

# **NRL PERSONNEL MANAGEMENT DEMONSTRATION PROJECT**

*Presentation to*  
**U. S. Postal Service**  
**Broadbanding Meeting**  
**28 February 2003**

## **The NRL Demo and Lessons Learned**

**Betty A. Duffield**  
**Director, Strategic Workforce Planning**  
**Naval Research Laboratory**  
**[Bduffield@hro.nrl.navy.mil](mailto:Bduffield@hro.nrl.navy.mil)**  
**202-767-3422**



# 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.**





# 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.**



# 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**



## Goal

- **Develop and Implement:**
  - **A fully integrated classification, pay, performance appraisal, contribution assessment, and compensation adjustment system that is**
    - **more effective, streamlined, efficient, and economical with**
    - **an assessment process that provides context and structure for adjusting employee's compensation based on their contributions to the mission**



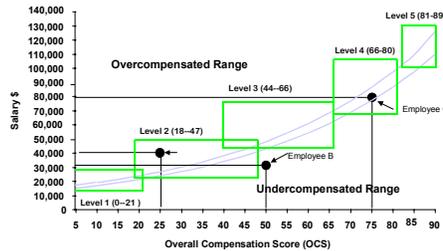
# Demo Background

- **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

## Single Annual Pay Action



## Integrated Pay Schedule

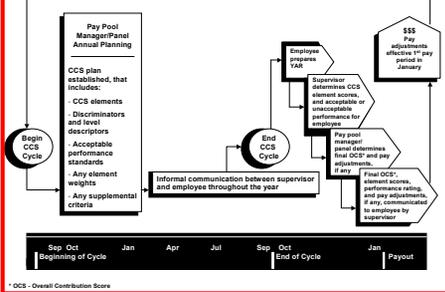


## Career Tracks/Levels, Scores and Traditional GS Grades

Grade	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											
Scientific and Engineering Technical	I	II	III	IV	V											
Administrative Specialist and Professional	I	II	III	IV	V											
Administrative Support	I	II	III													
GS, Step 1	21		34		39		47		59		66		80		89	

