Department of Defense

NSPS

National Security Personnel System

Compensation Under NSPS

June 2007

Leading The Way

Panel Members

- **Don Kendrick**
  - Chief, Resource Management Division, Air Force Audit Agency
  - Department of the Air Force
- **Doug Lundberg**
  - Director of HR Policy and Programs
  - Department of the Navy
- **Belinda Tiner**
  - Deputy Auditor General
  - Department of the Army
- **Dennis Turner – Moderator**
  - Chief, Classification and Pay Branch, Field Advisory Services
  - Civilian Personnel Management Service

Overview

- Provide insights into NSPS compensation flexibilities
- Discuss challenges and strategies for overcoming them
- Address audience issues

Implementation of the National Security Personnel System in Army Audit Agency

Presented by Ms. Belinda Tiner

Agency's NSPS Background and Current Status

- Converted to NSPS in Spiral 1.2 with a pay conversion date of 12 November 2006.
- Placed approximately 600 Agency employees under NSPS job objectives on 1 October 2006.
- Completed and documented interim reviews during April 2007.
- Conducted mock pay pool panels during May 2007.
- Raters will conduct performance reviews during October 2007.
- We will conduct pay pools in November 2007.
- The first payout to employees under NSPS will occur in January 2008.

Challenges Faced With NSPS Implementation

- Natural skepticism and angst within the workforce.
  - Most employees will no longer be S-1/Role Models.
  - Employees concerned whether the pay pool process will be fair and equitable.
  - Many question the need for pay control points within bands.
  - Cultural change – moving away from GS.
- Reassignment limitation (5%) presents challenges based on career path for auditors in our organization.

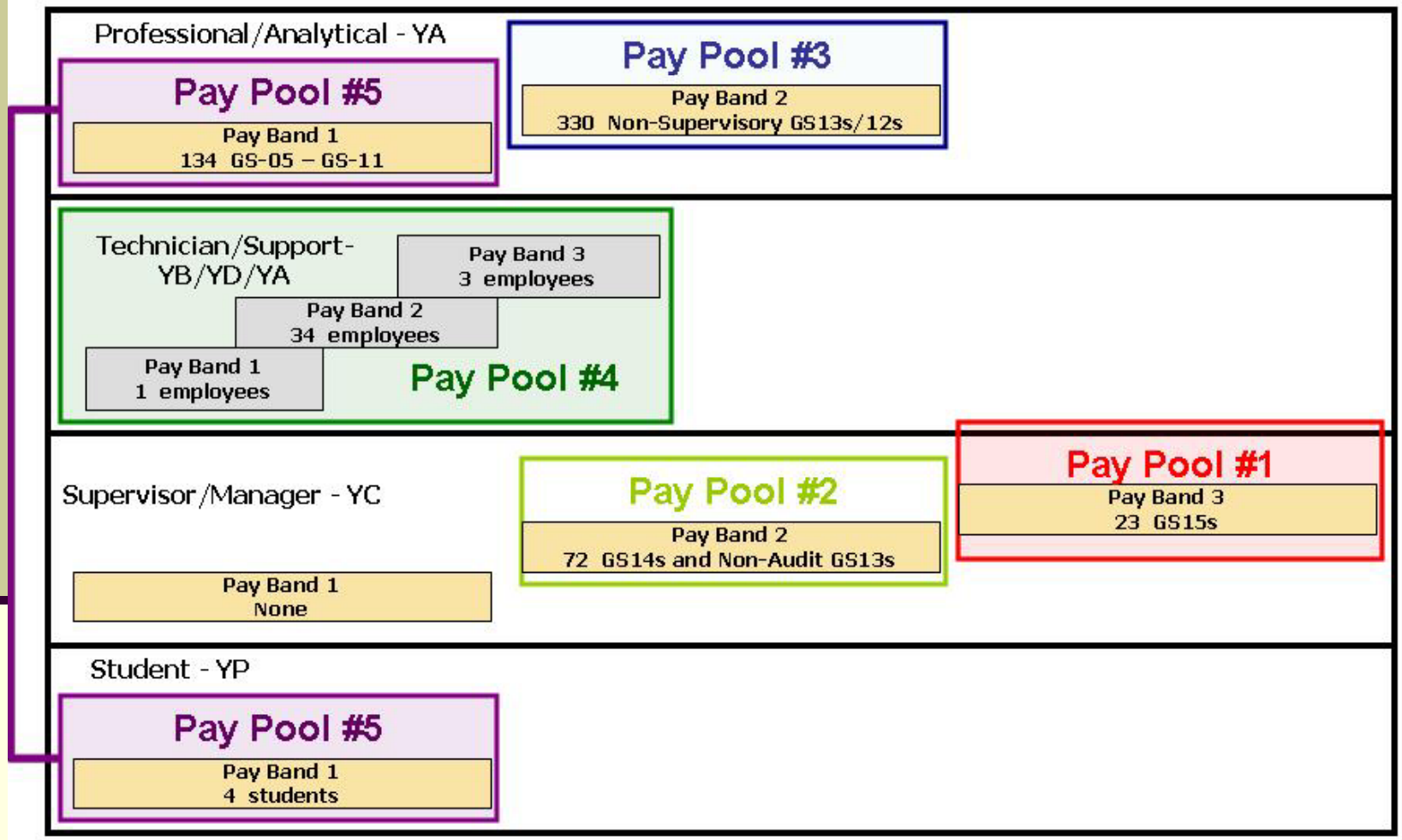
Steps Taken to Manage Employee Expectations

- Provided extensive training and information sessions.
- Conducted town hall meetings beginning 3 months prior to conversion.
- Discussed NSPS continuously – leadership meetings, team meetings, town halls, staff notes, FAQs, etc.
- Explicitly stated and reemphasized that the valued performer will be the norm.

