

# **NRL PERSONNEL MANAGEMENT DEMONSTRATION PROJECT**

*Presentation to*

**NSA Personnel Working Group**

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# Topics

- **Background**
- **Pay Banding**
- **Classification**
- **Pay Setting**
- **Contribution-based Compensation System**
- **Feedback**
- **Automated Tools**



# Mission

**As the Navy and Marine Corps corporate laboratory, NRL's mission is to conduct a broadly based multidisciplinary program of scientific research and advanced technological development directed toward maritime applications of new and improved materials, techniques, equipment, systems, and ocean, atmospheric, and space sciences and related technologies.**



# Demo Background

- **Effective:** 26 September 1999
- **Employees Covered:** Approximately 2622
- **Occupations:** 1598 Scientists & Engineers; 214 Technicians; 391 Administrative Professionals; 419 Administrative Support
- **Various Sites:** Washington, D.C.; Stennis Space Center, Mississippi; Monterey, California; other smaller sites across the U.S.
- **Excluded:** SES; ST; Trades & Crafts; Guards



## Practices Needing Change

- **Narrow and rigid pay setting system.**
- **Pay based on longevity rather than contribution.**
- **Non-competitive compensation.**
- **Complex classification system.**
- **“Separate” instead of integrated programs.**
- **Manual operations.**
- **Limited delegation of authorities.**
- **Slow and cumbersome recruitment process.**



## Practices Needing Change

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# Rules and Philosophies

- **Must be generally similar to China Lake Demo**
- **Retirement, Benefits, and EEO off limits**
- **Conform to Merit Principles**
- **Avoid Prohibited Personnel Practices**
- **Relatively cost neutral**
- **In-line with DoD, OPM, and DoN directions**
- **More streamlined, efficient, and economical processes**
- **More delegation of authorities**
- **More competitive pay setting mechanisms**
- **Flexibility, Flexibility, Flexibility**



# Career Tracks/Levels, Scores and Traditional GS Grades

Grade Level 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 ARSAE

## Scientific and Engineering Professional

I	II	III	IV	V
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## Scientific and Engineering Technical

I	II	III	IV	V
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## Administrative Specialist and Professional

I	II	III	IV	V
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## Administrative Support

I	II	III
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CCS Score Range 1 ..... 21 ..... 34 ... 39 ..... 47 ..... 59 ..... 66 ..... 80 ..... 89



# Target Career Levels

- **The level to which an employee can be promoted without further competition**
- **Varies by career track/occupation**
- **For some positions, the target level is the one where an employee is initially assigned**



# Promotion

## Definition

- Advancement to a higher career level
- May or may not include a pay increase

## Types of promotions

- Competitive Promotion
- Career Promotion
- Accretion of Duties Promotion



# Promotion Criteria and Procedures

- **Criteria for career and accretion of duties promotions:**
  - CCS score within top 3 for career level
  - Top 10% pay range for career level
  - Meets qualifications for higher level
- **Procedures:**
  - Promotion Nomination (PNI)
  - HRO qualifications and eligibility review
  - New Requirements Document (RD)



# Requirements Document (RD)

- **2-3 page summary of each position**
- **Key components of RD:**
  - **CCS elements and level descriptors**
  - **“Purpose of Position”**
  - **Knowledges, Skills & Abilities (KSAs)**
  - **Special requirements for position**
- **Prepared using web-based “RDWriter**



# Classification & CCS Elements

- **Science & Engineering Professional**
  - Scientific and Technical Problem Solving
  - Cooperation and Supervision
  - R&D Business Management
- **Science & Engineering Technical**
  - Scientific and Technical Problem Solving
  - Cooperation, Customer Relations and Supervision
- **Administrative Specialist & Professional**
  - Problem Solving and Program Management
  - Cooperation and Customer Relations
  - Supervision and Resources Management
- **Administrative Support**
  - Problem Solving and Office Administration
  - Cooperation, Supervision and Customer Relations



# Element Charts

- **Generic criteria for assessment:**
  - CCS Scoring
  - Performance Rating
- **Set of charts for each career track**
- **Available in CCSDS, Demo web page**
- **Subject to change**
- **Normally not re-issued each year**



