



Department of Defense



***National Security
Personnel System***

Developing and Implementing
Effective NSPS Business Rules and
Practices

August 5-7, 2008



Welcome

■ Today We Will:

- Discuss and gain experience in identifying and developing effective business rules and practices to support the performance management and pay pool processes
- Learn from one another about what works and why



Agenda

- **Introductions**
- **Topic Overview**
- **Activities and Discussion**
- **Wrap-up**



Your Co-Facilitators

- **Mark Houghton, Mission Area Director**
Joint Warfare Analysis Center
Dahlgren, Virginia
- **Norm Kushiya, Director**
Civilian Personnel Advisory Center
Fort Monmouth, New Jersey

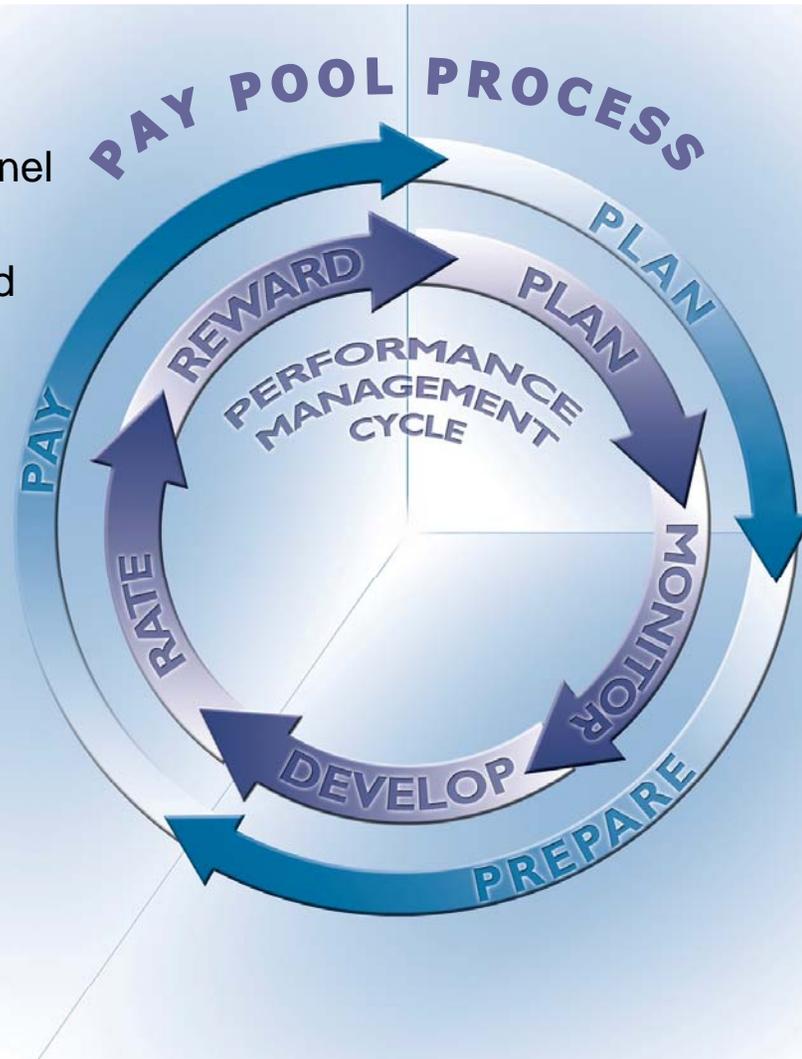


Introductions

- **What is your name?**
- **Where are you from?**
- **What Spiral?**
- **What is your experience with the pay pool process and business rules development?**

Pay Phase

- Conduct pay pool panel meetings
- Reconcile ratings and payout decisions
- Communicate decisions to employees



