

USAWC STRATEGY RESEARCH PROJECT

TEAMWORK AND THE NATIONAL SECURITY PERSONNEL SYSTEM

by

Mr. Michael B. Willoughby
Department of Army Civilian

Colonel Julie T. Manta
Project Adviser

This SRP is submitted in partial fulfillment of the requirements of the Master of Strategic Studies Degree. The U.S. Army War College is accredited by the Commission on Higher Education of the Middle States Association of Colleges and Schools, 3624 Market Street, Philadelphia, PA 19104, (215) 662-5606. The Commission on Higher Education is an institutional accrediting agency recognized by the U.S. Secretary of Education and the Council for Higher Education Accreditation.

The views expressed in this student academic research paper are those of the author and do not reflect the official policy or position of the Department of the Army, Department of Defense, or the U.S. Government.

U.S. Army War College
CARLISLE BARRACKS, PENNSYLVANIA 17013

Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE 30 MAR 2007		2. REPORT TYPE Strategy Research Project		3. DATES COVERED 00-00-2006 to 00-00-2007	
4. TITLE AND SUBTITLE Teamwork and the National Security Personnel System				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S) Michael Willoughby				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) U.S. Army War College, Carlisle Barracks, Carlisle, PA, 17013-5050				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT See attached.					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT	18. NUMBER OF PAGES 23	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

ABSTRACT

AUTHOR: Mr. Michael B. Willoughby
TITLE: Teamwork and the National Security Personnel System
FORMAT: Strategy Research Project
DATE: 18 March 2007 WORD COUNT: 5600 PAGES: 23
KEY TERMS: Pay-for-performance, Civil Service, Collaboration
CLASSIFICATION: Unclassified

With the implementation of the National Security Personnel System (NSPS), the Department of Defense will abandon the General Schedule pay system for civilian employees in favor of a pay-for-performance system. Unlike the General Schedule, where compensation is based in part on length of service, NSPS enables supervisors to base compensation on individual performance. The rationale for this change is that linking pay to performance will improve individual performance and thereby improve organizational performance. However, concern exists that only rewarding individual performance may adversely impact teamwork, collaboration, and information sharing which could ultimately impact organizational performance. This paper explores the importance of teamwork for organizational performance and the move to pay-for-performance systems in the private sector and the DoD. Literature from the private sector indicates that pay-for-performance systems can harm teamwork suggesting that NSPS could negatively impact teamwork within the DoD. Recommendations are provided to ensure NSPS does not harm teamwork. Senior executives should establish teamwork as a core competency and require it to be used as a contributing factor in all NSPS job objectives. Managers and supervisors should develop, evaluate, and reward teamwork. Employees should take ownership for improving their teamwork and collaboration abilities.

TEAMWORK AND THE NATIONAL SECURITY PERSONNEL SYSTEM

Individual commitment to a group effort - that is what makes a team work, a company work, a society work, a civilization work.

—Vince Lombardi

With the implementation of the National Security Personnel System (NSPS), the Department of Defense will abandon the General Schedule pay system for civilian employees in favor of a pay-for-performance system. Unlike the General Schedule, where compensation is based in part on length of service, NSPS enables supervisors to base compensation on individual performance. The rationale for this change is that linking pay to performance will improve individual performance and thereby improve organizational performance. However, concern exists that only rewarding individual performance may adversely impact teamwork, collaboration, and information sharing which could ultimately impact organizational performance.

This paper explores the importance of teamwork to organizational performance and the move to pay-for-performance systems in the private sector and the DoD. Literature from the private sector indicates pay-for-performance systems can harm teamwork suggesting that NSPS could negatively impact teamwork within the DoD. NSPS strives to improve organizational performance by linking employee performance to strategic objectives. However, the current implementation of NSPS does not incorporate features to ensure teamwork is not impacted. Leaders need to understand this limitation of NSPS and ensure their actions foster rather than destroy teamwork. Recommendations provided to senior executives, managers and supervisors, and employees will ensure NSPS does not harm teamwork.

Teamwork

Teamwork can be defined as “work done by several associates with each doing a part but all subordinating personal prominence to the efficiency of the whole.”¹ Collaborate is defined as “to cooperate with an agency or instrumentality with which one is not immediately connected.”²

In today’s work environment, it is almost impossible to work alone. Individuals must obtain and share information with co-workers, subordinates, and supervisors. Often, the ability of an employee to succeed is dependent upon his or her ability to collaborate with employees from other workgroups or other organizations. The ability of employees to work together towards a common goal and put the good of the group ahead of personal needs embodies teamwork. One positive attribute most associated with teamwork is synergy. This occurs when the collective effort of a group is able to outperform the efforts of a number of individuals.

