



DoD Civilian Workforce Best Practices



July 2003



Overview

- DoD Best Practices (BP) Task Force
- DoD Findings
- BP Working Group Discussions
 - Classification and Pay
 - Staffing
 - Performance Management and Employee Relations



DoD Best Practices Task Force

- Reviewed initiatives, internal and external
 - Demonstration projects (demos)
 - Alternative personnel systems (APSs), e.g., NIST
 - 1997 Personnel System Initiative (PSI) effort
- Noted differences, commonalities
- Identified HR best practices



DoD Findings

- Change classification and pay system
- Implement staffing innovations
- Meld multiple performance systems into a single, simple structure that focuses on pay for performance
- Align DoD personnel policies and procedures



Classification and Pay

Classification and Pay Guiding Principles

- Implement Pay Banding
 - Facilitates pay progression
 - Permits more competitive recruitment of quality candidates at differing rates
 - Accommodates broad range of occupations and missions
 - Provides 5 career groups with up to 4 pay band levels for nonsupervisory positions
 - Reduces the number and length of position descriptions
 - Creates assignment flexibility



Classification and Pay [2]

Nonsupervisory Pay Banding Architecture

Career Group (CG)	Career Group Name	Level 1	Level 2	Level 3	Level 4
CG 1	Science and Engineering Research	GS 5-12	GS 13-15	Above GS-15	Not applicable
CG 2	Professional and Administrative Management	GS 5-11	GS 12-13	GS 14-15	Above GS-15
CG 3	Engineering, Scientific, and Medical Support	GS 1-4	GS 5-7	GS 8-11	(GS-12 & above to CG 2)
CG 4	Business and Administrative Support	GS 1-4	GS 5-7	GS 8-10	(GS-11 & above to CG 2)
CG 5	College Cooperative Education Program	GS 1-5	GS 6-8	GS 9-11	GS-12



Classification and Pay [3]

Classification and Pay Guiding Principles

- Create a Separate Range of Pay for Supervisors
 - Allocates supervisors in a hierarchy that overlays nonsupervisory pay band levels
 - Recognizes 4 levels, from limited supervisor to managerial, third-level supervisor
 - Provides for access to higher range of basic pay



Classification and Pay [4]

Classification and Pay Highlights

- OPM standards for occupational series and titles
- Narrative descriptors for pay band level and supervisory level
- Pay category reconsideration
- Fair Labor Standards Act criteria



Classification and Pay [5]

Classification and Pay Highlights

- BP conversion (with no loss of pay)
- Locality pay
- Special salary rate supplement
- Premium pays
- No grade retention
- Pay retention (limited to 2 years and to nonsupervisory employees)



Classification and Pay [6]

Classification and Pay Highlights – Pay Setting

- Upon accession – within pay band level, not to exceed maximum of level
- Upon Job Change-No Higher Earning Potential – pay increase not to exceed 5 percent or no change in pay
- Upon voluntary Job Change-Lower earning potential – any rate in new pay band level including up to 5 percent increase; pay decrease; or no change in pay
- Upon Job Change-Higher Earning Potential – from minimum to maximum of new pay band level



Staffing

Staffing Guiding Principles

- Review proven staffing flexibilities
- Provide management maximum flexibility
- Streamline the processes
- Maintain merit system principles



Staffing [2]

Staffing Highlights - Job Changes

- Job Change – Higher Earning Potential: Movement to a position with higher earning potential
- Job Change – No Higher Earning Potential: Movement to a position with no higher earning potential
- Job Change – Lower Earning Potential: Movement to a position with lower earning potential
- Job Change does not include assignment or termination of supervisory or locality pay



Staffing [3]

Staffing Highlights - Internal Placement

- Competition, or an exception to competitive procedures, required for a job change – higher earning potential
- Expanded forms of competition
 - Assessment Boards
 - Alternative Certification Process
- Exceptions to Competition
- Probationary period for competitive job change – higher earning potential
- Temporary Job Change



Staffing [4]

Staffing Highlights - External Hiring

- Revise delegated examining
 - All candidate referral
 - Categorical rating/ranking by quality groups
- Preserve veterans' preference
- Eliminate “rule of three”



Staffing [5]

Staffing Highlights - Appointing Authorities

- Career (Up to 3-year probationary period)
- Modified term (6-year maximum)
 - Competitive or noncompetitive
 - Competitive may be converted to permanent through internal procedures
- Noncompetitive temporary (2-year maximum)



Staffing [6]

Staffing Highlights - Appointing Authorities

- On-the-spot
 - Emergency need
 - Hard-to-fill jobs
- Scholastic Achievement
 - 3.0 or better GPA
 - 3.5 or better in field of study



Staffing [7]

Staffing Highlights - Other

- DoD alternative qualifications or criteria (for specific occupations and/or tailored to pay banding architecture)
- Volunteer emeritus
- Expanded sabbatical
- Noncitizen hires - DoD approval authority



Staffing [8]

Staffing Highlights - Reduction in Force (RIF)

- RIF competition
 - Competitive area
 - Retention level
 - Retention factor order
 - 30% compensable-disabled veterans
 - Tenure
 - Performance
 - Veterans' preference
- Assignment rights



Performance Management

Pay-for-Performance Management Guiding Principles

- Significant differences in payout levels based on performance
- Flexibility in payout as base pay and/or performance incentive (i.e., one-time lump sum)
- Simple, understandable, and useful tool (no more complex than necessary to accomplish the goals)
- “Order of merit” listing of those employees rated
- Rating inflation management



Performance Management [2]

