



Relating National Security Personnel System (NSPS) to Organizational Balanced Scorecards (BSC)

A Self-Paced Tutorial



DESIGN·DEVELOP·DELIVER·DOMINATE

We Make Soldiers Strong

Tutorial Contents

Lesson	Topic	Slide Number
1	Strategy and Balanced Scorecards	<u>Slide #6</u>
2	The ASA(ALT) Balanced Scorecard (BSC)	<u>Slide #12</u>
3	Your Organization's Balanced Scorecard	<u>Slide #18</u>
4	NSPS Job Performance Objectives	<u>Slide #23</u>
	References	<u>Slide #31</u>



Purpose

This tutorial will illustrate a clear line-of-sight from ASA(ALT) high-level vision, mission and strategy to individual NSPS job performance objectives via the Balanced Scorecard



Context

- Department of Defense (DoD) is transitioning to the National Security Personnel System taking its first step away from the Government's primary pay system, sending a strong signal to DoD civilians that their salaries will increasingly hinge on job performance.
- In a September 2007 memo, Gordon England, Deputy Defense Secretary stated, "...the pentagon will divert money that would have been paid out across the board to these employees and use it instead to give performance-based raises and bonuses. That will make more money available to reward the best workers in the NSPS."

Excerpts from USAASC Newsletter, Preparing for the Future: People, Teamwork, Partnership, Leadership, dated September 2007.

- "Performance management shall support and align with DoD mission and it's strategic goals, organizational program and policy objectives, annual performance and other measures of performance. The DoD mission and goals cascade to the organization ---the resulting organization's mission and goals are the basis for individual performance."

Excerpt from DoD 1400-25-M, Department of Defense Civilian Personnel Manual



Tutorial Objectives

At the end of this tutorial you will be able to:

- ▶ Understand how Army Strategy translates into ASA(ALT) Strategy
- ▶ Understand the components of a Balanced Scorecard
- ▶ Understand the linkage between your individual job performance objectives and the ASA(ALT) Balanced Scorecard
- ▶ Write SMART “job objectives” to achieve your highest performance potential



Lesson One: Strategy and Balanced Scorecards

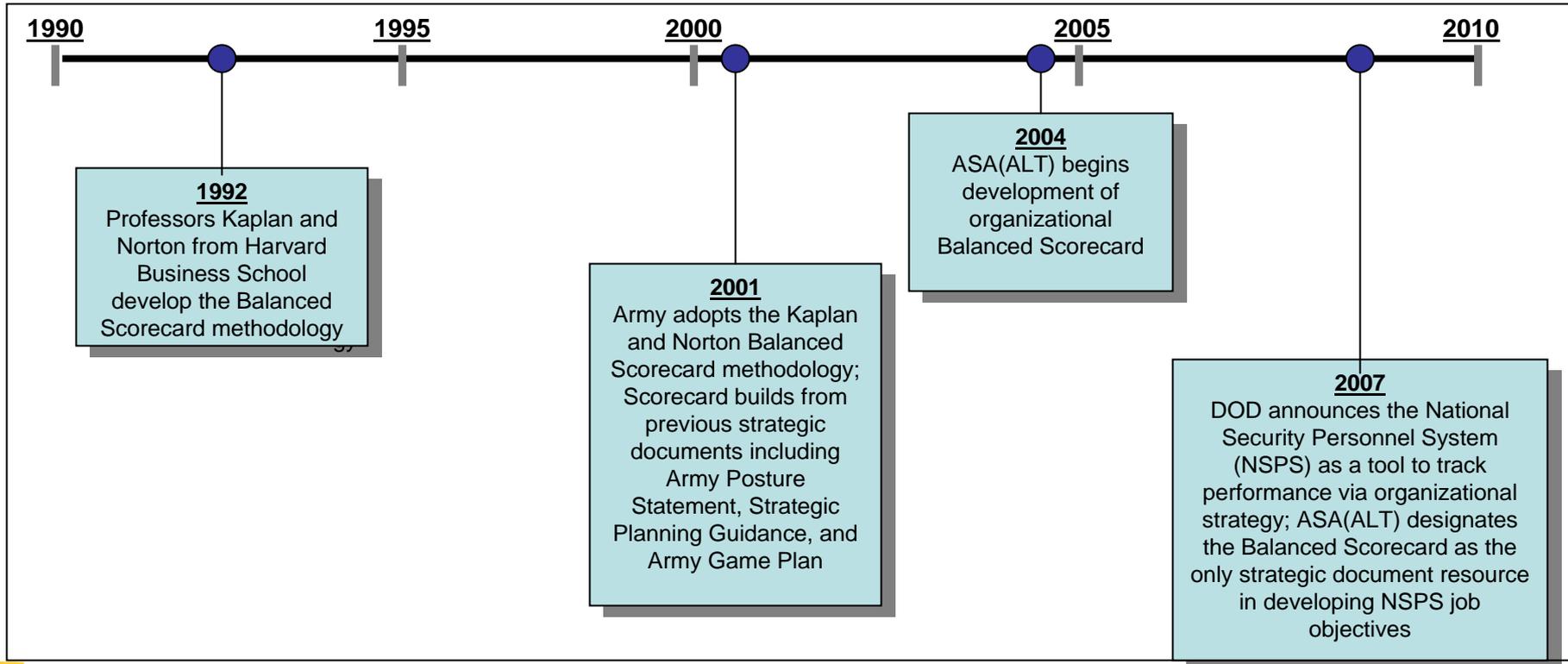


Using the Balanced Scorecard in the Army

Background

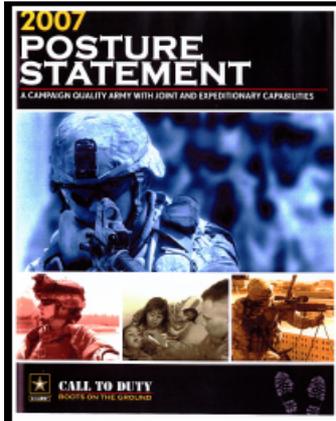
- ▶ The Balanced Scorecard is a management framework used to succinctly convey to an organization and its leadership how resources are allocated and performance is monitored towards achievement of the organizational mission.
- ▶ The Balanced Scorecard methodology promotes a results focused view of organizational performance that has been adopted across government, industrial, and commercial businesses.