# NRL Demo Integrated System

## Contribution-based Compensation System (CCS) Process



## CCS ELEMENT CHART SCIENCE & ENGINEERING PROFESSIONAL Factor 1—S&E Problem Solving

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

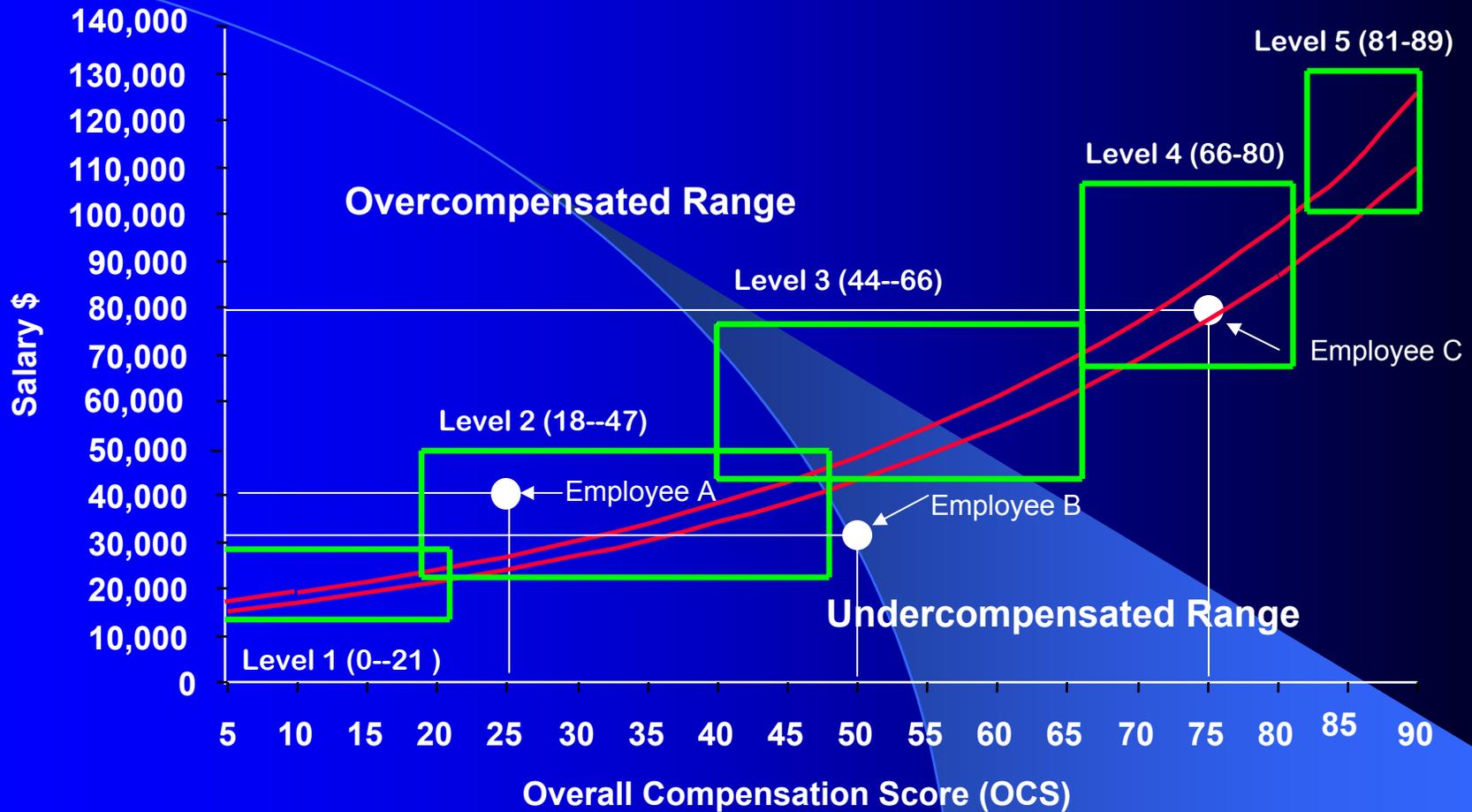
## Classification & CCS Elements

- 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





