



Department of Defense



***National Security  
Personnel System***

Flexibility and Responsibility –  
Doing the Right Thing the Right Way

June 2007

*Leading The Way*





## Panel Members

### ■ Judy Scott

- Program Director, Office of EEO and Diversity Management
- Department of the Navy

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- NSPS Program & Policy Legal Advisor
- Department of the Army

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- General Counsel
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## Overview

- Provide insight into the use of NSPS new flexibilities
- Highlight the potential pitfalls
- Provide guidance that will enable managers and supervisors to confidently use the NSPS flexibilities



# National Security Personnel System

## NSPS and EEO: Flexibilities and Responsibilities

Judy Scott

Program Director

Office of EEO and Diversity Management

Department of the Navy

DoD PEO Senior Leader Workshop, June 2007



# **NSPS Flexibilities**

- ◆ **Internal movement simplified**
- ◆ **No grades – no time-in-grade restrictions**
- ◆ **Alternative forms of competition**



# **Alternative forms of competition**

- ◆ **Exceptional performance promotions**
- ◆ **Alternate Certification**
- ◆ **Assessment boards**



# **Special Appointing Authorities**

- ◆ **Severe Shortage**
- ◆ **Critical Need**
- ◆ **Time-Limited Authorities**

- ◆ **Merit systems principles and Veterans' preference principles still apply**
  
- ◆ **Competitive procedures apply**
  - **Movement to a higher pay band**
  - **Higher level of work**
  - **Temporary promotions >180 days**



# National Security Personnel System

## Substantiating Compensation Decisions



James N. Szymalak  
NSPS Legal Advisor  
Office of The Judge Advocate General  
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DoD PEO Senior Leader Workshop, June 2007

- ◆ The exercise of almost all HR flexibilities results in a compensation determination.
- ◆ In the past pay setting involved very little discretion; whereas now pay setting provides management wide latitude to structure organizations and recognize contributions.
- ◆ These flexibilities must be exercised consistent with merit principles, which is achieved the best through:
  - ***Comprehensive business rules, and a***
  - ***Detailed compensation strategy***

# Pay Pool Business Rules

- ◆ **Vital for employee acceptance and justifying actions**
- ◆ **Should receive legal review**  
(published HQDA guidance on drafting business rules)
- ◆ **Special Issues:**
  - **Composition of pay pool panel and use of “observers” and “consultants”**
  - **Importance of non-disclosure of deliberations and**



# Pay Pool Business Rules

- ◆ Sample rule for awarding shares:

<b>Rounded Rating</b>	<b>Average Rating</b>	<b>Share Award</b>
5	4.76 – 5.00	6 shares
5	4.51 – 4.75	5 shares
4	4.01 – 4.50	4 shares
4	3.51 – 4.00	3 shares
3	<b>3.01</b> – 3.50	2 shares
3	2.51 – <b>3.00</b>	1 share