Approaches Used to Manage the Breadth of Broad Pay Bands

- Analyzed which positions would convert into each pay band.
- Revised job descriptions for Auditors-in-Charge (AICs) – no more supervisory duties – and converted them to Schedule YA, band 2.
- Established pay control points to distinguish between different positions performing different levels of work within a pay band.
- Established guidelines for distributing shares – as bonus or salary increase – based on where an employee falls within the pay band and control points.

Pay Pool Structure



Delegation of Authority to Set Pay

- Selecting officials are authorized to set pay following general guidelines established by the Agency. Selecting officials:
  - Are generally the managers of field offices that have cognizance of local market competition, pay, etc.
  - Must confer with Human and Financial Resource managers and senior level managers if they want to set pay outside Agency guidelines.
- Generally, we are using OPM qualification standards and GS schedule to set initial pay for developmental positions

Contact Information

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NSPS Senior Leader Plenary Session:
Compensation Under NSPS

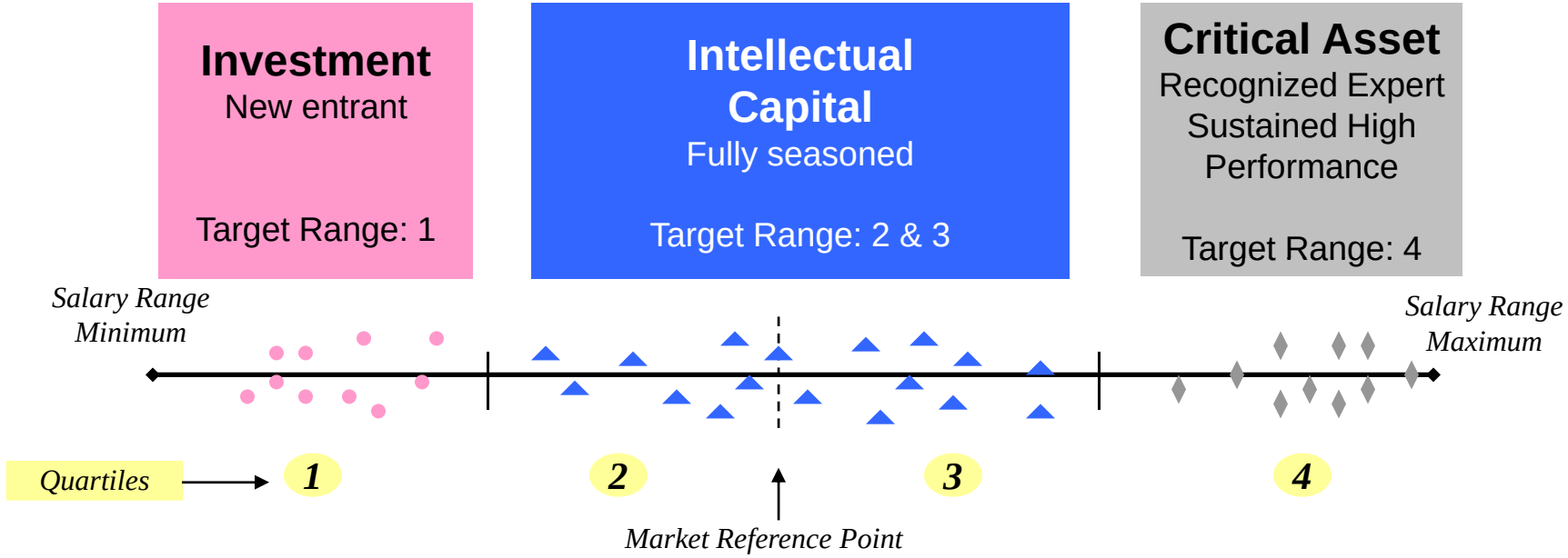
Douglas A. Lundberg
Director, HR Policy and Programs

June 6th 2007

Lessons Learned

- We did not know what we did not know
- We needed to develop compensation business rules
- We need to develop ‘market’ ranges for our most populous and most critical positions
- We needed to define expectations for our employees

Compensation Model



The vast majority of employees are typically in the 2nd or 3rd quartiles of the salary range

Note: The Salary Range refers to the subset of the pay band identified for a particular kind of work. Salary ranges are currently based on legacy GS grades. As our compensation capability matures, a market component will be incorporated into the process for determining salary ranges.