# Plotting OCS and Basic Pay on the Normal Pay Range (NPR) S&E Professional Career Track





# 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



# Classification & CCS Elements

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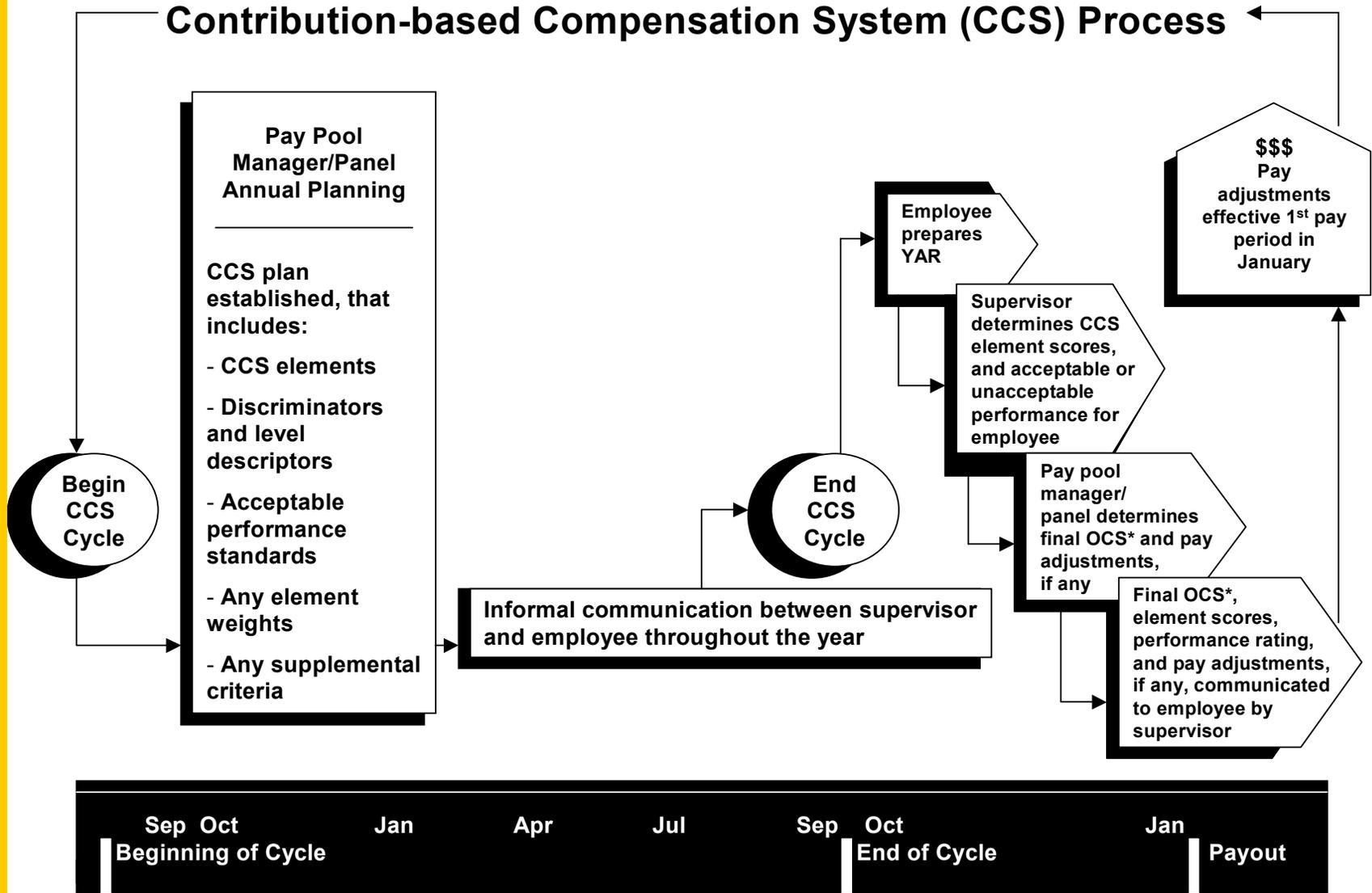
# CCS ELEMENT CHART