Patrick Lenconi, author of *Overcoming the Five Dysfunctions of a Team*, goes so far as to describe teamwork as an underdeveloped attribute capable of providing a competitive advantage to organizations that master it.³ Conversely, organizations that do not exhibit teamwork and collaboration do not perform to their potential.⁴

Unfortunately, many organizations may be harming teamwork and collaboration by rewarding competitors over collaborators. This occurs when employees believe their advancement or increase in compensation is based upon their ability to outperform their peers and they compete rather than collaborate with coworkers.⁵ In today's complex environment, employees perform well by "collaborating with and getting help from lots of people."⁶ The challenge is for organizations to convince employees that individual performance matters but "that their career success depends on collaboration – not competition- with peers."⁷

Teamwork and collaboration are attributes whose relevance in the DoD is more important than ever. In today's era of joint military and interagency operations, it is critical that employees work together as a team, collaborate, and share information across organizational boundaries. Any system or process that inhibits teamwork could have an adverse impact on the DoD.

The Move to Pay-for-performance

History of Federal Civil Service System

The current federal civil service system has evolved since the establishment of the United States government. For the first 100 years Presidents had the ability to appoint people from their own political party to any position of their choosing, regardless of the job requirements or the individual's qualifications. This practice culminated in the spoils system whereby the employment term for many government officials was limited to a president's four year term. The spoils system created tremendous upheaval within the entire government as the administrations changed every four to eight years. Fraud was a common occurrence and was well publicized. For example, the Collector of the Port of New York, Samuel Swartwout, was found to be missing \$210,000 while serving during President Andrew Jackson's administration. In spite of this, he was reappointed by President Martin Van Buren and subsequently stole \$1,250,000 of public funds and ran off to Europe.⁸

The public demanded change resulting in the Civil Service Act of 1883. The act required certain federal jobs to be open to all citizens regardless of political considerations and filled with the best applicant as determined by competitive examinations. For the first time, the law required hiring to be based on merit. Over time, the merit based system expanded to include a

larger portion of the federal government, regulations were established to formalize job classifications, and requirements were enacted to preclude political activity by federal officials.⁹

While the civil service system continued to meet its goals of remaining apolitical and merit based, it suffered from perceptions of inefficiency and bureaucracy. Debate about the effectiveness of the federal government intensified in the 1960s and 1970s culminating with the Presidential elections of 1976. Newly elected President Carter set about to reform government and initiated studies that resulted in the Civil Service Reform Act of 1978.¹⁰ The act attempted to establish greater accountability of performance by federal employees by providing managers increased authority and discretion. At the same time, the act protects federal employees from abuse by federal managers by creating an appeal mechanism.¹¹ The act also provides the authority to establish personnel demonstration projects for the purpose of experimenting with different approaches that might lead to future improvements in the federal personnel system.¹² It is these demonstration projects that led to the call for additional personnel reform that continues today.

Pay-for-performance in the Private Sector

The move to pay-for-performance is not unique to the federal government. In fact, the trend toward pay-for-performance has been increasing in the private sector for years. As recently as 1990, less than 50% of companies used some type of pay-for-performance compensation system.¹³ The percentage has grown to 80% today as more and more companies have forgone the practice of “granting across-the-board raises for go-getters and deadwood alike.”¹⁴ The norm today is for companies to spend an ever increasing amount of payroll on variable pay and bonuses, currently estimated to be 11%. With pay-for-performance, star performers may earn pay increases and/or bonuses in several multiples of the 11% average while poor performers may not receive any bonus or pay increase. In essence, star employees are earning money that previously would have been paid to their lower performing co-workers.¹⁵

The move to pay-for-performance compensation systems is not without debate. Proponents of pay-for-performance argue that it helps companies improve their workforce by enabling them to recruit and retain the best performers. Opponents say that incentive pay causes competition between employees, erodes trust and teamwork, and creates “dressed-up sweatshops.”¹⁶

The Advantages of Pay-for-performance

The GS system in use in most of the federal government rewards employees for seniority since the majority of compensation in the GS system is based on length of service. The rationale for this type of compensation system is hard to defend. A quote from the first edition of *Personnel Management in Government* in 1978 exemplifies the difficulty in defending the GS system: "It is very difficult to convince employees that their pay is fairly arrived at when they have before them on a daily basis other more highly paid employees, who serve not as role models that one should strive to emulate, but rather as glaring examples of the inequities of the pay program."¹⁷

Pay-for-performance systems are based on the concept that employees' pay should be based on their contribution to the organization, or performance, rather than based on their length of service. As simple as this concept sounds, properly administering a pay-for-performance compensation system requires a significant amount of effort to obtain the desired results. Most experts agree that for pay-for-performance systems to be effective, three conditions must be established. First, the organization must have measurable results that can be directly linked from the organizational level, to managerial level, workgroup level and to individuals.¹⁸ For this to occur management must determine the organization's objectives; establish goals and metrics; ensure every employee, workgroup, and manager is working towards the goals; and evaluate employees based on their progress toward reaching the goals.

