational in a theatre of operation
 - Adequately compensating/rewarding an engineer improves retention, retains critical skills and supports the war fighter
- Demonstration projects have been testing personnel flexibilities for years with much success

Background

- FY 04 NDAA signed in November 2003
- Grants SecDef & OPM Director authority to establish DoD HR System, Labor Relations, and Appeals & Grievance Process
- We were on a path to issue regulations and implement October 2004
- April 2004 Strategic Reset: Timelines adjusted to reflect more cautious, deliberate approach involving more stakeholders, adapted Acquisition model
- NSPS Program Executive Office established – April 2004
 - Secretary Gordon England, Senior Executive
 - Mrs. Mary Lacey – NSPS Program Executive Officer
 - Mr. Brad Bunn – NSPS Deputy PEO



Civil Service Merit Principles

- Recruit qualified individuals from all segments of society; select and advance employees on the basis of merit after fair and open competition
- Treat employees and applicants fairly and equitably without regard to political affiliation, race, color, religion, national origin, sex, marital status, age, or handicapping condition. Do not violate their privacy or constitutional rights.
- Provide equal pay for work of substantially equal value (with due consideration to national/local private sector rates); reward excellent performance
- Maintain high standards of integrity, conduct and concern for the public interest
- Use the workforce effectively and efficiently
- Retain employees on the basis of his/her performance. Separate employees who cannot/do not improve their performance to meet required standards
- Educate and train employees when it will result in better organizational or individual performance
- Protect employees from arbitrary action, improper political influence, and personal favoritism
- Protect employees against reprisal from lawful disclosures of information in “whistleblower” situations like when the employee reasonably believes there is illegal activity, gross waste of funds, abuse of authority, substantial danger to public health or safety.



NSPS Guiding Principles

Seven Principles

1. Put mission first – support National Security goals and strategic objectives
2. Respect the individual; protect rights guaranteed by law
3. Value talent, performance, leadership and commitment to public service
4. Be flexible, understandable, credible, responsive, executable
5. Ensure accountability at all levels
6. Balance HR interoperability with unique mission requirements
7. Be competitive and cost effective



Operational Requirements: Key Performance Parameters

- **High Performing:** *Employees/supervisors are compensated/ retained based on performance/contribution to mission*
- **Agile & Responsive:** *Workforce can be easily sized, shaped, and deployed to meet changing mission requirements*
- **Credible and Trusted:** *System assures openness, clarity, accountability and merit principles*
- **Fiscally Sound:** *Aggregate increases in civilian payroll, at the appropriations level, will conform to OMB fiscal guidance; managers will have flexibility to manage to budget*
- **Supporting Infrastructure:** *Information Technology support and training and change management plans are available and funded*
- **Schedule:** *NSPS will be operational and stable in sufficient time to meet the LR system sunset date (Nov 09)*



Big Picture



No Change from Title 5:

- Merit system principles
- Rules against prohibited personnel practices
- Benefits
- Allowances and travel / subsistence expenses
- Training
- Leave and work schedules
- Other personnel systems in law
- Current Lab Demos until FY 08
- Anti-discrimination laws
- Veterans Preference basics

NSPS HR Considerations:

- Pay Banding (GS / WG)
- Staffing (internal / external)
- Pay for Performance
- Reduction in Force
- Labor relations
- Employee Appeals