Pay-for-Performance Management Highlights

- Rating Cycle – October 1 through September 30
- 90 Day minimum rating period
- Performance objectives (established at beginning of rating cycle; must contribute to accomplishing the mission and goals of the organization)
- Performance factors (used to evaluate accomplishment of objectives)
- February payout



Performance Management [3]

Performance Factors

- Technical competence/problem solving
- Cooperation/teamwork
- Communication
- Customer care
- Resource management
- Leadership/supervision
- Contribution to mission accomplishment



Performance Management [4]

Pay-for-Performance Management Highlights

- Components have discretion to weight factors
- Benchmark performance standards used to measure, evaluate and score
- At the end of rating cycle, supervisor determines level of performance and assigns appropriate point value for each factor to arrive at a total performance score
- Performance score used to determine salary increases and/or performance incentives



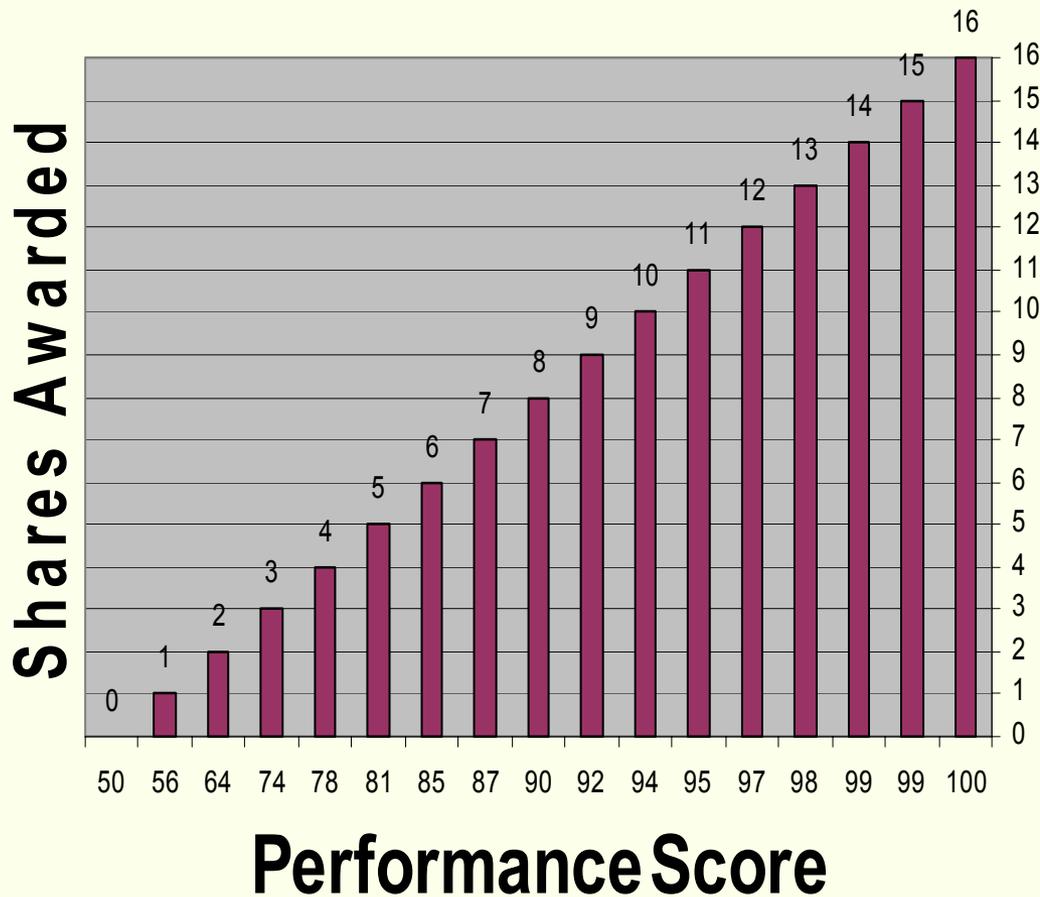
Performance Management [5]

Pay-for-Performance Management Highlights

- Employee receives “shares” that equate to final score
- Shares are percentage of current salary for payout purposes (standardized calculation)
- Performance review board may be established to evaluate adequacy of ratings and determine payouts
- Order of merit listing determined (assignment, selection, RIF retention, final payout and performance incentive decisions)



Performance Management [6]



- Range of shares awarded based on score (e.g. 98-100 score receives 13, 14, 15 or 16 shares)
- Payout Factor = % of salary dollars budgeted for payouts
- Pool Value =
Payout factor X Total Salaries
- Share Value =
$$\frac{\text{Pool Value}}{\text{Sum Total (Salary X Shares)}}$$
- Performance Payout =
Salary X Shares X Share Value



Performance Management [7]

Pay-for-Performance Management Highlights

- Assessment-based salary pool
 - Minimum amount equivalent to WGIs and promotions
 - Fenced salary dollars
 - “At risk” general pay increase
- Assessment-based performance incentive pool
 - Minimum of 1 percent of salary dollars
 - Opportunity to provide performance incentives to employees at top of pay scale



Employee Relations

Best Practices Feature - Supervisory to Nonsupervisory Assignment

- Not adverse action
- No appeal rights



Current Status

- Federal Register (FR)
 - Published on April 2, 2003
 - Comments due May 2, 2003
- Best Practices Working Groups convened on June 30 – July 1, 2003 to review comments and make recommendations
- Senior Steering Group to review BP working group recommendations and plan final decisions



Next Steps

- Develop Operating Procedures
- Develop Implementation Plan
 - Timeline
 - Systems Requirements
 - Training



Next Steps [2]

- Modify Civilian Personnel Management chapters based on agreements
 - Coordinate revisions
 - Complete SD-106 coordination
 - Publish/implement policy