Balanced Scorecard Adoption Timeline

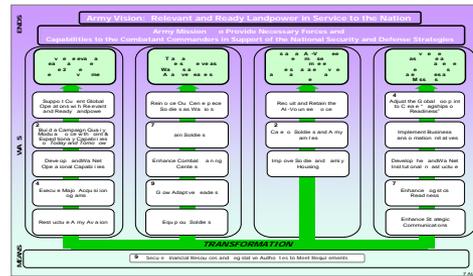


Relating the Army Strategy to Individual Performance Using the Balanced Scorecard

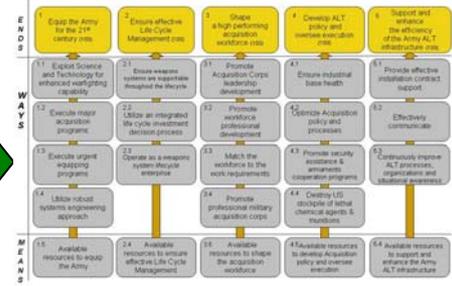
Army Posture Statement (Army Strategy)



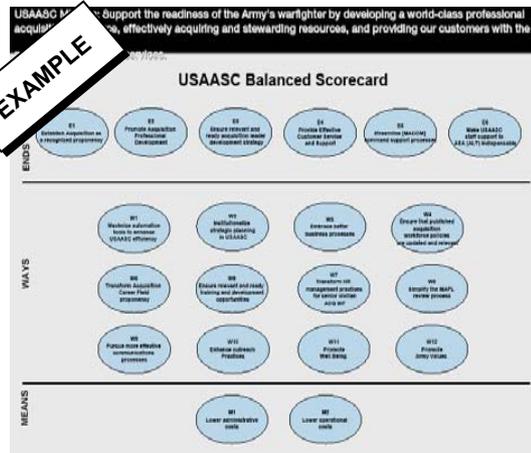
Army Scorecard



ASA (ALT) Scorecard



DASA/PEO/DRU Scorecard



NSPS Individual Job Objectives

Performance Appraisal Application (PAA)
Version 2.0

Details: Employee

Employee Information

Employee Name

Show Employee Details
Show Placement in Pay Band

Show Setup Details
Show Relevant Organizational Mission/Strategic Goals

Job Objectives

Details	Number	Title	Status	Optional Weight (%)
Show1	1	Acquisition Workforce Performance Objective	APPROVED	20
Show2	2	Perform developmental assignments learning the substantive work of the occupation	APPROVED	10
Show3	3	Serve as an Army Competitive Development Group/Army Acquisition Fellowship Prog	APPROVED	30
Show4	4	Special Emphasis Experience	APPROVED	40

Approvals and Acknowledgements



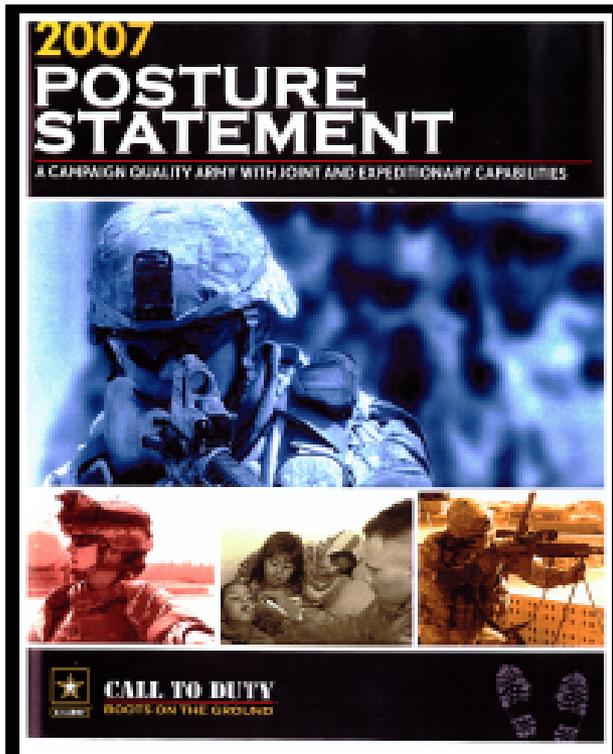
DESIGN·DEVELOP·DELIVER·DOMINATE

We Make Soldiers Strong

The Army Posture Statement

Four Overarching, Interrelated Strategies

- ▶ The Army Posture Statement (APS) explains “The Army Plan” which consists of Four Overarching Interrelated Strategies.



APS Four Overarching, Interrelated Strategies

1. Provide a relevant and ready landpower for the 21st century security environment
2. Train and equip warriors and grow adaptive leaders
3. Sustain an all-Volunteer force composed of highly competent soldiers that are provided an equally high quality of life
4. Provide infrastructure and support to enable the force to fulfill its strategic roles and missions

For more information, check out the Army Posture Statement Web Site: <http://www.army.mil/aps/07/>