# CCS ELEMENT CHART

## SCIENCE & ENGINEERING PROFESSIONAL

### Factor 1—S&E Problem Solving

<b>LEVEL</b>	<b>POINT RANGE</b>	<b>SCOPE &amp; OVERSIGHT</b>	<b>S&amp;T COMPLEXITY &amp; CREATIVITY</b>	<b>S&amp;T COMMUNICATIONS &amp; REPORTING</b>	<b>IMPACT &amp; RECOGNITION</b>
<b>I</b>	<b>0-21</b>	↑	↑	↑	↑
<b>II</b>	<b>18-47</b>	<b>Level</b>	<b>Level</b>	<b>Level</b>	<b>Level</b>
<b>III</b>	<b>44-66</b>	<b>Descriptors</b>	<b>Descriptors</b>	<b>Descriptors</b>	<b>Descriptors</b>
<b>IV</b>	<b>66-80</b>	↓	↓	↓	↓
<b>V</b>	<b>81-89</b>	↓	↓	↓	↓



# CCS Scores

- **Score for each element considering:**
  - **Discriminators** – aspects of each element to be measured
  - **Descriptors** – describe expected level of contribution for top of each career level
- **Includes comparison of similar accomplishments**
- **Scores are capped at highest score for career level**
- **Overall Contribution Score (OCS) is weighted average of element scores**



# Pay Setting Outside CCS

- **Initial Basic Pay for new employees**
  - Full pay range of career level available
  - Appointee qualifications
  - Market comparison
- **Transfers from other Federal agencies**
  - Based on whether action is a promotion, reassignment, etc.
- **Those reporting after 1 July are ineligible for CCS pay increases/awards**



# Market Salary Reference

- Comparison of NRL salary structure with that of the competitive job market
- Goal is to be competitive with the NRL market average range (+-10% of market average)
- Watson Wyatt, Mercer, Abbott Langer salary surveys referenced
- Supervisors work with HR Specialists to determine appropriate salary for each position
- Approved by DOR
- Staffing Allowance for Information Technology (IT) positions



# Contribution-based Compensation System (CCS)

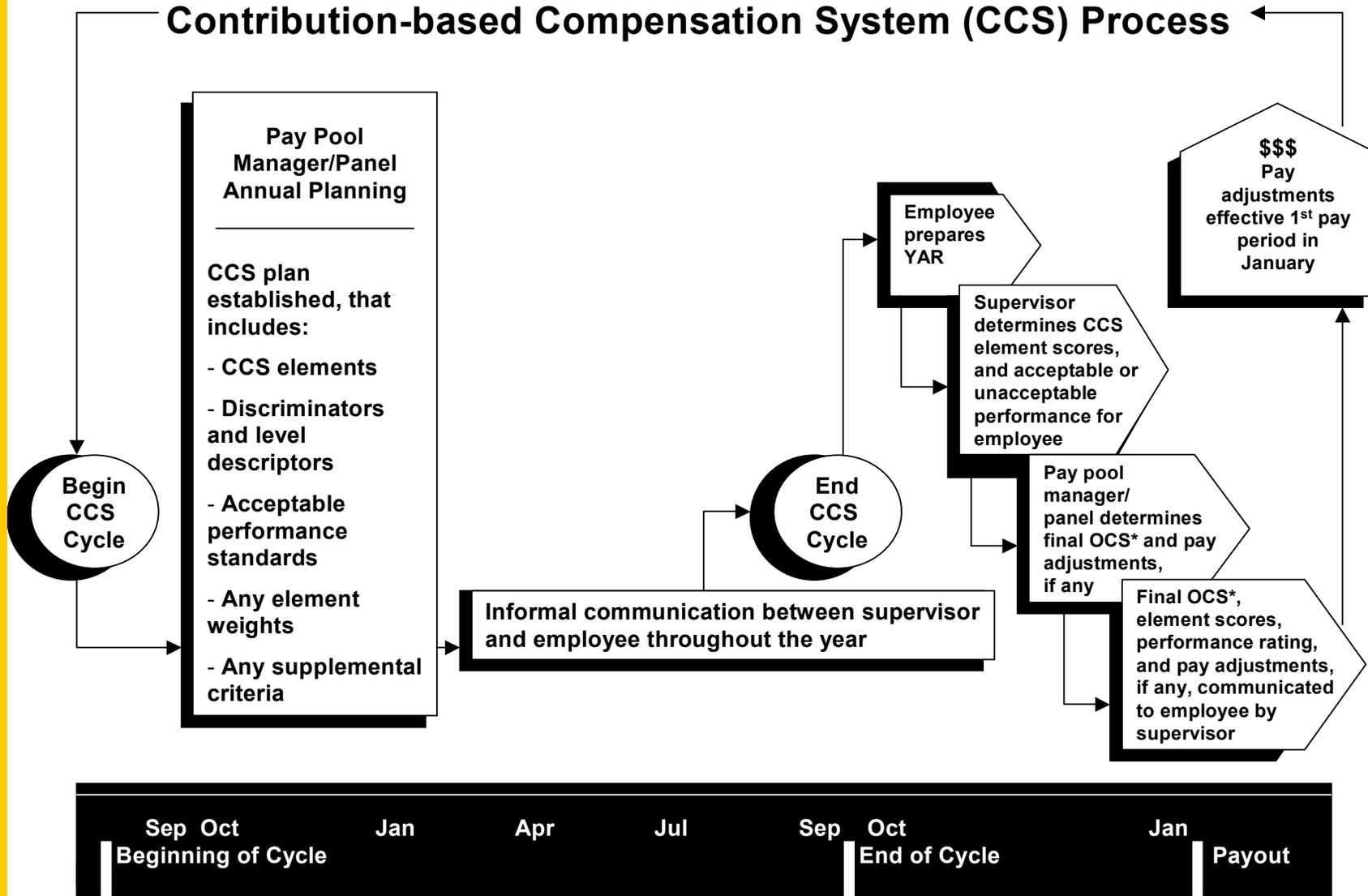
- **Integrates performance appraisal, contribution assessment, classification, and compensation adjustment decisions**
- **Provides context and structure for adjusting employee's compensation based on their contributions to the mission**



