

**Statement of
The Honorable Linda M. Springer
Director
Office of Personnel Management**

before the

**Committee on Homeland Security and Governmental Affairs
United States Senate**

on

“Critical Mission: Assessing Spiral 1.1 of the National Security Personnel System”

September 20, 2006

Madam Chairman and Members of the Committee:

I am pleased to be here today to discuss the Office of Personnel Management's (OPM) role in the implementation of the Department of Defense (DOD) National Security Personnel System (NSPS) and our plan for evaluating the system. The initial phase of the NSPS implementation, known as Spiral 1.1, is a critical step in realizing a human resources system that will better assist DOD in accomplishing its national security mission.

Our collaboration with DOD has been a productive one and could not have occurred without the leadership of Secretary Rumsfeld and Deputy Secretary England. I thank them both for their efforts to help create an environment of cooperation, energy, and enthusiasm necessary for a successful outcome to the NSPS development and implementation. The result of our collaboration is a new human resources (HR) system

that balances the competing needs of uniformity and flexibility and incorporates the principles of merit and equal employment opportunity into the design and implementation of civilian HR policies at all organizational levels. Most importantly, implementation of NSPS will support national security goals and strategic objectives; respect the individual; value talent, performance, leadership, and commitment to public service; ensure accountability at all levels; and be competitive and cost effective.

In November, I testified before this committee that OPM would support DOD in every way to make sure the implementation of NSPS proceeds smoothly. In my view, the conversion of Spiral 1.1 employees into the NSPS has gone well, and OPM played an important role in that success.

Senior OPM leaders participate in weekly Overarching Integrated Product Team meetings and other periodic and ad hoc leadership meetings to provide policy guidance on the implementation of NSPS. OPM and DOD legal staffs actively consult to ensure that the implementation of NSPS meets the statutory requirements for, and judicial restraints on, NSPS.

OPM also provided DOD the services of its policy experts to assist in the development of the NSPS implementing issuances. These individuals provided guidance, review, and coordination on a wide range of human resources policy areas, including employee compensation, performance management, position classification, staffing and recruiting, and workforce shaping.

OPM compensation experts contributed substantively to the development of issuances to implement the NSPS pay policy of equal pay for work of equal value with appropriate consideration of market factors. These implementing issuances ensure a credible pay-for-performance system that rewards individual performance and provides the flexibility to consider organizational results in determining that reward. An organization's success also can be a factor in the amount of pay pool funds it is allocated. This allows expenditure of pay pool funds for the performance-based contributions of both the individual and his or her organization.

Our performance management experts were involved in the development of the performance management implementing issuances. The procedures developed will hold managers and supervisors accountable for effectively managing performance consistent with merit system principles.

Key characteristics of the performance management system include clear written communication of performance expectations; aligning those expectations with organization mission and goals; providing meaningful, constructive, and candid feedback relative to performance expectations; and making meaningful distinctions among employees based on performance and contribution. These elements form the foundation of a fair and transparent performance management system that fully supports NSPS pay for performance.

OPM's classification experts reviewed procedures for classifying positions, including career groups, banding structures, band level descriptions, and occupational descriptions. They helped to ensure the system's streamlined and simplified processes are adaptable and flexible but also preserve employee rights. This simplified system reflects the natural progression in the work levels of today's national security environment of knowledge-based work, ranging from entry and/or developmental assignments to journey and expert work levels.

Our staffing experts worked with their DOD counterparts to develop procedures for implementing the NSPS delegated examining system, including category rating, public notice requirements, and veterans' preference requirements. They also reviewed new probationary period requirements for appointments into NSPS, internal placement procedures, and workforce shaping procedures to ensure veterans' preference entitlements remained consistent with OPM's Governmentwide reduction in force and transfer of function regulations.

While we spent several months working with DOD to develop implementing issuances, we already have turned our attention to evaluating NSPS. Three different evaluations are either planned or underway.

The first is a review of the performance management system to assist the Secretary in making a determination that the NSPS performance management system meets the statutory criteria for applying NSPS beyond 300,000 employees. This assessment will

cover the period from the initial Spiral 1.1 conversion through the final rating process and compensation payout in January 2007. DOD will manage and conduct the assessment using a team consisting of DOD and OPM personnel.

Recognizing the importance of this determination, I included the development of the determination criteria as a deliverable in OPM's 2006-2010 Strategic and Operational Plan. I am pleased to report that we met our July 1, 2006 deadline for their development.

The second review is an ongoing program evaluation that DOD is conducting. OPM staff met periodically with DOD to consult on their evaluation plan.

Finally, OPM, under its independent statutory authority for oversight and evaluation of human resources programs, will be evaluating the effectiveness of NSPS. This evaluation will include assessing the comprehensiveness of the training provided to executives, managers, supervisors, and employees as they spiraled into NSPS because, as you know, effective training is critical to the successful implementation of any new system.

While this evaluation will be ongoing and ultimately will encompass all phases of the NSPS implementation, we have included in our Strategic and Operational Plan the goal of producing our first implementation assessment by May 1, 2007.

In sum, we have worked hard with DOD to implement NSPS for 11,000 Spiral 1.1 employees, and we will continue to collaborate with DOD as we assess the strength of the NSPS performance management system and prepare for more widespread implementation. I believe NSPS provides the flexibilities DOD needs to be more responsive to the ever-changing national security environment, while preserving employee protections and benefits. Ultimately, NSPS will help ensure the Federal Government has an effective civilian workforce.

Madam Chairman, I appreciate the leadership that you and other Members of the Committee have provided for addressing these important issues. I thank you for the opportunity to testify.

That concludes my remarks. I would be pleased to respond to any questions the Committee may have.