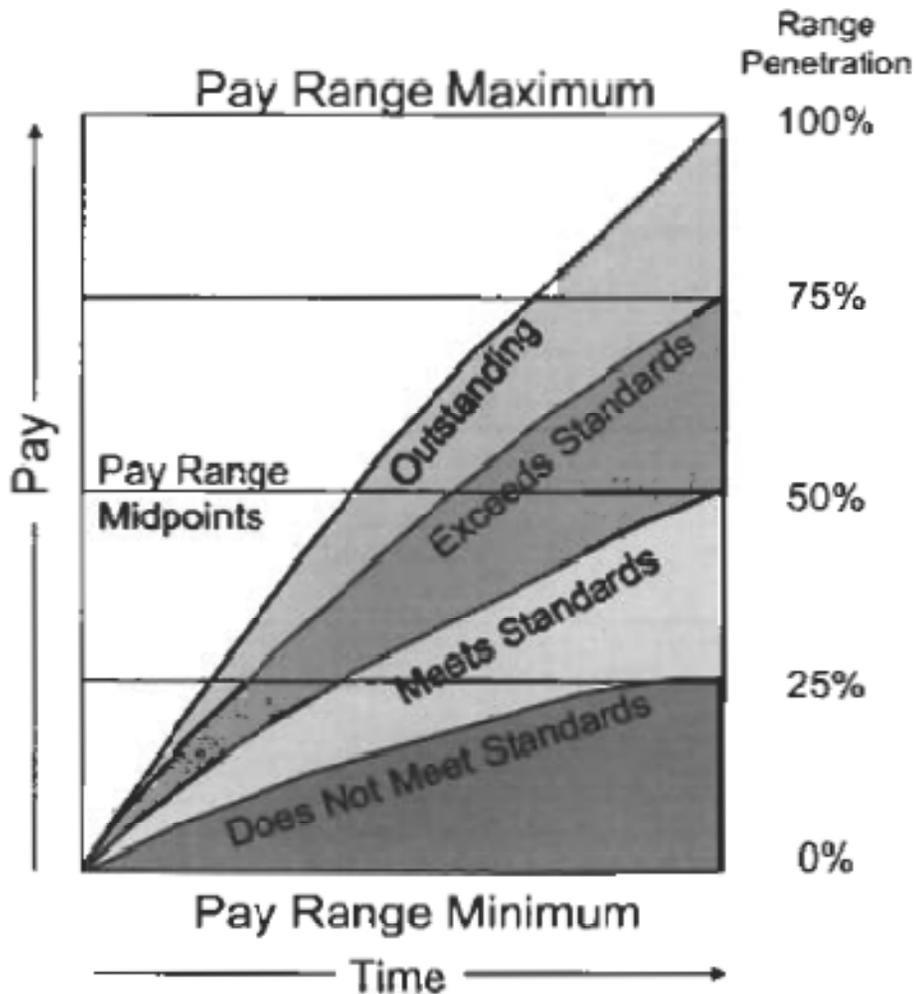
# Compensation Strategy

- ◆ Key to acquiring and retaining properly skilled workforce
- ◆ Cornerstone of NSPS compensation strategy *(see DoD PEO Guide)*
  - Internal equity
    - Pay falls within a common range for the same position
  - External equity
    - Pay based on market rates (Federal or private sector) for similar positions

# Compensation Strategy

- ◆ **Pay-setting is in the hands of the organization**
- ◆ **How far should pay setting authority be delegated?**
- ◆ **Ensure team approach (HR, RM, Legal, EEO, etc.) to developing compensation strategy to avoid adverse budget affects and prohibited compensation discrimination**

# Compensation Strategy: Range Position

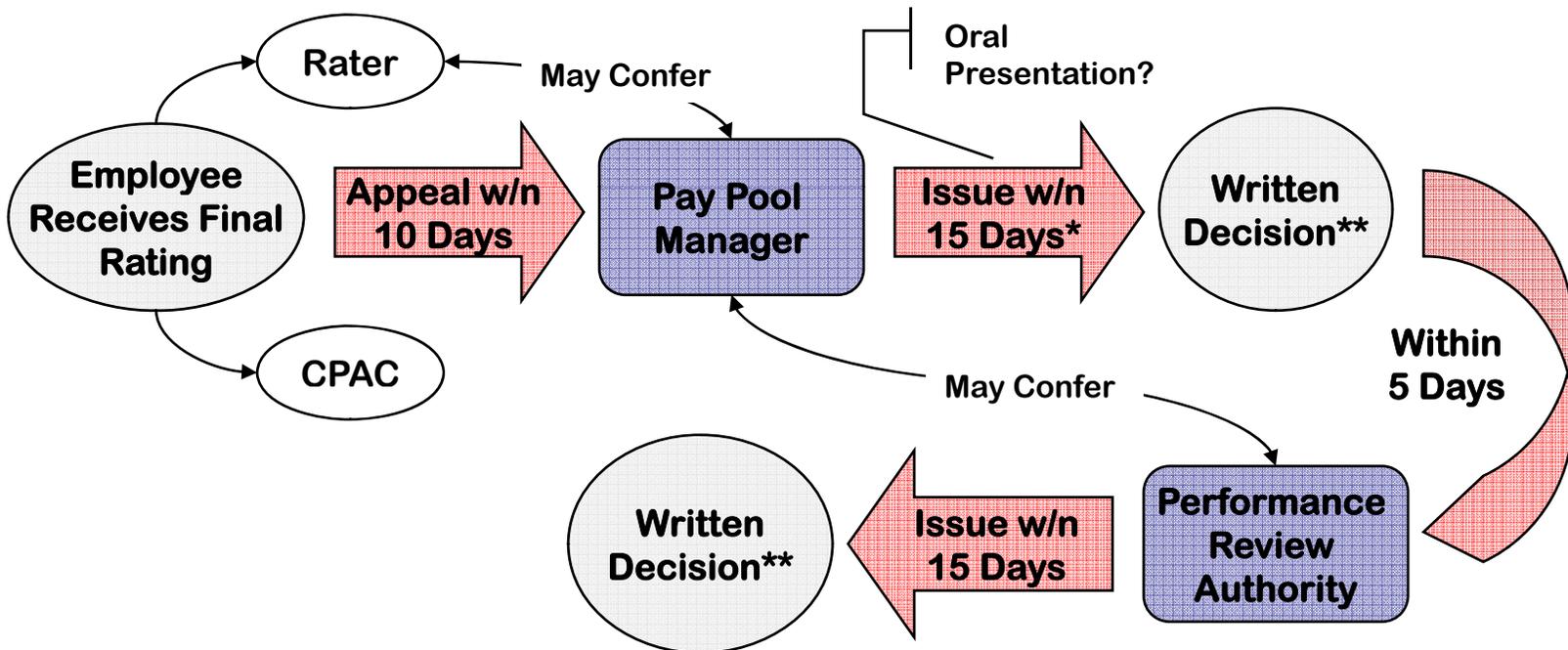


## Decision Points:

- ◆ How far should a particular performance level advance an employee?
- ◆ How long should that advancement take?

# Reconsideration Process

SC1940.12.4.1.2. The request for reconsideration must be in writing and identify the employee's representative, if any, and may include a request for discussion with the pay pool manager. The request must include a copy of the rating being challenged, state what change is being requested and the basis for the change.



\* If no decision, employee can appeal directly to PRA w/n 5 days of decision due date

\*\* Must serve decision on Employee, Rater, CPAC, and PPM (if PRA decision)



# Questions?



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<http://cpol.army.mil/library/general/nsps/>



[www.cpms.osd.mil/nsps](http://www.cpms.osd.mil/nsps)