Second, supervisors must make "fair and candid assessments"¹⁹ of their employee's performance so that there are "meaningful distinctions"²⁰ between employee performance evaluations. The goal of pay-for-performance is to reward the best performers. In order to reward them, the evaluation process must differentiate between truly outstanding performance, average performance, and poor performance. Failure to differentiate among employee performance evaluations limits the ability to differentiate performance pay.²¹

Third, employees must be motivated by the difference in pay levels between those that receive the best performance evaluations and those that receive the lowest evaluations. "Here lies the true test of pay-for-performance: ensuring sufficient variability in pay so outstanding performers get large rewards, average performers get smaller raises (to "maintain buying power"), and poor performers get no increase."²²

The advantages of pay-for-performance systems are so compelling the Government Accountability Office (GAO) has not only advocated the need to implement pay-for-performance throughout the entire federal government, but the GAO has already implemented an alternate personnel system for its own employees that includes pay-for-performance.²³

Two personnel management experts, Jeffrey Pfeffer and Robert Sutton, have identified three ways that pay-per-performance compensation systems can improve organizational performance. The first, and most obvious manner, is that financial incentives associated with pay-for-performance motivate employees to work harder in order to obtain the financial rewards. The harder work results in improved individual performance which in-turn improves organizational performance. The second benefit of pay-for-performance is that it allows an organization to put emphasis on “what the organization values and its priorities.”²⁴ When implemented correctly, an organization identifies and rewards the behaviors and performance that are most important to organizational success. By providing financial rewards for the desired behaviors and performance, the organization clearly communicates its priorities to its workforce. The third major benefit of pay-for-performance compensation is that it has “a selection effect”²⁵ on employee recruitment and turnover. Organizations that pay employees based on performance tend to attract people who are confident in their ability to out-perform their peers. Individuals with less desire to outperform their peers tend to be attracted to organizations with a seniority based pay system.²⁶ Turnover is also positively impacted as pay-for-performance systems tend to retain high performing employees while simultaneously encouraging poor performing employees to leave the organization. This effect is not necessarily a direct result of the pay, or lack of pay, employees receive as a result of their performance, but occurs as a result of the communication provided by the supervisor during the evaluation process. When a supervisor tells an employee that he or she is a top performer and valued by the organization, the employee tends to remain at the organization. Conversely, when a supervisor informs an employee that he or she is not valued by the organization, the employee often leaves on his or her own and finds an organization that is a better fit for his/her skills and abilities.²⁷

Issues and Concerns with Pay-for-performance

“Evidence shows that a larger proportion of government employees are intrinsically motivated to perform their job than their private sector counterparts.”²⁸ Intrinsically motivated people are self motivated instead of motivated by external rewards. For these employees, extrinsic factors, such as pay increases and bonus, may not significantly affect performance. In fact, research indicates that pay-for-performance in the public sector can have the opposite effect as intrinsically motivated employees may be de-motivated by the modest extrinsic rewards expected to be utilized in government pay-for-performance systems. However, when extrinsic rewards are large enough they can outweigh this de-motivating effect.²⁹ It has been

estimated that “a merit raise needs to be at least 7 percent of an employee’s salary before the employee will find it meaningful or will boost his or her future efforts as a result of the raise.”³⁰

The implementation of pay-for-performance systems in governments around the world has been studied extensively. One such study identified broad support among government employees for pay-for-performance, but found that only a small minority believe that pay-for-performance provides an incentive to improve their performance. The study concluded this was the case because most government workers, as compared to the private sector, value base pay as more important than supplementary performance rewards since performance pay is usually very limited in government work and because the strongest incentives for government employees are career development prospects and job content.³¹

Probably the most critical concern with pay-for-performance is the negative affect it can have on employee and organizational behavior. In a recent article in the *Government Executive*, Steven Kelman summarizes this concern:

Individual based reward systems can cause harm when collaboration, teamwork and information sharing are crucial to good performance. If rewards are given to individuals, people have an incentive to keep information – such as tricks of the trade, advice, or informal mentoring – to themselves. Again, research has shown the existence of the problem. People develop an incentive to make co-workers look bad.³²

In summary, while the advantages of pay-for-performance are persuasive, the literature on pay-for-performance in the private sector indicates that it can harm teamwork, collaboration, and information sharing. This would suggest that a personnel system involving pay-for-performance could also harm teamwork in the public sector.

A Call for Change

After his inauguration as the 43rd President of the United States in 2001, President Bush initiated a transformation of the DoD with the goal to make the military more mobile and easier to deploy and sustain. Secretary of Defense Donald Rumsfeld embraced this initiative with his own call to “transform the way we think, the way we train, the way we exercise, and the way we fight.”³³ As part of this transformation, DoD identified the need to transform its civilian workforce. Civilian employees are an integral part of the DoD workforce serving in support roles in almost every military organization and operation around the globe. As the national security environment evolves and requires a more responsive and agile military,³⁴ the “role of DoD’s civilian workforce is expanding to include more significant participation in combat support functions that will allow military personnel to focus on war fighting duties.”³⁵ While the role of DoD civilians has evolved, most DoD civilian employees continue to be managed under a

civilian personnel system established decades ago for a more stable and predictable environment.³⁶ In an appeal to congress for authority to change its personnel systems, DoD asserted that the “inflexibility of federal personnel systems was one of the most important constraints on its ability to attract, retain, reward, and develop a civilian workforce to meet the national security mission of the 21st century.”³⁷ The DoD stated its personnel systems are outdated and contain the following shortcomings:

- Recruitment is adversely impacted by a slow hiring process
- Poor performers are paid the same as outstanding performers
- It is difficult to reassign personnel
- Employees are not held accountable for poor performance
- The appellate system is slow, legalistic, and complex
- The labor relations structure is cumbersome³⁸