Plan Phase

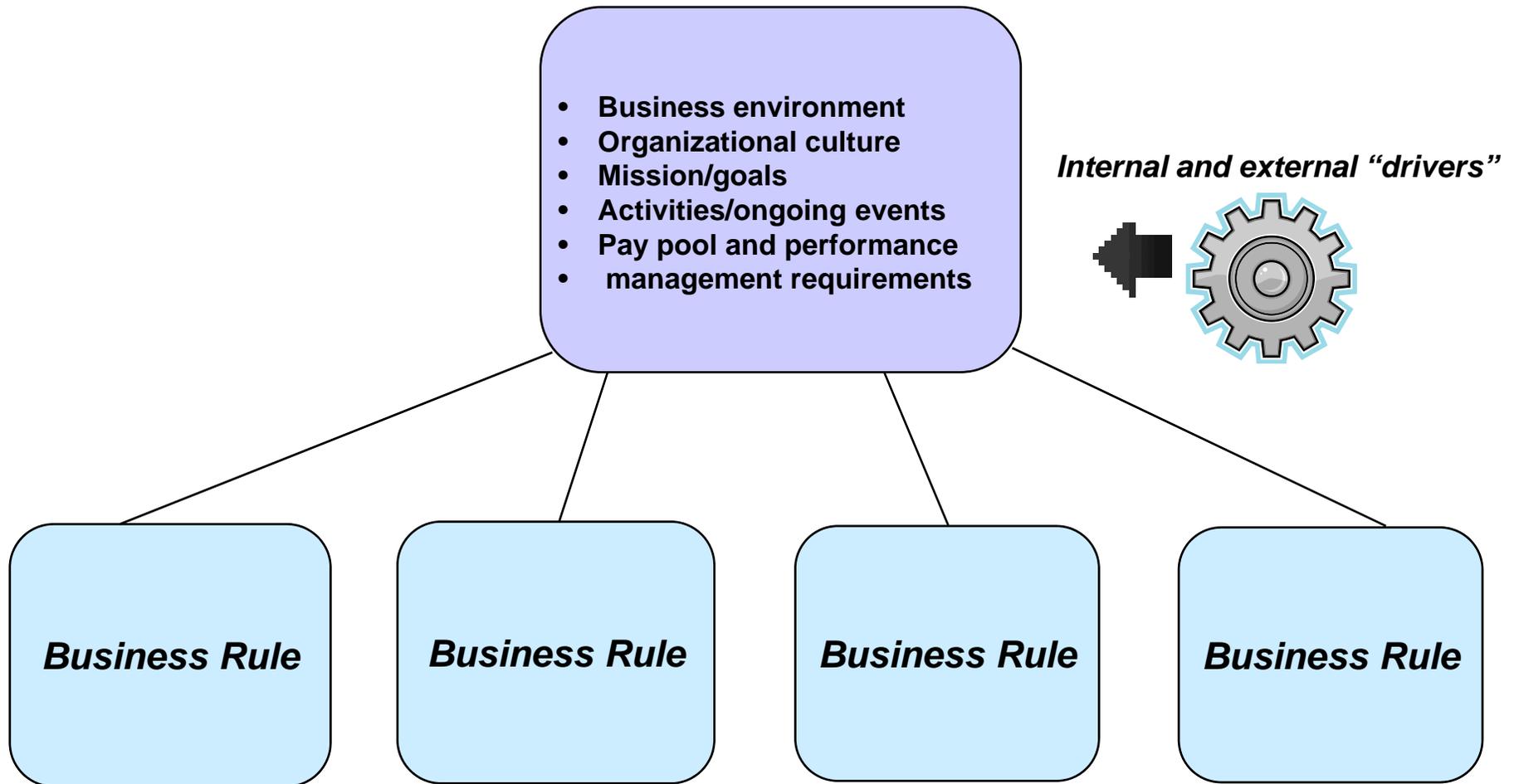
- Select pay pool members
- Establish timelines
- Develop business rules
- Determine pay pool funding
- Publish relevant information

Prepare Phase

- Conduct mock pay pool meetings
- Build a shared understanding of the performance levels
- Revise the process

- **Business rules guide the performance management and pay pool process**
- **Typically they focus on**
 - Logistics and meeting management
 - Rating and compensation decisions
- **The rules change over time depending on a variety of factors such as**
 - Familiarity with the process
 - Structure
 - Organizational norms and requirements

Fairness ■ Equity ■ Transparency ■ Accountability





Regulatory Basis

- **DoD 1400.25-M, Subchapter 1940.11**
- **Requires employees be informed of:***
 - **PRA, pay pool mgr and pay pool panel roles, responsibilities and membership**
 - **Pay pool composition**
 - **General pay pool policies**
 - **Factors that may be considered in making specific share assignments and allocations between base salary and bonus**

***To extent information does not compromise procedural neutrality or confidentiality of participants**

- **Why have business rules?**
- **Who should develop?**
- **When is the best time?**
- **What activities and processes should be covered?**
- **Who needs to know what your rules are? By when?**

- **Differences in opinion about how shares should be distributed**
 - Mathematical formula
 - Contribution of Contributing Factors
- **Pay pool comprised of diverse age ranges so a set split between base salary increase and bonus is not viewed by many as fair**
- **Employees believe that pay pool panels should review all performance plans – not all pay pool panel members concur**
- **Create your own...**

■ Lessons learned

- “If I knew then what I know now . . .”
- Rules refinement: What changes are you making and why?

■ Additional takeaways / comments

- **Introduction to Pay Pool Management**
 - Instructor-led course
- **Pay Pool Management for Rating Officials and Employees**
 - Instructor-led course
- **Performance, Pay Pools and You**
 - Web-based course
- **Compensation Management under NSPS**
- **Component guidance**
- **Readiness Tool**