



*National Security
Personnel System*

*Understanding the Basic
NSPS Elements*

Overview





How is NSPS Being Implemented?

NSPS is being implemented in phases. Full implementation will occur over a few years as event-driven milestones are achieved.

Spiral One includes up to 300,000 GS and U.S.-based employees from Army, Navy, Marine Corps, Air Force and other DoD activities. It is tentatively scheduled to begin in July 2005. The remainder of the eligible workforce is included in Spiral Two. If current legislative restrictions are eliminated, Spiral Three will include personnel from DoD demonstration laboratories. Furthermore, the labor relations portion of NSPS will be implemented Department-wide sometime after July 2005.

Below are the next steps leading to NSPS implementation.

- Continue the “Meet and Confer” process.
- Complete the statutory collaboration process.
- Release implementing regulations.
- Begin workforce training.
- Implement NSPS.

“NSPS *is a win-win-win system ...
a win for our employees,
a win for our military and
a win for our Nation.”*

*Gordon R. England,
NSPS Senior Executive*

What is the National Security Personnel System (NSPS)?

NSPS is a more flexible civilian personnel management system. It allows DoD to be a more competitive and progressive employer. Under this new system:

- Clear expectations are set for employees.
- Organization and employee performance goals are aligned with the strategic goals of the agency.
- Pay is aligned with performance.
- High quality employees are more easily recruited and retained.
- Workplace issues are quickly and fairly resolved.
- The labor relations system recognizes the critical national security mission of DoD and the need to act swiftly to execute that mission, while preserving collective bargaining rights of employees.



Why is DoD Transitioning to NSPS?



NSPS brings a 50-year old civil service system up-to-date. The new system allows DoD to attract, recruit, retain, compensate, reward and manage employees with a focus on performance, flexibility and accountability. NSPS enables DoD to be more:

High performing – Employees and supervisors are compensated and retained based on performance that supports the mission.

Agile and responsive – The workforce can easily be sized, shaped and aligned to meet changing mission requirements.

Credible and trusted – The system assures openness, equity, accountability and merit principles.

Fiscally sound – At the appropriations level, aggregate increases in civilian payroll conform to OMB fiscal guidance. At the managerial level, managers have the flexibility to manage to budget.

Supportive of the infrastructure – Information technology support and training plans are available and funded.

Question: How does NSPS help DoD support national security efforts?

Answer: NSPS supports DoD's national security efforts by:

- Providing the tools necessary to recruit, retain and manage the civilian workforce to accomplish critical missions in a more effective and efficient manner.
- Creating flexibilities to reduce reliance on the military to perform jobs that civilians can and should perform, freeing up the military to perform its war fighting duties.
- Fostering a mission-driven, performance-based environment that motivates, recognizes and rewards excellence.

How Does NSPS Affect DoD Personnel?

NSPS affects the following aspects of the DoD work environment:

Classification

The new system simplifies the job classification process. Instead of narrow job descriptions, positions are classified in broad career groups based on the nature of work, mission, career patterns and competencies. This new classification process gives employees greater flexibility to perform new tasks and more opportunities for career growth. Also, it gives managers more flexibility to adapt their groups' work to changing organizational objectives.

Question: Will any layoffs result from NSPS?

Answer: No jobs are being eliminated because of NSPS. In fact, under NSPS there may be more job opportunities for civilians as military positions are converted to civilian.

Hiring and Staffing

NSPS offers the opportunity to improve and streamline existing hiring and staffing practices and to speed the

hiring process. The move to pay banding, where one or more grade levels are combined into a single pay band, expands reassignment opportunities and reduces the number of times employees must formally compete for promotions. While the Secretary may establish new hiring authorities, existing authorities and tools are retained. This gives DoD managers and supervisors added flexibility to focus recruitment in response to rapidly changing hiring conditions and better meet mission requirements. These changes are good news for DoD employees and managers.