Alternate Pay Systems

DoD’s current view of the federal personnel system is not new. In fact, DoD has long maintained that federal civilian personnel systems do not serve their needs. For this reason, DoD asked for and received authority from Congress to implement numerous alternative personnel systems to evaluate their effectiveness. The most noteworthy of these personnel demonstration projects is the Navy Demonstration Project at China Lake (China Lake), the Civilian Acquisition Workforce Personnel Demonstration Project (AcqDemo), and the DoD Science and Technology (S&T) Laboratory Demonstration Program (Lab Demo). The Lab Demo is actually comprised of eight personnel demonstration projects that were originally established separately, but are now combined under one program. Each of these “projects took different approaches to:

- Using competencies to evaluate employee performance,
- Translating employee performance ratings into pay increases and awards,
- Considering current salary in making performance-based pay decisions,
- Managing cost of the pay for performance system, and
- Providing information to employees about the results of performance appraisal and pay decisions.”³⁹

The AcqDemo requires mandatory use of six factors during the evaluation of employee performance. One of these factors is teamwork/cooperation. The China Lake project does not establish teamwork as a core competency, however, several of its work units require teamwork/cooperation to be evaluated for all employees.⁴⁰ Similarly, some of the Lab Demo

projects established teamwork as a core competency and require it to be evaluated while others allow evaluation criteria to be developed locally.⁴¹ After reviewing these projects, in 2004 the GAO recommended the use of core competencies to reinforce behaviors, such as teamwork, that employees are expected to exhibit.⁴² The U.S. Office of Personnel Management's (OPM) assessment of alternative personnel systems reached a similar conclusion regarding teamwork. During testimony on alternate personnel systems before a U.S. Senate subcommittee in 2005, the Honorable Dan G. Blair, Deputy Director of OPM stated "Teamwork is supported and not destroyed. LabDemo survey results showed not only that teamwork was not negatively affected, but it increased more in the demonstration sites than in control sites."⁴³

The National Security Personnel System

After more than 25 years of experience with personnel demonstration projects, DoD requested and obtained approval from congress to implement a new personnel system for the entire DoD called the National Security Personnel System (NSPS). Congress granted DoD the authority in the National Defense Authorization Act for Fiscal Year 2004 to "redesign the rules, regulations, and processes that govern the way that more than 700,000 defense civilian employees are hired, compensated, promoted, and disciplined."⁴⁴

With the approval to implement NSPS, DoD established the following six essential requirements for the new personnel system:

- "Employees and supervisors are compensated and retained based on their performance and contribution to mission.
- Workforce can be easily sized, shaped, and deployed to meet changing mission requirements.
- System openness, clarity, accountability and adherence to the public employment principles of merit and fitness.
- Aggregate increases in civilian payroll, at the appropriations level, will conform to OMB fiscal guidance; managers will have flexibility to manage budget at the unit level.
- Information Technology support, and training and change management plans are available and funded.
- NSPS will be operating and stable in sufficient time to evaluate it before the Labor Relations system sunset date (November 09)."⁴⁵

DoD's objective is to implement NSPS as an entirely new personnel management system that will bring about change in five major areas: classification, compensation, performance management, staffing, and workforce shaping.

Classification and Compensation

NSPS will replace the GS classification system, with hundreds of job series each with 15 pay grades and 10 steps, with four career groups and broad pay bands. The pay bands are currently tied to the GS pay grades, but in the future DoD will increase, decrease, or make no change to the pay for each band based on market drivers such as the labor market, occupational demand, etc.⁴⁶ The DoD asserts that the NSPS classification and pay system will improve its ability to attract and retain skilled workers in two ways. First, by adjusting pay ranges in response to local market and occupational conditions, the DoD will improve its ability to attract skilled workers by offering competitive salaries. Second, by eliminating currently classification and time-in-grade restrictions, managers will have more flexibility to compensate employees appropriately. The DoD also believes that NSPS will create greater opportunities for civilians to contribute to the Army mission as reassignment within career groups is anticipated to be easier than the current GS system.⁴⁷

Employee compensation is probably the NSPS component of most interest to DoD civilian employees. As discussed above, the pay bands created by the NSPS classification system define the range of pay that a supervisor can pay an employee. The ability of a supervisor to increase an employee's pay within a pay band is based upon one of the central elements of NSPS: pay-for-performance. Under NSPS, increases in pay will be based upon performance rather than length of service and tied to performance ratings as shown below:

<u>Rating Level</u>	<u>Rating Description</u>	<u>Salary Increase or Bonus</u>
1	Unacceptable	None
2	Fair	None
3	Valued Performer	Salary Increase, Bonus, or Combination
4	Exceeds Expectations	50-300% more than 3 rating
5	Role Model	150-500% more than 3 rating

Table 1: NSPS Ratings and Performance Awards

To ensure standardization of the evaluation and compensation process, NSPS implements a new performance management system.⁴⁸