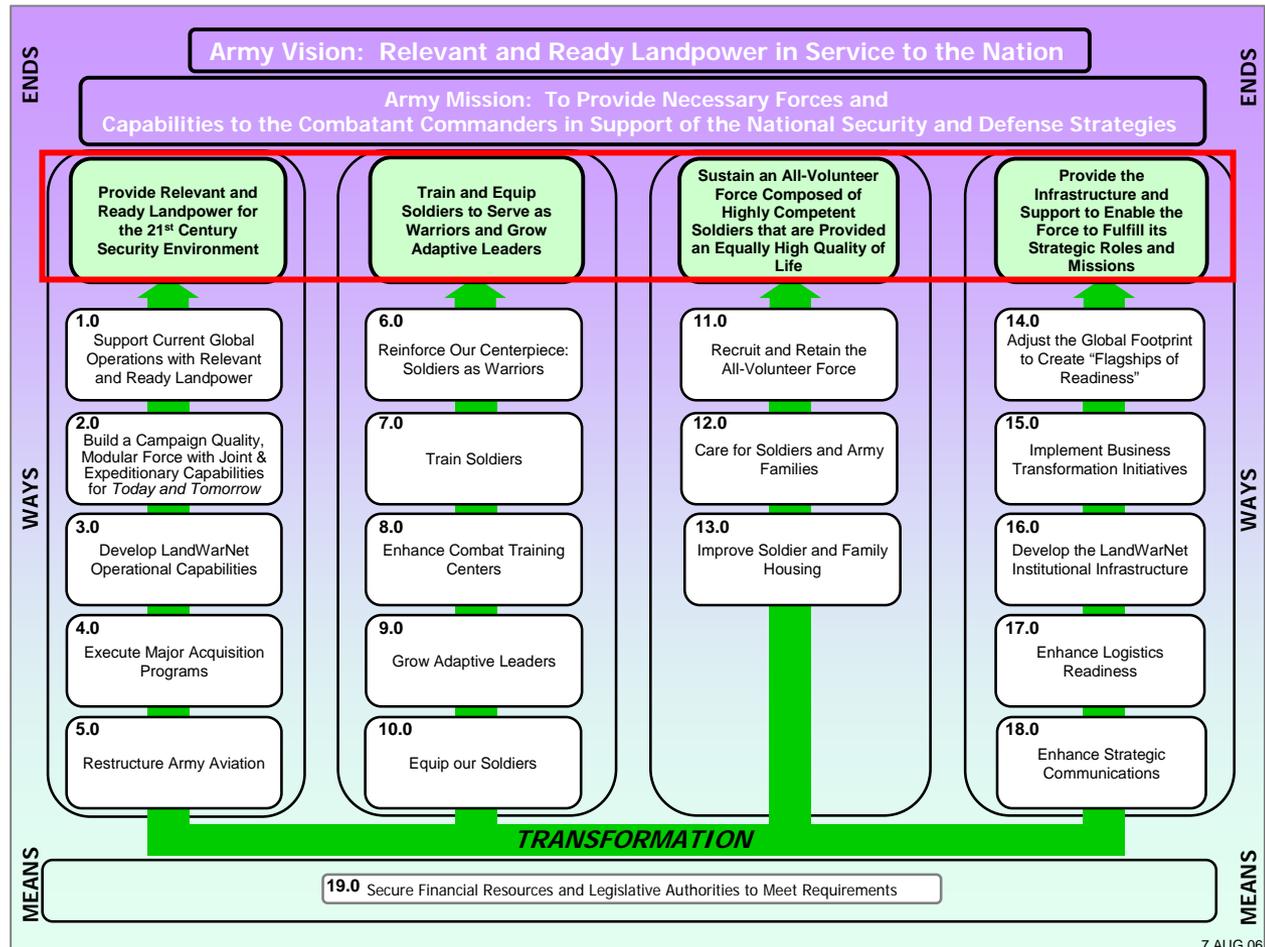
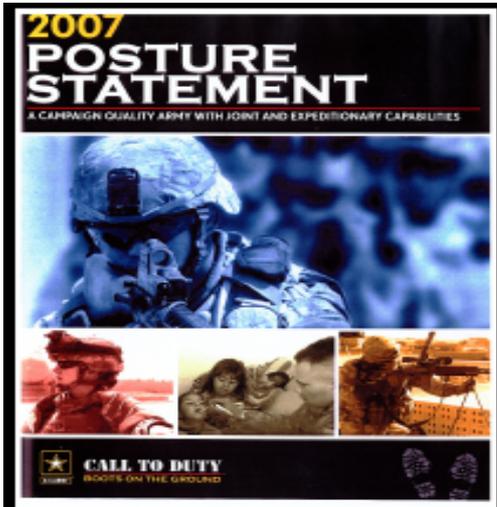


DESIGN • DEVELOP • DELIVER • DOMINATE

We Make Soldiers Strong

The Army Balanced Scorecard

- ▶ The Four Overarching Interrelated Strategies from the Army Posture Statement are translated directly into the Army's Balanced Scorecard.



7 AUG 06



DESIGN·DEVELOP·DELIVER·DOMINATE

We Make Soldiers Strong

Check on Learning

- ▶ What are the Four Overarching, Interrelated Strategies found in the APS?
 - Provide a relevant and ready landpower for the 21st century security environment
 - Train and equip warriors and grow adaptive leaders
 - Sustain an all-volunteer force composed of highly competent soldiers that are provided an equally high quality of life
 - Provide infrastructure and support to enable the force to fulfill its strategic roles and missions

- ▶ How do the APS Strategies translate to the ASA(ALT) Army Scorecard?
 - The APS strategies form the key objectives (called Ends) of the Army Scorecard. These “Ends” form the backbone of the Army strategy and are the key areas that Army leadership assesses when the strategy is reviewed



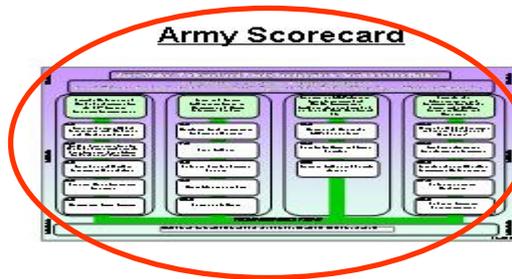
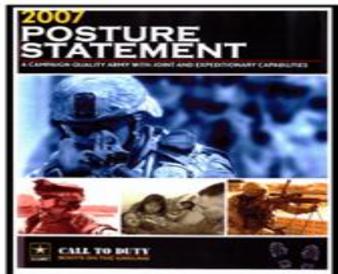
Lesson Two: The ASA(ALT) Balanced Scorecard