Pay and Compensation

NSPS is designed to attract, develop, retain and reward high-performing employees through appropriate compensation. Annual performance pay increases are based on performance and contribution rather than longevity. Two significant impacts of NSPS on pay and compensation are:

- **Movement toward market sensitive pay** – DoD is moving to market sensitive pay. The new system provides greater assurance that the Department's pay structure keeps pace with rapidly changing market



conditions. In addition to the basic rate range, a local market supplement (previously referred to as locality pay) also can be established based on geographic or occupational factors. The rate ranges and local market supplements may differ by career group, pay schedule or pay band. Local market conditions, rather than nationwide statistical data, can be considered when setting pay for new hires.

- **Organization of pay bands** – A new pay banding system is replacing the General Schedule (GS) grades with broad salary ranges. Each range has general levels, such as entry level, full performance level and supervisor level. Each level represents a pay band associated with classifications of work within a career group. The new system enables employees to progress within a pay band without the requirements imposed by the GS system.

Question: Are employee salaries affected by the shift to NSPS?

Answer: *Employees are converted into NSPS at their current salary. At the time of conversion, most employees will receive a salary increase equal to the amount they have earned towards their next Within Grade Increase (WGI). This is known as the “WGI buy-in”. (Note: Employees who are already at the 10th step of their current grade level are ineligible for a WGI. Unacceptable performers are also ineligible.)*

Performance Management

One of the most important aspects of the shift to NSPS is the increased focus on the performance of each individual employee. In this new system, performance is:

- Aligned with organizational goals. Performance expectations are set with these goals in mind, and can change depending on the needs of the organization.
- Evaluated on an ongoing basis through constructive feedback. Supervisors and employees share the responsibility for creating a two-way dialog about performance. This dialog should be consistent and ongoing, not just once a year.
- Based on accountability and responsibility. Supervisors are held accountable for setting clear, measurable expectations that are aligned with organizational goals. Employees are held accountable for meeting those expectations. Their ability to meet the performance expectations has a direct impact on their pay and career progression.

Question: Do supervisors have the expertise to rate performance, especially as it affects pay?

Answer: *Prior to NSPS implementation, all managers and supervisors will receive extensive training on necessary skills for effective performance management. The training covers topics such as setting clear expectations, communicating with employees and linking individual expectations to organizational objectives.*

Supervisors and managers will be held accountable for how effectively they use the tools provided by NSPS. They are also subject to the pay and performance provisions of the system, and their pay can be affected by how well they perform their managerial duties.

Employee Appeals

NSPS includes an expedited appeals process, while still ensuring employee rights are protected. This new system:

- Includes a 20-day filing deadline.
- Uses Merit Systems Protection Board (MSPB) administrative judges (AJ).
- Allows AJs to issue a summary judgment when material facts are not in dispute.
- Requires AJ initial decisions within 90 days after filing.
- Provides DoD with 30 days to review initial decisions.
- Provides for limited MSPB review.

Labor Relations

As part of NSPS, a new labor relations system is being implemented. This new system:

- Recognizes the critical national security mission of DoD and the need to act swiftly to execute that mission.
- Preserves collective bargaining rights of employees.
- Expands non-negotiable management rights.
- Clarifies representation rights and duties.
- Establishes a National Security Labor Relations Board to resolve labor disputes quickly and fairly.
- Applies to all DoD activities currently eligible for coverage under 5 USC Chapter 71.



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For More Information

NSPS

Visit the NSPS website – A comprehensive and up-to-date resource:

<http://www.cpms.osd.mil/nsps>

NSPS in Your Component

Visit the Air Force at:

<http://www.dp.hq.af.mil/dpp/dppn/nsps/index.cfm>

Visit the Army Civilian Personnel On-Line at:

<http://www.cpol.army.mil>

Visit the Fourth Estate at:

<http://hrd.whs.mil>

Visit the Navy Knowledge Online at:

<https://www.nko.navy.mil>