Performance Management System

The objective of the performance management system is to ensure that employees are rewarded based on performance and contribution to the organizational mission. The performance management system is implemented during a cycle consisting of five phases: plan, monitor, develop, rate, and reward. Management develops goals for the organization and

supervisors ensure employee work objectives support the organizational goals. During the plan phase, the supervisor and employee discuss performance expectations, develop job objectives, identify contributing factors, and establish a process for ongoing communication. The contributing factors are work attributes and behaviors demonstrated while accomplishing a job objective. There are seven contributing factors from which the supervisor can select for each job objective: communication, cooperation and teamwork, critical thinking, customer focus, leadership, resource management, and technical proficiency. Normally one to three contributing factors are selected for each job objective. The purpose of the monitor phase is for the employee and supervisor to monitor the employee's performance to determine what is working and address what is not working. During this phase, the supervisor must perform an interim review and can make adjustments to the performance plan if there are significant changes to the employee's work or organizational objectives. Supervisors focus on improving employees' weaknesses during the develop phase before rating and rewarding in the last two phases.⁴⁹

NSPS Implementation Status

To date, DoD's efforts to implement NSPS have been delayed by a series of "lawsuits and appeals over collective bargaining provisions of NSPS."⁵⁰ Judge Emmet Sullivan of the U.S. District Court for the District of Columbia ruled that "NSPS infringed on employees' collective bargaining rights and curbed employees' rights to an independent third-party review of labor-management disputes, and their rights to a fair process to resolve appeals of adverse management actions."⁵¹ DoD is currently appealing the judge's ruling and as a result of the lawsuit is currently limiting implementation of NSPS to non-union employees. Implementation is occurring through several "spirals" or phases with approximately 77,000 employees transitioned into NSPS through the end of January 2007⁵² and 114,000 projected to transfer by April 2007.⁵³

NSPS and Teamwork

When fully implemented, each element of NSPS will have a significant impact on DoD's civilian workforce. The DoD asserts that NSPS will improve its ability to recruit and retain high performing personnel while simultaneously providing flexibilities enabling civilians to be a more responsive and agile workforce. However, the experience of pay-for-performance in the private sector suggest that NSPS also has the potential to adversely impact teamwork, collaboration, and information sharing within the DoD.

The DoD had the opportunity to establish core competencies for its entire workforce that would "help to provide consistency and clearly communicate to employees what is expected of them."⁵⁴ Instead, DoD decided that supervisors should have the freedom to decide what type of

behaviors are to be expected of their employees. Supervisors accomplish this by choosing from a list of seven contributing factors for each job objective on an employee's annual performance plan/appraisal. Upon review of NSPS, the GAO recommended DoD require rather than just allow the use of core competencies in its personnel management system. The GAO asserts:

Core competencies can help reinforce employee behaviors and actions that support the department's mission, goals, and values and can provide a consistent message to employees about how they are expected to achieve results. By including competencies such as change management, achieving results, teamwork and collaboration, cultural sensitivity, and information sharing, DOD could create a shared responsibility for organizational success and help ensure accountability for the transformation process.⁵⁵

During the public comment period for NSPS, "many commenters thought the proposed pay-for-performance system would lower employee morale, increase competition among employees, and undermine teamwork and cooperation."⁵⁶ DoD responded by stating, "the NSPS performance management system provides opportunities for the Department to recognize and reward teamwork"⁵⁷ and "the deterioration of team or collaborative work ethics and atmosphere is not an inevitable outcome of a pay-for-performance system."⁵⁸ While these two statements are factually correct, there is also no assurance that teamwork will not deteriorate under NSPS. In fact, David M. Walker, Comptroller General of the United States, appears to express concern about this aspect of NSPS when providing a response to a question from Senator John Warner, (R-VA) about NSPS affecting teamwork. Mr. Walker replied:

Senior executives need to lead the way to transform their agencies' cultures to be more results-oriented, customer focused, and collaborative in nature. Performance management systems can help manage and direct this process. As public sector organizations shift their focus of accountability from outputs to results, they have recognized that the activities needed to achieve those results often transcend specific organizational boundaries. Consequently, organizations that focus on collaboration, interaction, and teamwork across organizational boundaries are increasingly critical to achieve results. High performing organizations use their performance management systems to strengthen accountability for results, specifically by placing greater emphasis on competencies and other factors that promote teamwork and collaboration to achieve desired organizational results.⁵⁹

The Way Ahead

The rationale for reforming the DoD civilian personnel system is clear and persuasive. The momentum behind pay-for-performance is strong and NSPS will be implemented throughout the DoD in one form or another.⁶⁰ NSPS will improve DoD's ability to recruit and retain high performing personnel while simultaneously providing flexibilities enabling the civilian

workforce to be more responsive and agile in today's rapidly changing security environment. However, it is also apparent that NSPS has the potential to negatively impact teamwork and collaboration among employees. If NSPS is allowed to foster a culture of competition, the impact will be felt not just within individual workgroups, but across entire federal organizations, DoD, and the interagency. DoD civilian and military leaders must understand this risk when implementing NSPS in their organizations and ensure that their actions encourage rather than destroy teamwork and collaboration. To foster teamwork, several recommendations are offered for senior leaders, managers/supervisors, and employees.