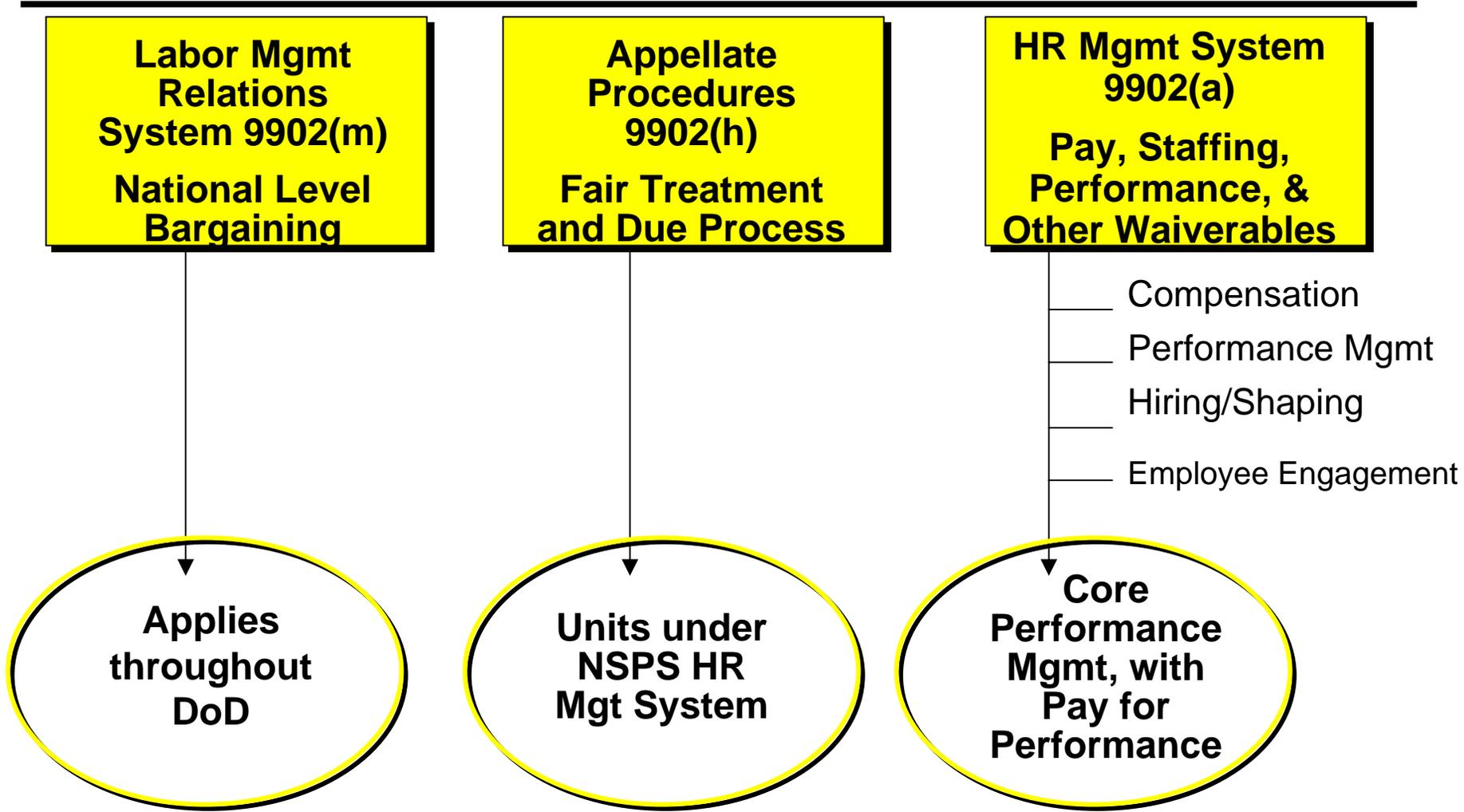
Provisions Implemented:

- VERA / VSIP authority
 - Reemployed Annuitants
 - Experts
- Planned:
- SES performance system

Continuing Responsibility for Component Policy and Execution:

- | | | |
|---|-------------------------------|-----------------------|
| - Human resource management | - Leader Development | - Support tools |
| - Work life programs | - Mobilization and deployment | - Workforce diversity |
| - Reorganization planning | | - Career management |
| - Workforce planning/Strategic recruiting | | |

Major Elements





Design Process

PEO Working Groups

Labor Relations WG

Appeals WG

Employee Engagement WG

Performance Management & Hiring, Assianment & Pay

Compensation WG

Flow

Flow

Products

PEO, OPM & CPMS Staff System Proposals

Labor

HR-PFP

Appeals

PEO

SAG

OIPT

Senior Executive

OPM

SECDEF

Joint Enabling Regs (FRN)

DoD Implementing Regs

Integration Team

Meetings with Union Leaders

Pre-screen

Component PM's

"Component-managed" input to Working Groups

Field Activities

FIELD ACTIVITIES

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Centrally Designed; Component Implemented