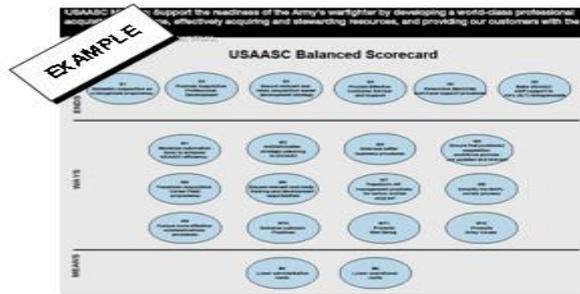
Linking Army Strategy to ASA(ALT) Strategy Balanced Scorecards

- ▶ The development of the Army Balanced Scorecard (BSC) in 2001 allowed for the clear communication of Army-level strategy to organizations throughout the Army Staff and Headquarters, Department of the Army.
- ▶ This tool clearly collected the strategic guidance of numerous documents as well as the stated Army Vision and Mission into a usable and results oriented tool.
- ▶ In order to fully launch this tool into the organization, subordinate scorecards were created that linked the Army Scorecard with specific missions and functions of subordinate organizations.

Army Posture Statement (Army Strategy)



DASA/PEO/DRU Scorecard



NSPS Individual Job Objectives

Performance Appraisal Application (PAA)
Version 2.0

Details: Employee

Employee Information

- Show Employee Details
- Show Placement in Pay Band

Job Objectives

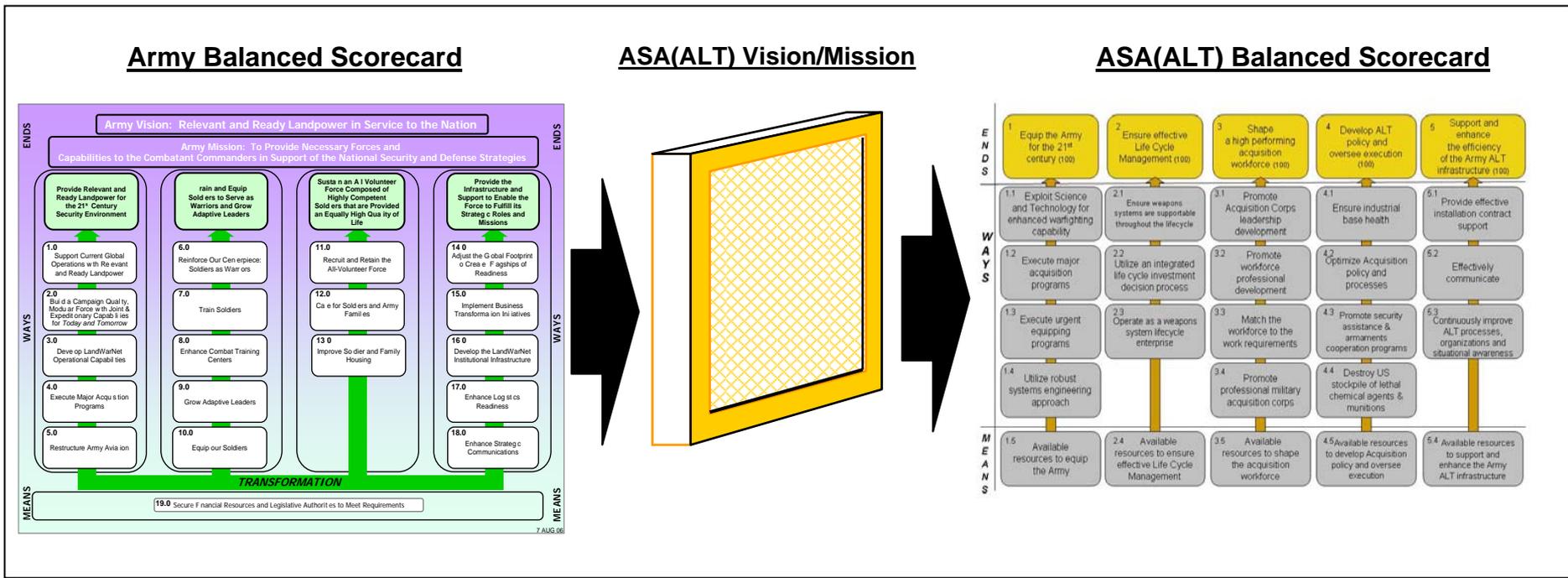
Details	Number	Title	Status	Optimal Weight (%)
Job1	1	Acquisition Workforce Performance Objective	APPROVED	35
Job2	2	Pattern developmental assignments learning the substantive work of the occupation	APPROVED	15
Job3	3	Serve as an Army Competitive Development Group/Army Acquisition Fellowship Prog	APPROVED	35
Job4	4	Special Emphasis Experience	APPROVED	40

Approvals and Acknowledgements



Translating the Army BSC into the ASA(ALT) BSC

- ▶ The development of the ASA(ALT) Scorecard leveraged the existing strategic objectives found in the Army BSC.
 - These objectives were then tailored to the organization using the ASA(ALT) Vision and Mission.
- ▶ The ASA(ALT) Balanced Scorecard is the fusion of these documents and represents the core objectives for the organization, linking both to Army level objectives as well as ASA(ALT) specific imperatives.