Senior Executives

During the implementation of NSPS, senior executives should assess their organization and determine the importance of teamwork. If teamwork, collaboration, and information sharing are important to organizational success, then teamwork should be established as a core competency and required to be used as a contributing factor in all job objectives. Senior executives should set the example for their subordinates by developing and rewarding teamwork within their leadership team. They should also embody the Senior Executive Service Executive Core Qualifications⁶¹ including the requirement to lead people with "an inclusive workplace that fosters the development of others, facilitates cooperation and teamwork, and supports constructive resolution of conflicts."⁶²

Managers and Supervisors

Teamwork, cooperation, and information sharing does not necessarily occur spontaneously. Managers and supervisors must develop and reward teamwork to ensure that it flourishes. Putting a number of employees together into a workgroup does not necessarily create a team nor does it guarantee teamwork. On their own, teams usually do not reach their potential. In most cases, teams must be developed in order to maximize their potential. Dr. John C. Maxwell, a highly acclaimed leadership expert, advocates four methods to grow a team.⁶³

The first method is to develop individual team members. This is the responsibility of the team leader. They must assess the skills and competencies of individual team members, determine their potential, and help them to grow and develop. For example, the leader should provide direction to the enthusiastic young employees, provide coaching to the disillusioned, provide support and encouragement to the less confident, and provide responsibility to the self-reliant achiever.⁶⁴ As described later in this paper, individuals can also improve their teamwork skills.

The second method cited by Dr. Maxwell to grow a team is to add key team members. This step is often inevitable even when the team leader excels at the first method and develops the existing team members to reach their potential. When the team is missing a key skill or talent, the addition of the new team member can be the difference between success and failure.⁶⁵

The third method used to grow a team is to change the leadership. When a team has the necessary talent, but fails to grow, a leadership change may be necessary. Such a change may be achieved temporarily by having an existing team member move from a support role to a leadership role for a short duration or project. This may be necessary when the challenge of the moment requires particular skills resident in one team member. For example, the team leader can choose to delegate leadership for each phase of a project to a different team member who has particular skills relevant to the different phases of the project. Of course, continued underperformance of a team signifies the need for a permanent change in leadership.⁶⁶

The fourth method cited by Dr. Maxwell to grow a team is to remove ineffective members. Sometimes the best addition is achieved through subtraction. This is especially true when a team has an ineffective member, i.e., one either through poor attitude or lack of talent, has a negative impact on the performance of the entire team. When this occurs, it is imperative that the team leader removes the ineffective member.⁶⁷ Failing to remove ineffective members can result in the team leader's demise when the following progression occurs.⁶⁸

- "The stronger members identify the weak one
- The stronger members have to help the weak one
- The stronger members come to resent the weak one
- The stronger members become less effective
- The stronger members question the leader's ability"⁶⁹

The end result is that when the team leader does not adequately deal with his worst employees, he will lose the respect of his best employees, individual performance will suffer, and the team's performance will deteriorate.⁷⁰

In order to reinforce the development of teamwork skills, managers and supervisors must reward teamwork. Supervisors must communicate to their employees the importance of teamwork and ensure there is a direct linkage between the teamwork behavior they demonstrate, their performance evaluation, and their increase in compensation and/or performance awards. Supervisors must also recognize that many of their employees may not be motivated by pay increases.⁷¹ These employees can be motivated by supervisor feedback, non-monetary awards and praise. In fact, non-monetary awards can often be more effective for

all employees. “Monetary carrots and accountability sticks, psychologists have consistently found, motivate people to perform narrow, specific tasks but generally discourage people from going beyond them. Admiration and applause are far more effective stimulants of above-and-beyond behavior.”⁷²

Developing workgroups into effective teams with employees skilled in teamwork skills will not only benefit the workgroup, but will benefit the entire organization. Employees who can work with others within a workgroup will be better skilled and motivated to do the same across their entire organization, their service, the DOD, and the U.S. Government.

Employees

Teamwork is not something that a leader can create within an organization or workgroup overnight. In fact, at its core, the practice of teamwork is an individual skill. Great teamwork occurs when individual employees are skilled at working with others and sharing responsibility. Improving his or her practice of teamwork, i.e., “doing more with others,”⁷³ may be the best method for an employee to improve his or her value to an organization.⁷⁴ *Teamwork is an Individual Skill* happens to be the name of a book written by Christopher Avery. In his book, Mr. Avery asserts that individuals can improve their teamwork skills by embracing five concepts “(1) taking personal responsibility for productive relationships, (2) creating powerful partnerships, (3) aligning individuals around a shared purpose, (4) trusting just right, and (5) developing the collaborative mindset.”⁷⁵ Government employees can learn from these recommendations. DoD employees who take ownership for improving their teamwork and collaboration abilities may not only improve their value to the DoD, but through NSPS, may also increase their compensation.