# Three Key CCS Components

- **Appraisal – Assigning scores based on contribution (level & value of work)**
- **Normal Pay Range – Relating contribution to level of pay to determine whether employee is appropriately paid**
- **Compensation Adjustment – Permanent pay changes, awards & DCAs**

# Contribution-based Compensation System (CCS) Process



\* OCS - Overall Contribution Score



# CCS Data System (CCSDS)

- **Web-based tool for administering CCS**
- **Every employee has an account**
  - **View and Print CCS Summary Form**
  - **View Personal Data**
  - **Edit/Write/View/Print Yearly Accomplish Report (YAR)**
  - **View Element Charts**
  - **Display NPR Table**
  - **NPR Report**
  - **Change Password**



# CCS Summary Form

- **CCSDS provides new summary form for each appraisal period**
- **Changes to element weights must be entered by pay pool manager**
- **Supplemental criteria may be entered**
- **Form may be printed and signed or communicated electronically**
- **Form documents appraisal and pay results after the cycle ends**



# Communicating Annual CCS Plans

- **When:** By 30 November each year or within 30 days after employee reports
- **How:** Electronically or in hard copy by supervisor. If electronic, a record should be kept to show employee was informed



## Communicating Annual CCS Plans (continued)

- **Plans Include:**
  - **Element Charts with scoring criteria and performance standards**
  - **Element Weights (optional)**
  - **Supplemental Criteria (optional)**
  - **CCS Summary Form**



# Supplemental Criteria

- **Can Include:**
  - **Taskings, Objectives**
  - **Examples of work at career level**
  - **Performance standards, including specific requirements for certain positions**
- **May be on CCS form or issued separately, at any time during cycle**



# Performance Ratings

- **To identify unacceptable performance**
- **Generic standards for each element**
- **May be expanded or specified in supplemental criteria**
- **Specific performance requirements (OSH)**
- **Employee can be overcompensated but not unacceptable**