## SCIENCE & ENGINEERING PROFESSIONAL

### Factor 1—S&E Problem Solving (contains Classification/Contribution criteria)

<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>	↓	↓	↓	↓

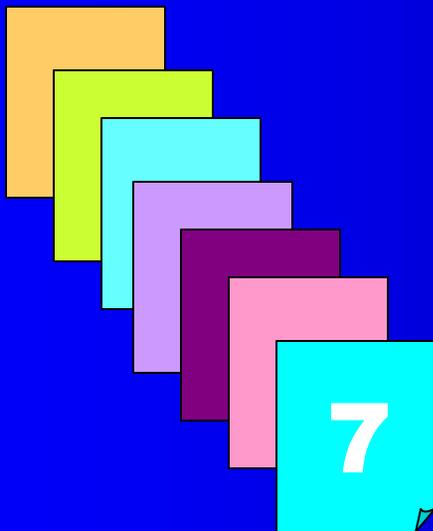
# Contribution-based Compensation System (CCS) Process



\* OCS - Overall Contribution Score



# Single Annual Pay Action



*equals*





# Standard Form 50 (4 pay actions)

- General Increase
- Locality Increase
- Merit Increase
- Contribution Award

NOTIFICATION OF PERSONNEL ACTION											
1. Name (Last, First, Middle)			2. Social Security Number			3. Date of Birth			4. Effective Date 01-13-2002		
FIRST ACTION						SECOND ACTION					
5-A. Code 894			5-B. Nature of Action Pay Adj			6-A. Code			6-B. Nature of Action		
5-C. Code 23U			5-D. Legal Authority P.L. 103-337			6-C. Code			6-D. Legal Authority		
5-E. Code			5-F. Legal Authority			6-E. Code			6-F. Legal Authority		
7. FROM: Position Title and Number MECHANICAL ENGINEER						8. TO: Position Title and Number MECHANICAL ENGINEER					
9. Pay Plan NP		10. Grade/Level 00		11. Step/Rate 00		12. Total Salary \$106,882.00		13. Pay Rate PA		14. Pay Plan NP	
15. Locality Adj. \$9,919.00		16. Ad. Rate Pay \$106,882.00		17. Other Pay \$0		18. Total Salary \$116,454.00		19. Pay Rate PA		20. Total Salary \$118,675.00	
14. Name and Location of Position's Organization MAT SCI & COMPUT TECH DIRECTORATE MATERIAL SCIENCE MULTIFUNCTIONAL MATERIALS US NAVAL RESEARCH LAB WASH DC 20375						22. Name and Location of Position's Organization MAT SCI & COMPUT TECH DIRECTORATE MATERIAL SCIENCE MULTIFUNCTIONAL MATERIALS US NAVAL RESEARCH LAB WASH DC 20375					
EMPLOYEE DATA						EMPLOYEE DATA					
23. Veterans Preference I - None 2 - 5 Years 3 - 10 Years 4 - 15 Years			24. Tenure I - New 2 - Reassignment 3 - Promotion 4 - Reassignment/Rehire			25. Agency Use			26. Veterans Preference for RIF YES <input checked="" type="checkbox"/> NO		
27. FEGLI CB Basic only			28. Amendment Indicator g Not Applicable			29. Pay Rate Determinant 0			30. Part-Time Hours Per Week/Per Period		
31. Retirement Plan K FEBS and FICA			32. Service Comp. Date (Leave) 04-01-1985			33. Mark Schedule F Full-Time			34. Bargaining Unit Status 8888		
POSITION DATA						POSITION DATA					
35. Position Occupied 1 - Competitive Service 2 - Excepted Service			36. FLSA Category E - Exempt F - Nonexempt			37. Appropriation Code NAVY 1			38. Duty Station Code WASHINGTON / DISTRICT OF COLUMBIA / DISTRICT OF COLUMBIA		
39. Agency Use LUC: 00173			40. ORG: 635900			41. CC: 6380			42. PAY OFF: FE/LOC ID:		
43. Remarks Congratulations. You have earned a Contribution Award in the amount of \$596. This amount is not included in your continuing total salary above. Congratulations. Your continuing total salary above includes a Merit Increase in the amount of \$6000. Salary includes General Increase of 3.6 percent in the amount of \$3491. Salary includes a Locality Payment of 11.48 percent, under the authority of 5 USC 5304.											
44. Employing Department or Agency Office of Naval Research (NV14)						45. Signature/Authentication and Title of Approving Official John R. Corwell Director, HRSC-NE					
46. Agency Code NV14		47. Personnel Office ID 2412		48. Approval Date 01-24-2002							