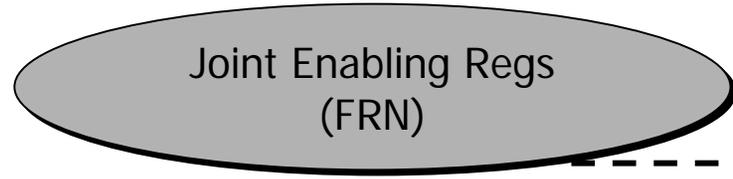
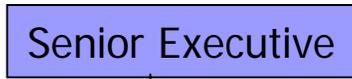
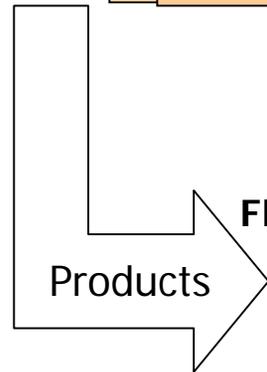
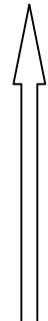
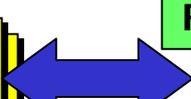
Focus Groups & Town Hall Meetings

Flow

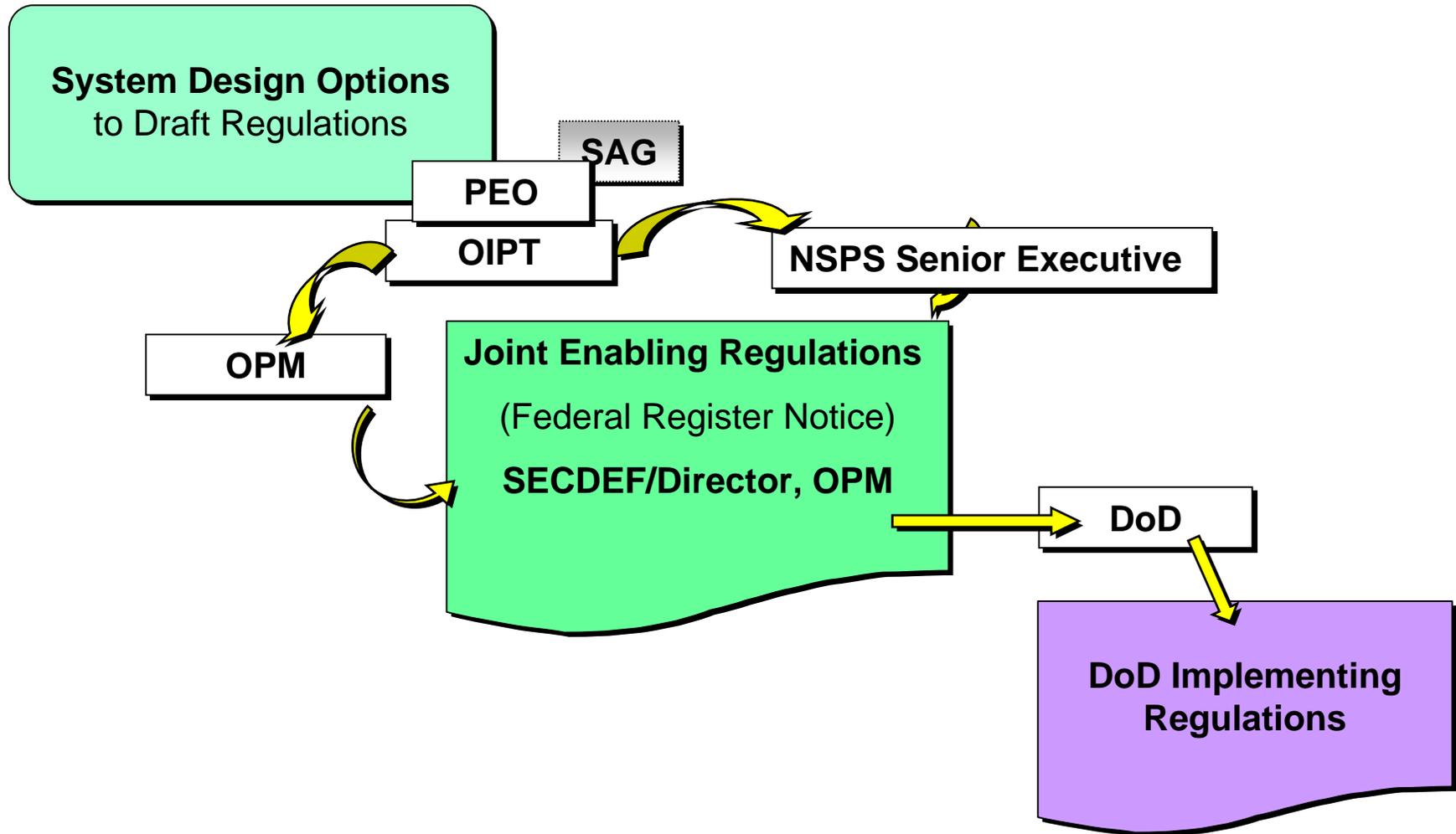
Flow

Rptng Chain

Flow



Regulation Approach



Current Status

- PEO and Component Program Manager structure in place
- OIPT (PDUSD/PR and OPM co-chair) and Senior Advisory Group (SAG) established
- NSPS system and training design underway
- Involvement of key interest groups on-going
- Event driven milestones
- Workforce orientation & communication efforts on-going

- **Meetings with union coalition members/others unions on-going**
 - **First Meeting, June 7**
 - **Rules of Engagement/Meeting procedures**
 - **Second Meeting, June 29**
 - **NSPS development process/schedule**
 - **Overall principles and concerns**
 - **Town Halls/Focus Groups**
 - **Third Meeting, August 25-26**
 - **Potential features of Labor and Appeals System**
 - **Fourth Meeting, September 9-10**
 - **HR Proposals**



Focus Groups

- Purpose: To elicit perceptions/concerns about current HR system, as well as design ideas for NSPS
- Demographics
 - *77% of groups had bargaining unit participation
 - Over 10K comments received
 - DoD Worldwide participation

	Employee	Supervisor	Practitioner	Total Groups/ Employees
DoD	52*	33	21	106/1000+



NSPS Design Working Groups

- Purpose: Identified and developed options for NSPS design
- Group members included
 - Military Components/Defense Agencies
 - Military and civilian supervisors/managers
 - HR/EEO Practitioners
 - Counsel/FM
 - OPM
- Covered Program Areas
 - Compensation (Classification and Pay)
 - Performance Management
 - Workforce Hiring, Assignment, Pay Setting, and Shaping
 - Employee Engagement & Appeals
 - Labor Relations
- Status: Predecisional NSPS LR, Appeals & HR Design options have been posted on the web/presented to Congress and labor for feedback/input



NSPS Design Options

- Predecisional NSPS HR Design options have been posted on the web and provided to unions for feedback/input (also provided to Congressional staff)
- Design Features include processes to:
 - Classify Jobs to Meet Dynamic Mission
 - Offer Competitive Compensation
 - Attract & Hire High Quality Applicants
 - Develop and Retain High Performing Employees
 - Reshape and Transition the Workforce
 - Foster Effective Supervisor/Employee Engagement



Key Milestones (notional)