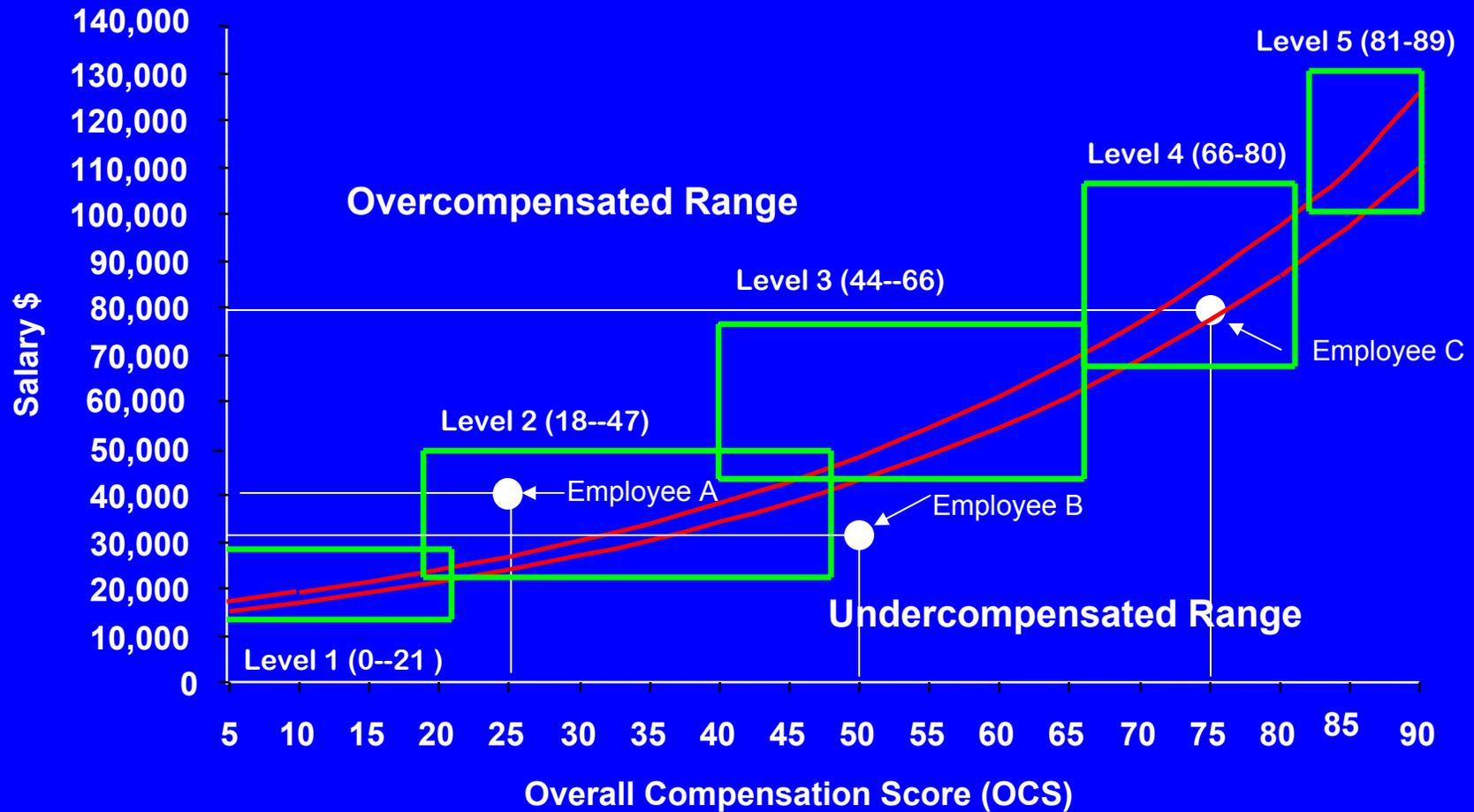
# Pay Pool Panel

- **Group of division supervisors who review and “level” CCS scores**
- **Must include branch heads**
- **Seek to identify comparable scores for comparable contributions**
- **Final approval – pay pool manager**