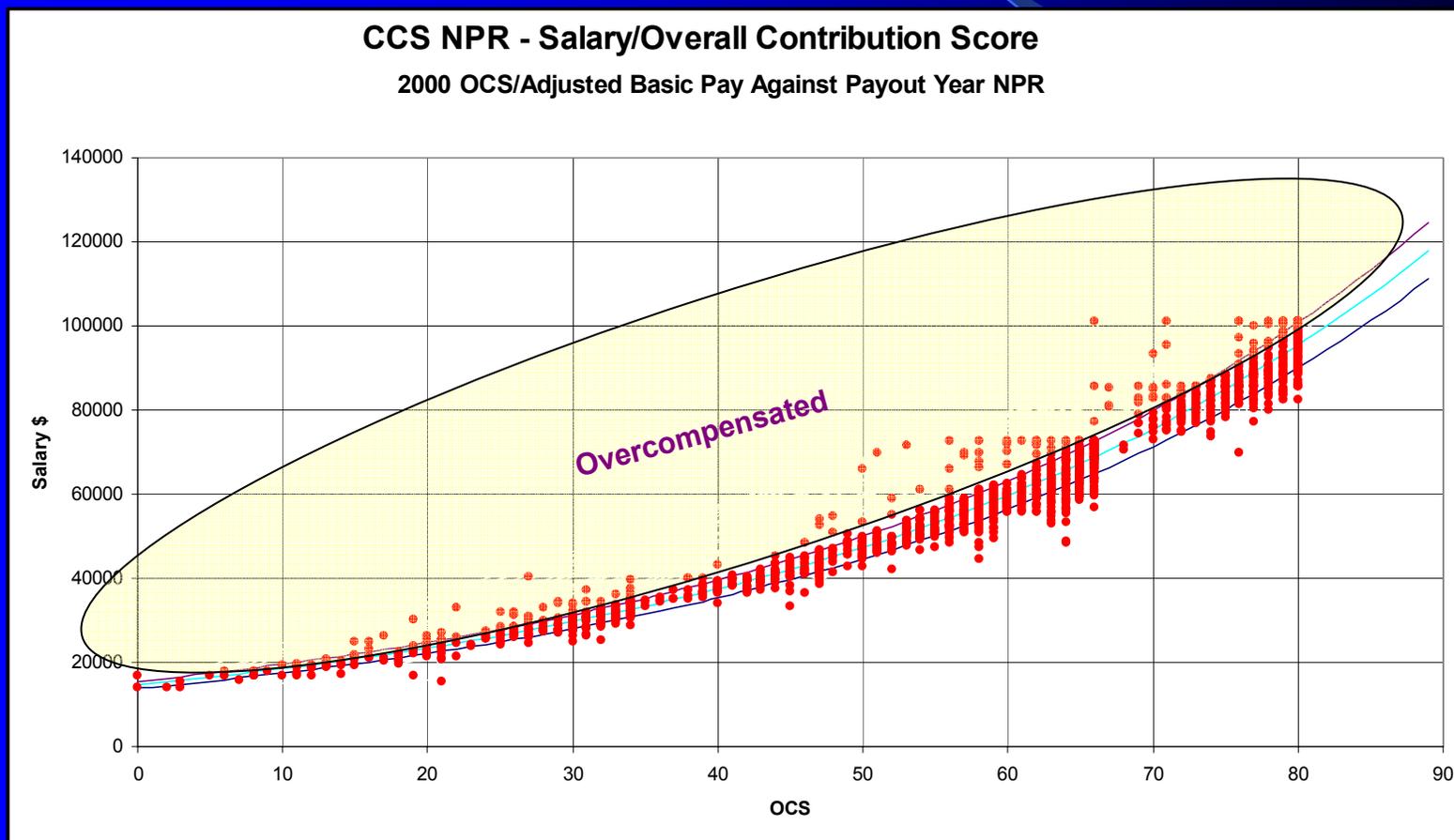


# Integrated System Achievements

- **Virtually a Paperless System**
  - Requirements Document Writer
  - Contribution-based Compensation System
  - Electronic Interface with Modern DCPDS
  - Only 4 Hardcopy Documents
- **Greater Opportunity for:**
  - Employee Involvement
  - Access to Information
- **Better Identification of Weak Contributors to Mission**



# Relative Compensation--2000 Lab-wide Distribution of Scores





## Integrated System Achievements (cont'd.)

- **Greater Flexibility**
  - Delegated Classification Authority
  - Individualized Pay Pool Assessment Processes
  - Increased Pay Setting Options
    - Cash Awards up to \$25,000
    - Increased Merit Increase Authority
    - No Mandated Minimum Promotion Increase
    - Distinguished Contributions Allowance
    - Staffing Allowances
- **Increased Feeling of Pay Equity**
  - Increase from 31.9% to 56.49% of survey responses agree with: *“Pay raises depend on my contribution to the accomplishment of my organization’s mission.”*



# Recruitment

Intervention		Impact
<ul style="list-style-type: none"><li>• Delegated Examining for All Positions (except Luevano and ALJs)</li><li>• Rate and Rank only if:<ul style="list-style-type: none"><li>✓ more than 15</li><li>✓ mix of preference and non-preference eligibles</li></ul></li><li>• Rule of Three Eliminated</li></ul>	  	<ul style="list-style-type: none"><li>• 29-day S&amp;E Professional Name Request Process.</li><li>• 50 Days Under Navy Regionalization.</li><li>• 482 Actions; Only 62 Required Rating and Ranking.</li><li>• 1- to 3-week time reduction per action.</li><li>• Streamlines Referrals Provides More Candidates.</li></ul>



# Recruitment (Cont'd.)

Intervention		Impact
<ul style="list-style-type: none"><li>• <b>3-year Probationary Period</b></li><li>• <b>Non-competitive Temporary Promotions &amp; Details to Higher Levels up to 1 year in a 24-month period</b></li><li>• <b>Non-citizen Hire Authority</b></li></ul>	<ul style="list-style-type: none"><li>⇒</li><li>⇒</li><li>⇒</li></ul>	<ul style="list-style-type: none"><li>• <b>2 Separation Actions in Three Years.</b></li><li>• <b>2- to 4-week Reduction in Staffing Time Per Action.</b></li><li>• <b>16 actions CY-01</b></li><li>• <b>10 actions CY-02</b></li><li>• <b>Greater Flexibility in Filling Positions &amp; Reshaping Workforce.</b></li><li>• <b>4- to 8-week Time Reduction Per Action.</b></li><li>• <b>13 hires through CY-02.</b></li></ul>