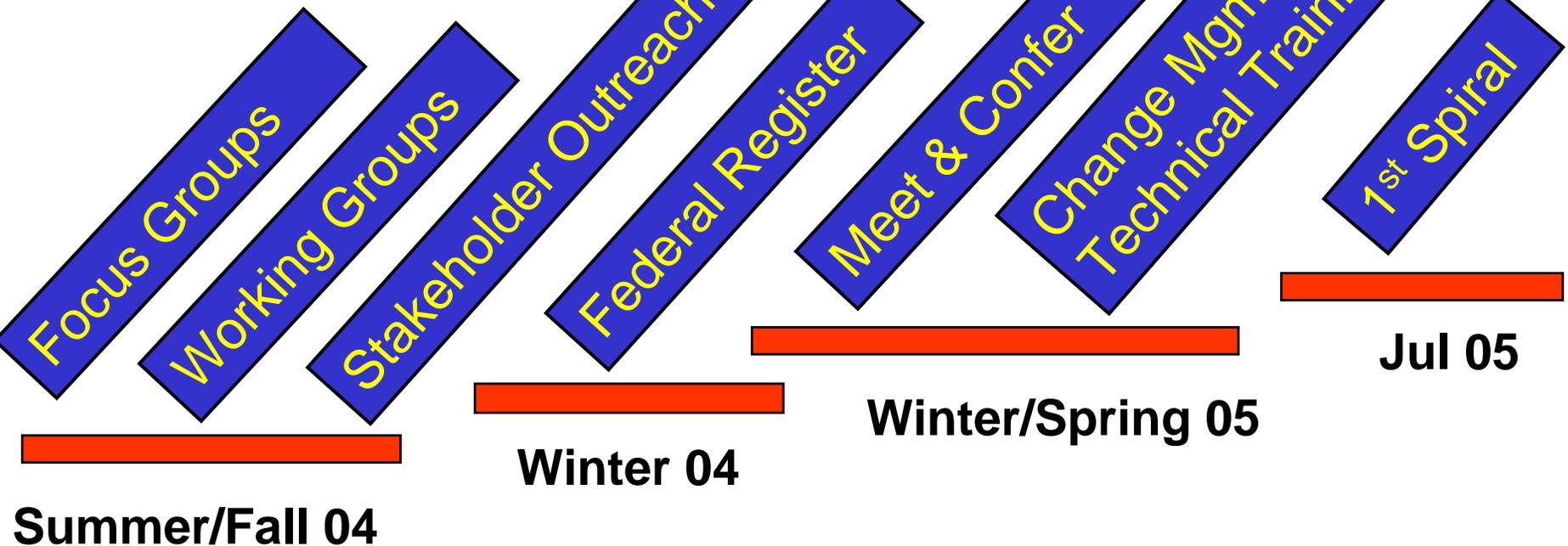
- Proposed regulations to be issued in Federal Register – late 2004
- Federal Register process allows for official comment period
- NSPS law prescribes official collaboration with unions following Federal Register publication
- NSPS Spiral One – proposed for July 2005
- NSPS Spiral Two – proposed for Jan 2006
- Full NSPS implementation – July 2007/2008

Spiral One

- Components solicited interested organizations for Spiral One with nominations submitted to PEO
 - Should have an adaptive workforce climate and demonstrated acceptance of readiness for change
 - Should have established methods to measure effectiveness of mission accomplishment and a strategic or business plan tied to HR practices
- Components have submitted nominations with recommendations
- DoD will identify organizations for Spiral One in October 2004

The Way Ahead

Notional Schedule



Key: Implementation will be event, not timeline driven

- Communication is critical
 - Employees
 - Stakeholders
 - Media
 - Managers
 - Congress
- Training is essential
- Employee acceptance must be earned
- Supervisors set the tone
- Transition planning reduces risk
- Continuous assessment & evaluation pays off



Communication: A Force Multiplier

A primary strategy for sharing the NSPS vision

- Facilitates employee awareness & understanding
- Demonstrates leadership's support & involvement
- Demonstrates openness and transparency of NSPS design and process
- Builds workforce trust & commitment
- Leverages related implementation strategies
 - Training
 - Media Relations & Legislative Liaison
 - Changes Readiness
 - Cultural Transformation

NSPS Website: www.cpms.osd.mil/nsps



Training Objectives

- Provide necessary skills & knowledge to enable employees, managers and HR personnel to successfully implement NSPS
- Fulfill requirements of Public Law 108-136
- Foster support and confidence in NSPS
- Facilitate the transition to a performance based, results oriented culture

Summary

- Supports National Security goals and objectives
- Numerous opportunities for interested parties to be involved
- Provides historic opportunity - presents significant challenges
- Open and collaborative NSPS design process is underway

Objective: A DoD Human Resources environment promoting employee growth, initiative, performance and accountability that places the right person in the right job with the right skills at the right time at the right cost