# Plotting OCS and Basic Pay on the Normal Pay Range (NPR)

## S&E Professional Career Track





# Compensation Adjustment Categories

<b>BASIC PAY RANGE</b>	<b>GENERAL INCREASE</b>	<b>MERIT INCREASE</b>	<b>CONTRIBUTION AWARD</b>	<b>LOCALITY PAY</b>
<b>Over – compensated</b>	<b>May be reduced or denied</b>	<b>No</b>	<b>No—unless on maintained pay</b>	<b>Yes—full</b>
<b>Normal Pay Range</b>	<b>Yes—full</b>	<b>Yes—up to 6% not to exceed upper rail for current score or max career level rate</b>	<b>Yes—over \$10K requires DOR approval. Max = \$25K</b>	<b>Yes—full</b>
<b>Under-Compensated</b>	<b>Yes—full</b>	<b>Yes—not to exceed 6% of lower rail or max career level rate. DOR approval over 20%</b>	<b>Yes—over \$10K requires DOR approval. Max = \$25K</b>	<b>Yes—full</b>



## **General Increase (GI)**

- **Same as traditional annual increase**
- **Straight % of employee basic pay**
- **Budget allocation calculated 30 Sept**
- **May be reduced/denied for overcompensated employees**
- **Denial/reduction to upper rail**
- **Unexpended allocation rolls to merit increase and/or contribution award**



## **Merit Increase (MI)**

- **Budget 2.4% of Basic Pay, allocated by DOR to pay pools**
- **Cannot exceed:**
  - **Top pay in career level or employee NPR**
  - **6% for employee in NPR**
  - **20% & mid-rail for undercompensated**
- **Unexpended allocation can roll to CA or carry over for next cycle**



## **Contribution Award (CA)**

- **Two types:**
  - **Cash**
  - **Time-off**
- **Eligibility**
  - **Normal & Undercompensated Ranges**
  - **Overcompensated if on Maintained Pay**
- **Employees must be on board on effective date to receive awards**



# Cash Contribution Award

- **Lump-sum Awards**
  - Recognize significant contributions
  - Up to \$10,000 Pay Pool Manager Approves
  - Over \$10,000 DOR approves
- **Budget 1.5% of basic pay**
- **Unexpended allocation may be rolled over to the next appraisal cycle**



## **Contribution Time-Off Award**

- **Up to 80 hours; can be used up to 1 year after effected**
- **Pay Pool Manager approves**
- **Cost charged to division overhead**



# RIF Implications of Pay Adjustments

## CCS PROCESS RESULTS FOR

## RIF ASSESSMENT CATEGORY

## RIF Years

<b>0 = Overcompensated, no GI</b>	<b>0</b>
<b>1 = On maintained pay or got GI but no CA or MI</b>	<b>12</b>
<b>2 = Received CA, MI or promotion</b>	<b>16</b>
<b>3 = Received any 2: MI, CA or promotion</b>	
<i>or</i>	
<b>Capped, received CA/DCA/promotion</b>	<b>20</b>



# **End of Annual CCS Cycle**

- **Appraisals/pay decisions finalized by PP Manager early December**
- **Available in CCSDS one week later to allow time for supervisor discussion**
- **Does not have to be issued in hard copy but hard copy available from HRO**
- **Pay adjustments effective 1<sup>st</sup> pay period in January**



# CCS Grievances

- **Grievable**
  - Appraisal - scores and performance rating
  - Other CCS-related issues not excluded
- **Excluded from grievances**
  - Pay Determinations
  - Content of CCS Plans
- **2-step grievance process for appraisal**
  - 1 – Panel review and PP manager decision
  - 2 – Formal grievance via **NRLINST 12771**



# Feedback

- **Recruitment Timeliness is Poor**
- **Caps Hamper Pay Competitiveness**
- **Communication Styles Vary**
- **System is Hard to Explain**
- **Continue Training and Information Resources**
- **Further Enhance Automated Systems**



# Feedback

- **Quality and Number of Applicants Thought to be the Same**
- **More Competitive Job Offers**
- **Managers Spending More Time on Performance Management**
- **System Emphasizes Quality Rather than Seniority**



# Feedback

- **Better Identification of Weak Performers**
- **Salary Imbalances Being Corrected**
- **Feels Like There is More Money Available to Reward High Performers**
- **Flexibility, Flexibility, and Flexibility**
- **Increase from 36.57% in 1996 to 47.99% in 2001 of survey respondents who are in favor of the Demo**



# Summary

**“ It offers new flexibilities and  
on balance we like it.”**

**Pay Pool Managers’  
Evaluation Meeting  
4 June 2001  
Code 5000 Review**