

The Pitfalls of NSPS Pay for Performance. Can They Be Avoided?

By Richard Voyles, PhD and Carol Rice

The implementation of Paybanding – “Pay for Performance” is happening now. Congress has enacted the National Security Personnel System (NSPS) into law with total implementation by all government agencies and military components 2009. Based on the guidelines and expectations set out by the National Security Personnel System, managers and employees now have greater demands for accountability placed on them than at any other time in history. Will mediators be ready for the sharp increase in complaint cases that will be referred to them?

There are regulations and requirements that govern performance around NSPS that hold each Agency and/or arm of the military to higher standards when engaged in oversight of human capital management strategies. The law requires that each agency must include a performance management system that deals with human resources, employee appeals, and labor relations. The Civilian Personnel Management Office has said, “It is therefore, incumbent upon both the military and civilian agencies to prepare for the success of NSPS by providing managers and employees with the performance feedback and constructive confrontation training they need.” The value of this training will be realized both emotionally and financially in the workplace. Federal and workplace dispute mediators should be on the lookout for the possibility of an increase in cases particularly in the area of performance evaluations. These cases will be referred in an effort to reduce the number of complaints and grievances that go to EEO under the formal complaint process.

That said, managers and supervisors must write effective performance appraisals that will show RESULTS around the performance management system – detailing how the job the employee contributed to the success of the mission. The fact is, performance based reviews creates possibilities for more disagreeable project and/or annual reviews. Feedback on performance must be available in clear, concise and concrete terms so that accountability is evident both on the part of the employee and manager. There won’t be anymore simple statements such as “good employee, on time every day, shows up regularly, answers the phone politely and does his/her job.” That appraisal will need to reflect the extra mile – for example – an employee is given 90 days to complete a job – he does it in 60 days – how does that impact the mission? Number 1 – it frees up extra resources for 30 days, Number 2 – it shows a willingness to be a team player by putting the mission first over self.

Conflict Resolution Academy has developed a Performance Feedback Document and training that is designed to teach managers to create a collaborative document that looks at the individual performance of the employee and his/her impact in the job that they are doing. It helps develop an action plan with accountability and serves to support the parties involved in the review. Managers and supervisors who are trained in the use of

this form will benefit from the skills introduced when it is necessary to have a difficult conversation.

Also, managers and supervisors must know how to effectively counsel employees. When doing a review, constructive feedback is critical. The reviewing official must show the employee how their performance measures up next to the standards set for the job and articulate how the job they do compares to the other individuals in the agency that they are competing against. Employees will no longer just compete with the job standards set out to define tasks. They must compete around cost saving measures and benefits to the organization in the areas of percentages and impact. Even the simplest changes in the system may be enough to spark discomfort and suspicion and result in an increase in complaints filed. Mediation skills around need exploration, question asking skills and need exploration will be even more relevant.

While the goal of NSPS is to allow the government agencies to be more competitive and progressive as employers (market sensitive), it must also enhance the ability to execute the mission. “NSPS must be a mission-based system that is linked with Agency goals.” In other words, NSPS is designed to promote a performance culture in which performance and contributions are more accurately and fully recognized and rewarded. Accordingly, the NSPS must be a fiscally sound, value-driven system.

The overarching Mission Objective of NSPS is to place the right employee in the right job with the right skills at the right time at the right cost.

Guiding Principles have been put into place that ensure that each agency will:

- Put the mission first
- Respect the Individual; protect rights guaranteed by law
- Value talent, performance, leadership, and commitment to public service
- Be flexible, understandable, credible, responsive, and executable
- Ensure accountability at all levels
- Balance Human Resource system interoperability with unique mission requirements
- Be competitive and cost effective

The government workforce has undergone substantial change resulting from downsizing, base realignments and/or closures and competitive sourcing initiatives. Additionally, the aging workforce and the loss of experienced and knowledgeable leaders have put retention of institutional knowledge at great risk. With all this said NSPS represents change. While change can be good, it also allows for a variety of negative responses that will send complainants to the EEO and ADR offices in an effort to self-protect and avoid loss.

1) There will be internal resistance, lack of trust, varied levels of buy-in by both managers and employees, and the increased potential for jealousy over pay rates once the system is fielded.

2) Managers will be met with more responsibility and accountability (particularly in the area of performance documentation and feedback), competing priorities, limited time to implement changes, limited resources, along with greater needs for training and support.