DESIGN·DEVELOP·DELIVER·DOMINATE

We Make Soldiers Strong

ASA (ALT) Vision and Mission



ASA (ALT) Vision/Mission are translated into the Balanced Scorecard

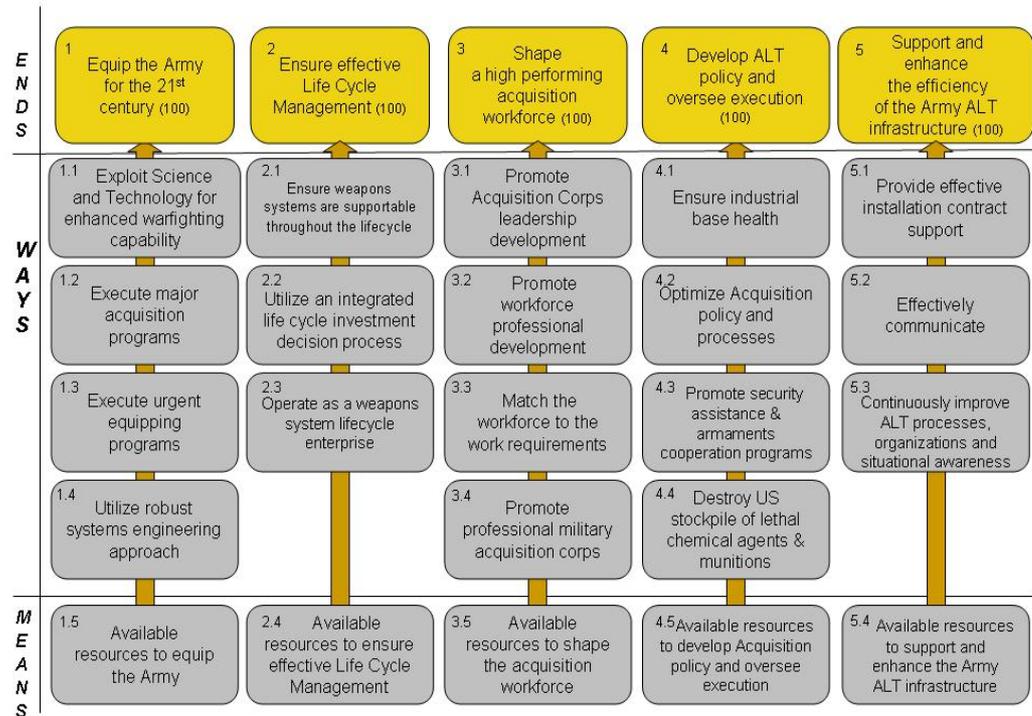
ASA (ALT)

Vision

Equip and Sustain the world's most capable, powerful, and respected Army.

Mission

Effectively and efficiently develop, acquire, field, and sustain materiel by leveraging domestic, organic, commercial, and foreign technologies and capabilities to meet the Army's current and future mission requirements.



DESIGN·DEVELOP·DELIVER·DOMINATE

We Make Soldiers Strong

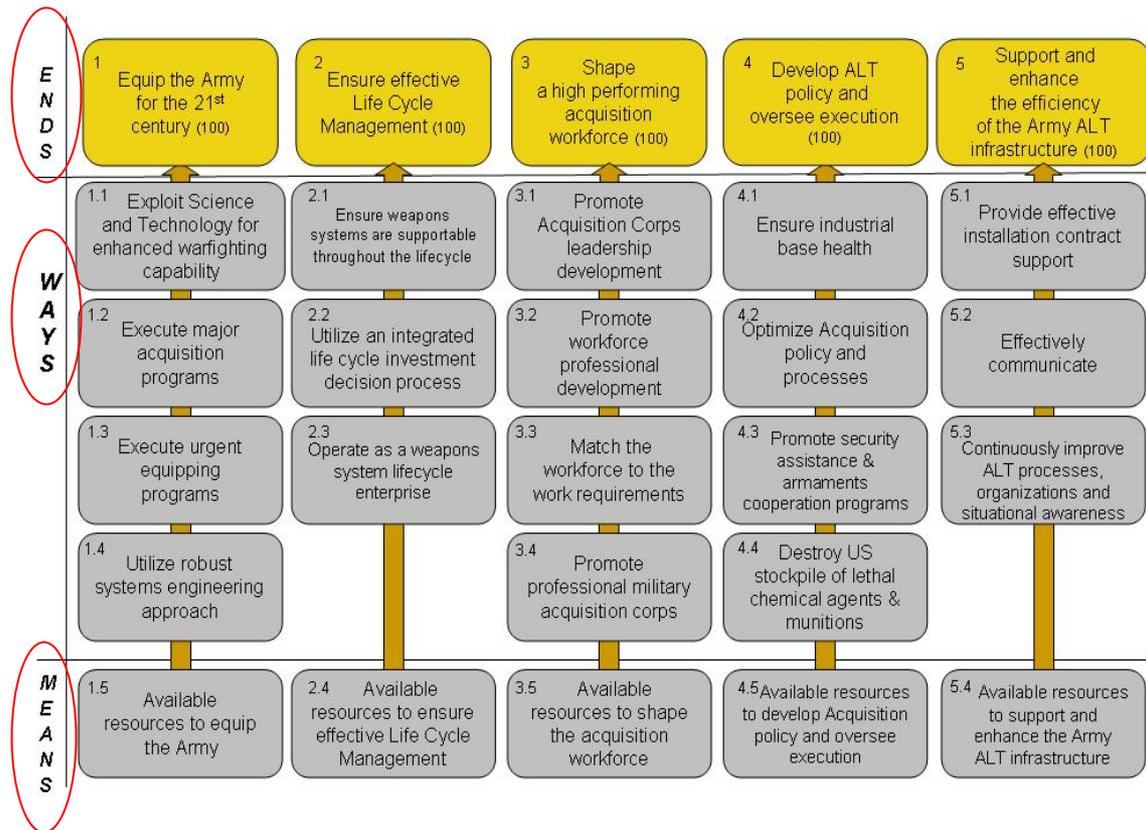
Communicating the ASA(ALT) Strategy

ASA (ALT) Balanced Scorecard Components

Ends represent the essential components of ASA(ALT)'s mission and responsibilities –what we do internally and externally to support the Army with professional acquisition services. →

Ways are the supporting tasks that we must execute on a daily basis in order to accomplish our mission and responsibilities. →

Means are the resources (dollars, people, facilities) necessary to accomplish the required tasks. →