# Recruitment (Cont'd.)

Intervention		Impact
<ul style="list-style-type: none"><li>• <b>Movement Within a Career Level</b></li> <li>• <b>Qualifications Flexibility</b></li></ul>	  	<ul style="list-style-type: none"><li>• <b>Simplified—non-competitive reassignments.</b></li><li>• <b>2- to 12-week time reduction per action.</b></li><li>• <b>665 Individual Career Ladder Promotion Packages Avoided.</b></li><li>• <b>Provides opportunities to consider a broader range of candidates.</b></li><li>• <b>Flexibility in filling positions and reshaping the workforce when needed.</b></li></ul>



# Average Savings

(Summary)

Category		Savings
Hours		10,527 (5.06 man years per year)
Dollars		\$264,614 per year
Sheets of paper		76,977 (153.95 reams per year)
Decreased recruitment time		1- to 12-week reduction per action depending on type



# Average Savings

(Summary Cont'd)

Category		Savings
Avoidance	 Three orange award ribbons with blue ribbons, arranged vertically.	<p>Intensive Performance-based Actions/Grievances.</p> <p>Significant Amount of Personnel Action Request Processing Time</p> <p>Numerous Internal Competitive Recruitment Actions</p>



# What are the Lessons Learned

**ASSESSMENT**

**GENERAL**

**PROFOUND  
ADVICE**

**AUTOMATION**

**CLASSIFICATION**

**PAY SETTING**





# Profound Advice

- Keep employees involved and informed starting with the initial stages of Demo to foster early employee ownership.
- Listen and consider all comments.
- The ***"DEVIL'S IN THE DETAILS."***
- Demo does not correct all issues and, in some instances, creates new ones.
- Must be willing to reengineer internal policies, processes in conjunction with Demo design and implementation.



## More Profound Advice

- **Automation up and running before you start Demo.**
- **Constant monitoring of processes, particularly automation support outside your organization.**
- **Need a dedicated staff for faster development and implementation.**



# Classification

- **Design a user-friendly automated system before start-up.**
- **Have a dedicated team to rewrite all position descriptions to new format.**
- **Train managers on classification principles and position management.**
  - ✓ **Overview on global philosophy/policies.**
  - ✓ **One-on-one training as cases are submitted.**



# Pay Setting

- **Establish policy and procedures in advance of start-up.**
  - ✓ Allow ample time to apply pay setting rules to a variety of situations to uncover anomalies.
  - ✓ Determine process to match to market survey.
  - ✓ Establish pay setting for students.
- **Educate managers, administrative officers, and HR specialists before start-up on global philosophies and policies.**
- **Begin using pay setting policies together with traditional system at least 6 months in advance.**
- **Establish parameters, but maintain flexibility.**



# Assessment

- **Train managers to use probationary period effectively.**
- **Integrating performance, level of work, and mission contribution provides more meaningful basis for determining salary than if they are separate processes.**
- **Automated tools are critical to support and streamline assessment process.**
- **Overcompensation sends message contributing to improvement or departure. Part 432 is a tool to correct most serious performance situations.**



# Assessment (cont'd)

- **Pay pool panel process provides:**
  - ✓ **For communication and education**
  - ✓ **Improved consistency across pay pool**
  - ✓ **Support for individual supervisors' decisions**
  - ✓ **Enhanced understanding of broader organizational activities**
- **Providing flexibility to managers to tailor assessment process to organization enhances their ownership of system.**
- **Grievance review by pay pool panel and managers reduces elevating to next high level.**



# Automation

- Design and development team needs to have same goals and priorities.
- Address security issues early in design phase.
- Documentation needs to be clear and concise.
- **TEST, TEST, TEST, AND TEST AGAIN.**
- System needs to be user friendly.
- Provide flexibility.
- Have system operational at start-up.
- **TRAIN, TRAIN, TRAIN.**



# What Else is Needed?

- **Reduction in Recruitment Time**
  - Web-based Automated Systems
  - Direct Appointment Authority
- **Supervisory Differential**
- **Continued Education**
  - New Employees
  - Communication Techniques
  - Demo Refresher
  - Pay Setting Options
- **Waiver of 1-year Specialized Experience at Next Lower Level**
- **Modification to DCA and S&E Professional Band V Pay Caps**



# Feedback

- **Increase from 36.27% (1996) to 47.99% (2001) survey responses in favor of the Demo.**
  - After 2 years of full operation
  - China Lake reached 47% after 5 years
- **“It offers new flexibilities and on balance we like it.”**
  - Pay Pool Managers’ Evaluation Meeting, 4 June 2001, Code 5000 Review