3) Managers as leaders must understand the difference between managing people and leading people. Managers must become leaders. Leaders must develop employees. Additionally, leadership denotes authority and management is about control. Employees who are being controlled by management in order to try to meet the NSPS guidelines will offer resistance because they will make it clear through their actions that people can't be managed, you can only manage "things" (resources), not people.

This leaves everyone vulnerable because the success of leaders must be linked to the performance of subordinate supervisors and employees. In addition, the full execution of performance management and pay for performance responsibilities must be executed at all levels of the organization. Not only is individual performance measured, but organizational, departmental and team performance are all under close scrutiny. Success in utilizing the NSPS program depends on management skills and training. Undoubtedly, it is critical to be trained in the administration of performance management, but this alone will not ensure that the issues of trust, buy-in and ability to deal with the changes are met. Conflict management skills will be a key element in the success of the program.

Dr. Richard Voyles, President of Conflict Resolution Academy, LLC, located in Atlanta, Georgia, has researched the potential impact of implementation of the NSPS system and has this to say about it:

“Without tools to constructively manage conflict and confrontation that can arise during performance evaluations, many turn to avoidance as a means to “just get through it.” Avoidance inevitably leads to miscommunication, distance, weakening teams, and, in the end, even greater and often more painful conflict. Managers cannot be expected to perform their responsibility of honest and constructive evaluations if they are not provided the training and tools necessary to succeed. Ill equipped people will damage even the most brilliant and well planned program. Effective dispute resolution is accomplished when conflict management skills are in place and individuals are trained and provided with the tools that enable them to use them.”

Are managers equipped with adequate tools and skills to deal with inflated egos, people who feel taken advantage of and/or disrespected, hostility in the workplace setting and more? Can they provide meaningful leadership coupled with the ability to have a difficult conversation or a constructive confrontation? NSPS is designed to promote a performance culture based on feedback, communication and results. Managers, supervisors and employees are always accountable for demonstrating professionalism and standards of appropriate conduct and behavior as it impacts the performance of the individual, team and/or organization but they must have the training and tools to do so. NSPS encourages alternative dispute resolution and resolution of those disputes at the

lowest level. Without those skills, managers will simply promote and escalate ratings and basically “pay” to avoid conflict. In the end, mismanaged budgets and failed pay and performance reforms will create serious damage in the agencies experiencing conflicts around NSPS.

Supervisory performance plans will include a Mandatory Job Objective that may require accountability for effective administration of NSPS (if applicable), EEO and/or other component specific requirements. While they must deal with the overarching mission objectives of the NSPS, they must also clearly communicate performance expectations and hold employees responsible for accomplishing them, make meaningful distinctions among employees based on performance and contribution, foster and reward excellent performance, address poor performance, create action plans, assure that employees are assigned a rating of record when required, adhere to merit system principles and prohibited personnel practices and ensure continuing application of, and compliance with EEO laws, regulations and policy.

Supervisors and managers who have not been trained in these areas will undoubtedly fail without a process to follow. The new appraisal form Performance Appraisal Application (PAA) Version 2.0 provides guidance and requirements for completing individual appraisals but not how to document and give feedback on performance. Employees must understand the value of their own input and be prepared to have constructive confrontations with their supervisors in order to make the most of the NSPS system. Training in the area of performance documentation can make “buy-in” of NSPS easier for all components of the military and civil service.

When asked where this training should come from, the NSPS team responded that “all components, civilian and military, are responsible for conducting behavior-based courses such as conflict management, team-building, constructive confrontation, etc. In fact, NSPS makes these courses all the more relevant.”

Conflict Resolution Academy’s Performance Documentation Instrument training program aligns specifically with the implementation of NSPS. This training prepares management to go into the performance review cycle with confidence, understanding what is required by the employee and upper management. It gives attendees the tools to understand the impact of change, deal with conflict around the pay for performance system and maintain accurate performance documentation reflecting concrete action plans for improvement, mutual commitment, time-based accountability, recognition and reward. For more information about this training, contact Conflict Resolution Academy at 770-435-5009 or conflictacademy@aol.com. Please visit our website www.conflictresolutionacademy.com.

References:

NSPS Requirements Document September 25, 2004

DoD 1400.25-M

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NSPS A Guide to NSPS

Recommendations for Success When Implementing NSPS

Provide Behavior Based Programs

- *Feedback that Makes A Difference*
- *Performance Feedback Document*
- *Change Management*
- *Conflict Management Skills*
- *Building a Team*
- *Dealing with Difficult People*
- *Communication – How to Have a Difficult Conversation*