Check on Learning

- ▶ How was the ASA (ALT) Balanced Scorecard created?
 - The Army Vision and Mission coupled with the Army’s Strategic Objectives and other higher level strategic documents were used as a starting place for creation of the ASA(ALT) BSC. These documents were then “filtered” through a range of ASA(ALT) specific documents (vision and mission) in order to tailor the BSC to directly meet the ASA(ALT) community’s needs

- ▶ What is the ASA (ALT) Vision and Mission?
 - **ASA (ALT) Vision:**
Equip and Sustain the world’s most capable, powerful, and respected Army
 - **ASA (ALT) Mission:**
Effectively and efficiently develop, acquire, field, and sustain materiel by leveraging domestic, organic, commercial, and foreign technologies and capabilities to meet the Army’s current and future mission requirements



Lesson Three: Your Organization's Balanced Scorecard

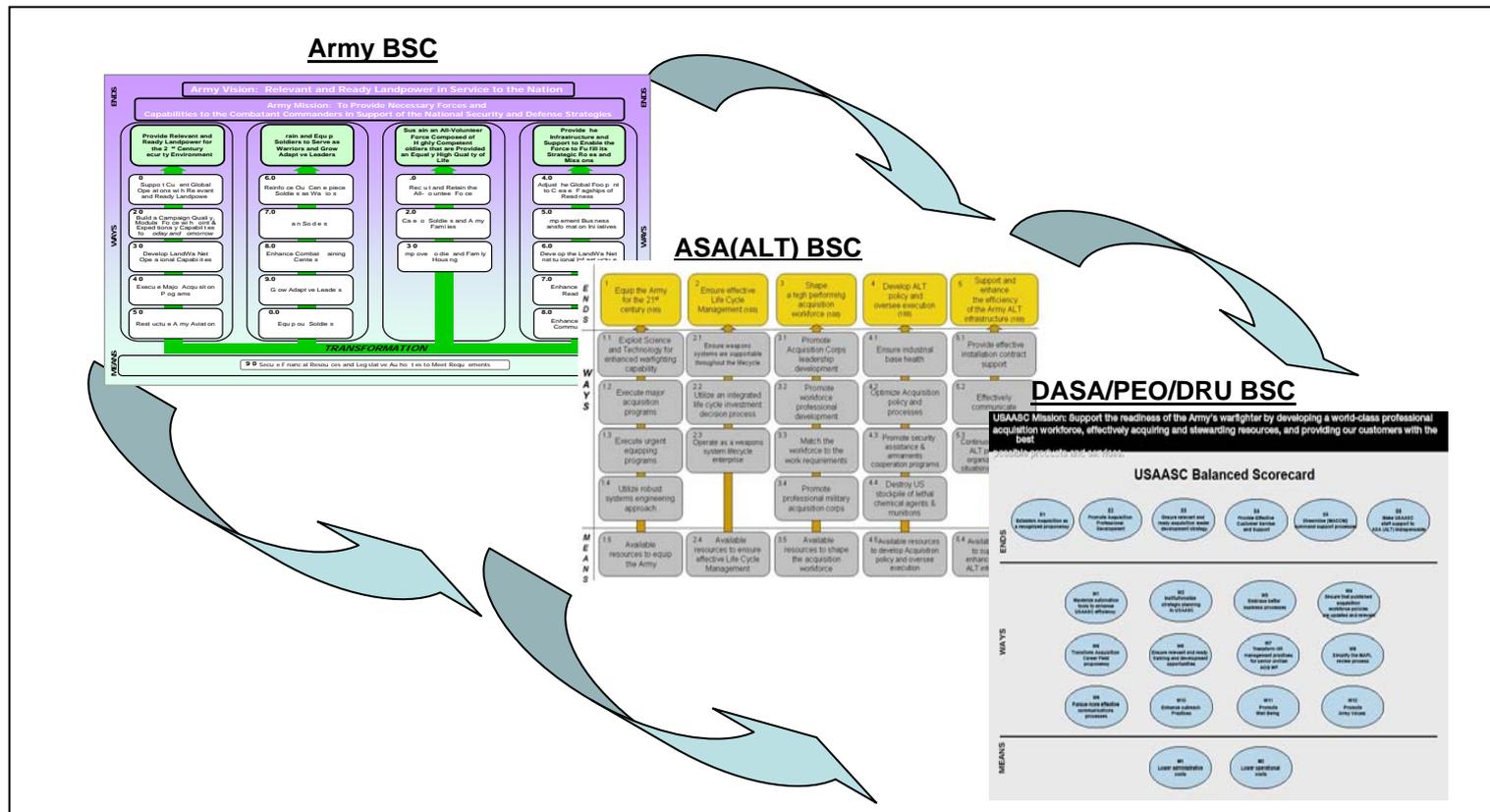


DASA/PEO/DRU Balanced Scorecards

Cascading Scorecards

- ▶ Similar to the Army and ASA(ALT) Scorecards, each Deputy Assistant Secretary of the Army (DASA), Program Executive Officer (PEO), and Direct Reporting Unit (DRU) has a balanced scorecard that relates specific organizational goals to higher order strategy.
- ▶ This process of translation, known as cascading, demonstrates the continuous connection of operational strategy to high-level strategic goals, ensuring that all areas of an organization are driving towards similar aims.