Conclusion

NSPS, as currently designed, has the potential to harm teamwork if it is not emphasized during the employee performance planning, assessment, and evaluation process. Senior executives, managers and supervisors, and employees must understand this potential as well as the importance of teamwork to organizational success. Therefore, senior executives should assess their organization and determine the importance for teamwork. If teamwork, collaboration, and information sharing is important, then senior executives should establish teamwork as a core competency and require it to be used as a contributing factor in all NSPS job objectives. In addition, managers and supervisors should develop, evaluate, and reward teamwork. They should teach employees how to be effective team members; develop workgroups into high performing teams; ensure there is a direct linkage between the employee teamwork behavior, performance evaluations, and compensation; and use feedback and praise

to stimulate and reward teamwork. Likewise, employees should understand the value of teamwork and believe that their success depends on their ability to work with others.⁷⁶ Employees who believe this precept will take ownership for improving their teamwork and collaboration abilities. In this respect, the successful implementation of NSPS will depend on the collective efforts of senior executives, supervisors, and employees to emphasize teamwork at every level of their organization.

Endnotes

¹ Merriam-Webster Online, available from <http://www.m-w.com/dictionary/teamwork>; Internet; accessed 10 Feb 2007.

² Merriam-Webster Online, available from <http://www.m-w.com/dictionary/collaborate>; Internet; accessed 10 Feb 2007.

³ Patrick Lencioni, *Overcoming the Five Dysfunctions of a Team* (San Francisco, CA: Jossey-Bass, 2005), 3-5.

⁴ Gary Izumo, "Teamwork Holds Key to Organization Success," *Los Angeles Times*, 20 August 1996, p. 9.D.

⁵ Carol Hymowitz, "Rewarding Competitors Over Collaborators No Longer Makes Sense," *The Wall Street Journal*, 13 February 2006, p. B.1.

⁶ Ibid.

⁷ Ibid.

⁸ The U.S. Office of Personnel Management Homepage, available from http://www.opm.gov/about_opm/tr/history.asp; Internet; assessed 4 March 2007.

⁹ Ibid.

¹⁰ "Biography of an Ideal: A History of the Federal Civil Service," linked from the U.S. Office of Personnel Management Homepage, available from <http://www.opm.gov/BiographyofAnIdeal/docs/TextOnlyVersion.pdf>, Internet; accessed 4 March 2007.

¹¹ "Major Acts of US Congress, Civil Service Reform Act of 1978," available from <http://www.answers.com/topic/civil-service-reform-act-of-1978>; Internet; accessed 5 March 2007.

¹² "Biography of an Ideal: A History of the Federal Civil Service"

¹³ Janet Wiscombe, "Can Pay-for-performance really Work?," *Workforce* 80 (August 2001): 28.

¹⁴ "The New Rules of Raises," *Kiplinger's*, November 2006, 17.

¹⁵ Ibid.

¹⁶ Wiscombe, 28.

¹⁷ A.C.Hyde, "Pay-for-performance," *Public Manager* 34, (Spring 2005): 4.

¹⁸ Ibid., 5.

¹⁹ Ibid.

²⁰ Denise Kersten Wills, "I'm OK, You're Outstanding," *Government Executive* 38 (1 July 2006): 62.

²¹ Ibid.

²² Hyde, 5.

²³ U.S. Government Accountability Office, *Human Capital: Building on the Current Momentum to Transform the Federal Government*, Statement of J. Christopher Mihm, Managing Director, Strategic Issues (Washington, D.C.: U.S. Government Accountability Office, 20 July 2004), 9.

²⁴ Jeffrey Pfeffer and Robert I. Sutton, "What's Wrong with Pay-for-Performance," *Industrial Management* 48 (March/April 2006): 13.

²⁵ Ibid., 14.

²⁶ Ibid.

²⁷ Jack and Suzy Welch, "Ideas The Welch Way: The Case for 20-70-10," *BusinessWeek*, 2 October 2006, 108.

²⁸ Steven Kelman, "The Right Pay," *Government Executive* 35 (May 2003): 92.

²⁹ Ibid.

³⁰ Shawn Zeller, "Performance Pay Perils," *Government Executive* 36 (February 2004): 50.

³¹ Organization for Economic Co-operation and Development, "Paying for Performance: Policies for Government Employees", May 2005, 5-6, available from <http://www.oecd.org/dataoecd/13/51/34910926.pdf>; Internet; accessed 5 March 2007.

³² Kelman, 92.

³³ *Federal Register: Part IV, Department of Defense, Office of Personnel Management, 5 CFR Chapter XCIX and Part 9901, Department of Defense Human Resources Management and Labor Relations Systems; Final Rule*, 1 November 2005, 66117; available from <http://www.cpms.osd.mil/nsps/docs/FinalNSPSFederalRegisterNotice.pdf>; Internet; accessed 12 March 2007.

³⁴ Ibid., 66117-66118.

³⁵ Gordon R. England, "Requirement Document for National Security Personnel System," 25 September 2004; available from <http://www.cpms.osd.mil/nsps/docs/NSPSRequirementsDocument.pdf>; Internet, accessed 18 February 2007, 3.

³⁶ Howard Risher, "How Much Should Federal Employees be Paid? The Problems with Using a Market Philosophy in a Broadband System," *Public Personnel Management* 34 (Summer 2005): 121.

³⁷ U.S. Government Accountability Office, *Human Capital: DOD's National Security Personnel System Faces Implementation Challenges* (Washington, D.C.: U.S. Government Accountability Office, July 2005), 1.

³⁸ England, 6.