Cascading Scorecards



DESIGN·DEVELOP·DELIVER·DOMINATE

We Make Soldiers Strong

Different Types of Cascading Scorecards

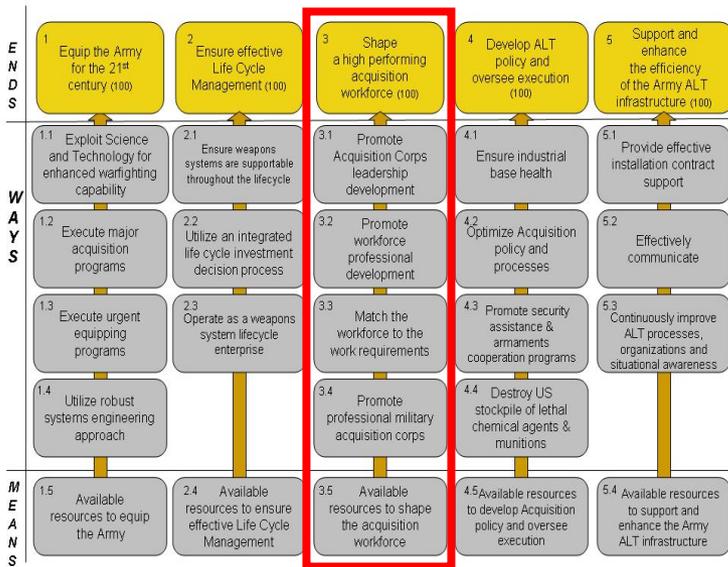
Type	Description of Balanced Scorecards	Example of Balanced Scorecards
Level 0	<ul style="list-style-type: none"> ▶ Enterprise-wide ▶ Describes key objectives for organization 	<ul style="list-style-type: none"> ▶ Army Balanced Scorecard
Level 1	<ul style="list-style-type: none"> ▶ Subordinate to Level 0 ▶ Staff or Secretariat Level Scorecard ▶ Describes key objectives for specific segment of business 	<ul style="list-style-type: none"> ▶ ASA (ALT), ASA (M&RA)
Level 2	<ul style="list-style-type: none"> ▶ Subordinate to Level 1 ▶ Commodity or Functional level scorecard ▶ Very specific 	<ul style="list-style-type: none"> ▶ Program Executive Offices ((PEO) C3T , AVN, STRI) ▶ DASAs ▶ DRUs
Level 3	<ul style="list-style-type: none"> ▶ Commands and staff organizations/agencies subordinate to Level 2 	<ul style="list-style-type: none"> ▶ Optional; at discretion of program manager/director



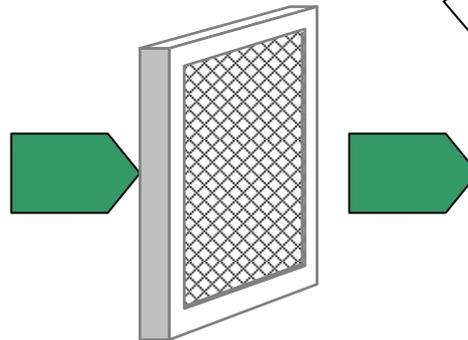
Cascading the ASA(ALT) Scorecard to PEOs/DASAs/DRUs

- ▶ Similar to the ASA(ALT) Scorecard, all DASAs, PEOs, and DRUs have scorecards that are both tailored to their own individual organizations as well as aligned to higher-order strategy (via cascading)

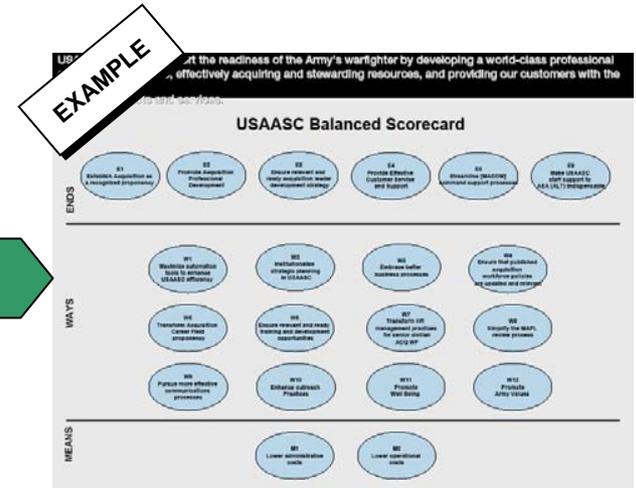
ASA(ALT) Scorecard



DASA/PEO/DRU Vision and Mission



DASA/PEO/DRU Scorecard



Check on Learning

- ▶ What does “cascading” mean?
 - Cascading implies that elements of “higher order” scorecards can be found on subordinate level scorecards; i.e. Army objectives on PEO scorecards. This function enables organizational strategy to be communicated, adopted and measured throughout the organization
- ▶ What are the different scorecard levels and what do they stand for?
 - Level 0 is enterprise-wide
 - Level 1 is Secretariats, Army Staff and Commands
 - Level 2 is Subordinate commands and HQDA staff organizations and Program Executive Offices/agencies, DASAs, and DRUs
 - Level 3 is Commands and staff organizations/agencies subordinate to Level 2, Directors, and Program/Project Managers



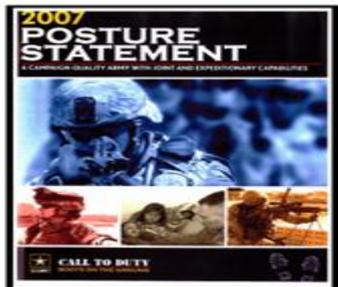
Lesson Four: NSPS Job Performance Objectives



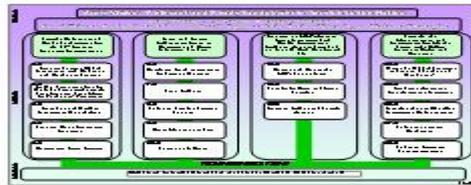
Organizational Strategy and NSPS

- ▶ The mission objective of NSPS is to place the right civilian employee in the right job, with the right skills and at the right time, at the right cost.
- ▶ A transition from the government's primary pay system, NSPS is a "mission based" system that links organization strategic goals directly to individual performance objectives.
- ▶ In ASA(ALT), the organizational strategy will be used as your guide in developing your NSPS job objectives. These strategies can be found in the Organizational Balanced Scorecard e.g., ASA(ALT), DASA, PEO, and/or DRU.