³⁹ U.S. Government Accountability Office, *Human Capital: Implementing Pay for Performance at Selected Personnel Demonstration Projects* (Washington, D.C.: U.S. Government Accountability Office, January 2005), 9.

⁴⁰ U.S. Government Accountability Office, *Human Capital: Implementing Pay for Performance at Selected Personnel Demonstration Projects*, 10-12.

⁴¹ U.S. Office of Personnel Management, "Demonstration Project Features," available from <http://www.opm.gov/account/demos/Feat-Dem.pdf>; Internet; accessed 5 March 2007.

⁴² U.S. Government Accountability Office, *Human Capital: Implementing Pay for Performance at Selected Personnel Demonstration Projects*, 9-10. In this report, the GAO stated: "High-performing organizations use validated core competencies as a key part of evaluating individual contributions to organizational results. Competencies define the skills and supporting behaviors that individuals are expected to demonstrate and each provide a fuller picture of an individual's performance.... Core competencies applied organization wide can help reinforce employee behaviors and actions that support the organization's mission, goals, and values and can provide a consistent message to employees about how they are expected to achieve results."

⁴³ U.S. Office of Personnel Management, "Statement of the Honorable Dan G. Blair, Deputy Director U.S. Office of Personnel Management before the Subcommittee on Oversight of Government Management, the Federal Workforce, and the District of Columbia Committee on Homeland Security and Governmental Affairs, United States Senate on Alternative Personnel Systems: Assessing Progress in the Federal Government," September 27, 2005, available from http://www.opm.gov/news_events/congress/testimony/109thCongress/9_27_2005.asp; Internet; accessed 5 March 2007.

⁴⁴ U.S. Government Accountability Office, *Human Capital: DOD's National Security Personnel System Faces Implementation Challenges*, 1.

⁴⁵ England, 7.

⁴⁶ The National Security Personnel System Home Page: Frequently Asked Questions, available from <http://www.cpms.osd.mil/nsps/faqs.html>; Internet; accessed 5 March 2007.

⁴⁷ *Federal Register*, 66119.

⁴⁸ Department of Defense, National Security Personnel System Program Executive Office, "HR Elements for Managers, Supervisors, and Employees: A Guide to NSPS, Spiral 1, Version 3," 29-40; available from <http://www.cpms.osd.mil/nsps/docs/HRMSE.pdf>; Internet; accessed 5 March 2007.

⁴⁹ *Ibid.*

⁵⁰ M.Z. Hemingway, "The Battle over Civil Service Reform," *Federal Times*, 8 January 2007, 8.

⁵¹ *Ibid.*

⁵² *Ibid.*

⁵³ Tim Kauffman, "Pentagon HR Specialists Torn Between 2 Personnel Systems," *Federal Times*, 19 February 2007.

⁵⁴ U.S. Government Accountability Office, *Human Capital: Observations on Final Regulations for DOD's National Security Personnel System*, Statement of David M. Walker, Comptroller General of the United States (Washington, D.C.: U.S. Government Accountability Office, 17 Nov 2005), 6.

⁵⁵ *Ibid.*

⁵⁶ *Federal Register*, 66124.

⁵⁷ *Ibid.*, 66139.

⁵⁸ *Ibid.*, 66145.

⁵⁹ U.S. Government Accountability Office, *Post-Hearing Questions for the Record Related to the Department of Defense's National Security Personnel System (NSPS)*, (Washington, D.C.: U.S. Government Accountability Office, 24 March 2006), 4-5.

⁶⁰ Howard Risher, "Planning for the Transition to Pay-for-performance," *Public Manager* 33, (Spring/Summer 2004): 29.

⁶¹ To help the Government hire strong leaders, the United States Office of Personnel Management (OPM) developed Executive Core Qualifications (ECQs) that are used to select new members of the Senior Executive Service (SES). To develop the ECQs, OPM conducted research on the attributes of successful executives in both the private and public sectors. The five ECQs are (1) leading change, (2) leading people, (3) results driven, (4) business acumen, and building coalitions.

⁶² United States Office of Personnel Management, "Guide to Senior Executive Service Qualifications," October 2006; available from http://www.opm.gov/ses/pdf/SES_Quals_Guide_2006.pdf; Internet; accessed 5 March 2007.

⁶³ John C. Maxwell, *The 17 Indisputable Laws of Teamwork* (Nashville, TN: Thomas Nelson Publishers, 2001), 50.

⁶⁴ Ibid.

⁶⁵ Ibid, 51.

⁶⁶ Ibid.

⁶⁷ Ibid, 52.

⁶⁸ Ibid, 64.

⁶⁹ Ibid.

⁷⁰ Ibid.

⁷¹ Kelman, 92.

⁷² Philip Evans and Bob Wolf, "Collaboration Rules," *Harvard Business Review* 83 (July-August 2005): 102.

⁷³ Jerry Useem, "Secrets of Greatness," *Fortune*, 12 June 2006, 66.

⁷⁴ Ibid.

⁷⁵ Christopher M. Avery, *Teamwork is an Individual Skill* (San Francisco, Berrett-Koehler Publishers, 2001): xii.

⁷⁶ Hymowitz, B.1.