Army Posture Statement (Army Strategy)



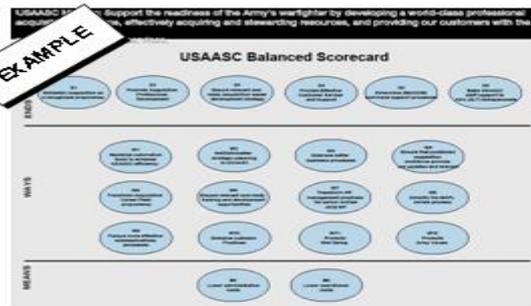
Army Scorecard



ASA (ALT) Scorecard



DASA/PEO/DRU Scorecard



NSPS Individual Job Objectives

Objective	Status	Optimal Weight (%)
Acquisition Workforce Performance Objective	APPROVED	30
Platform developmental assignments learning the substantive work of the occupant	APPROVED	15
Serve as an Army Competitive Development Group/Army Acquisition Fellowship Prog	APPROVED	30
Special Emphasis Experience	APPROVED	40



Developing NSPS Job Objectives

Step 1: Discuss Goals with Supervisor

Performance Appraisal Application (PAA)
Version 2.0

[MyBiz Suggestions](#) [Home](#) [Logout](#) [Preferences](#)

Details: Employee

[Return to Main Page](#)

[Need Help?](#)

[Quick Guides](#)

Employee Information

Employee Name

[▶ Show Employee Details](#)

[▶ Show Placement in Pay Band](#)

[▶ Show Setup Details](#)

[▼ Hide Relevant Organizational Mission/Strategic Goals](#)

- E2 - Promote acquisition professional development
- E3 - Ensure a relevant and ready acquisition leader development strategy
- E4 - Provide effective customer service and support
- W12 - Promote Army Values

- ▶ Employees are encouraged to meet with their supervisors to discuss their annual goals and objectives for development
- ▶ At this meeting, supervisors will identify the key objective for the employee to focus on for the year; this objective is resident on either the:
 - a) ASA(ALT) Scorecard
 - b) DASA/PEO/DRU Scorecard
- ▶ In this example, the supervisor has selected from the ASA(ALT) Scorecard, ASA(ALT) End 3: Shape a high performing acquisition workforce
- ▶ The supervisor has also identified the specific elements on the Acquisition Support Center (ASC) Scorecard for the employee to focus on
- ▶ These elements are identified by a numbering scheme resident on that Scorecard; they include:
 - End 2 (E2): Promote acquisition professional development
 - E3: Ensure a relevant and ready acquisition leader development strategy
 - E4: Provide effective customer service and support
 - W12 (Way 12): Promote Army Values



Developing NSPS Job Objectives

Step 2: Develop NSPS Job Objectives in SMART format

- ▶ After your supervisor has designated the specific BSC objectives for your annual focus, he/she will develop specific job objectives for you to accompany your development plan
- ▶ You will also be responsible for developing your own job objectives, using either the ASA(ALT) BSC or your DASA/PEO/DRU Scorecard as your guide
- ▶ Each of your job objectives, including those provided to you, must be in the SMART format as well as aligned to your organizational scorecard
- ▶ SMART stands for:

S	<u>Specific</u> : Describes an observable action, behavior or achievement envisioning the desired result, what the end product will look like.
M	<u>Measurable</u> : (observable or verifiable) so that they can be assessed and the quality of the outcome recorded. When determining how to measure performance, look for measures that are quantifiable, such as numerical or percentage changes; time spent, or money saved. If the work cannot be easily quantified, try measuring based on quality criteria.
A	<u>Aligned</u> : draw a line of sight between objectives throughout the organization so that everyone is working toward the same goal.
R	<u>Realistic</u> : achievable with the resources and personnel available and within a specific time-frame.
T	<u>Timed</u> : limits when the objective will start or completed. For multi-year projects, the objective will focus on what is reasonable to accomplish within one year.

Note: NSPS “Mybiz / MyWorkplace” supervisory approval process is not part of this tutorial



What makes this example objective SMART?

Objective #1 was developed by an ASC supervisor for an employee using SMART criteria

Specific

Measurable

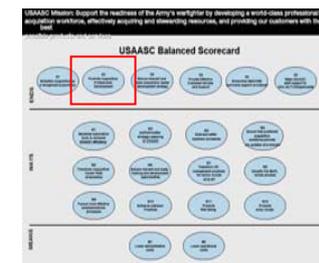
Aligned

Realistic/
Relevant

Timed

Obj 1: Review, discuss, and update the Individual Development Plan (IDP) with my supervisor at counseling milestones to include as a minimum: initial performance review, interim review and end of cycle review. Ensure that IDP includes the timeline for attainment of acquisition certification within 24 months of assignment to the encumbered acquisition position and at the appropriate level (I, II, III). Ensures completion and documents the IDP for the achievement of 80 Continuous Learning Points within the two-year cycle. (E2)

ASC* "End 2.0"



2.0 Promote Acquisition Professional Development

* ASC= Acquisition Support Center



DESIGN·DEVELOP·DELIVER·DOMINATE

We Make Soldiers Strong

Why is this objective not SMART?

Employee generated objective (SMART criteria was not used)

- Example Objective (x). Assigned to PEO x to work on memorandum of agreement (MOA). Develop business objectives in the MOA along with deliverables. Deliverables must be identified in the MOA.

1. This objective is NOT **specific** because it does not describe the task with a desired result. The desired result should identify a specific achievement or what the product will look like.
2. This objective is not **quantifiable** because it does not identify the end products' savings or cost sharing (time or money). The employee may not produce a desired result, which is an MOA that highlights core common business objectives, applicable deliverables, or milestones each PEO shares.
3. SMART objectives should be **aligned** with Organizational Balanced Scorecard. In this case, this objective does not identify the alignment to the specific "End" or "Way" from the Organizational Balanced Scorecard. Organizational Balanced Scorecard communicates the goals you are working towards.
4. This example refers to business objectives, but without **relevance** to quantifiable or specific goals each PEO shares in common. Furthermore, it refers to deliverables and they are vaguely described. Business objectives are developed by the PEOs and not the employee, thereby making this objective **unrealistic**.
5. This example does not indicate a **time frame** to start or finish the objective. The objective itself is vague and leaves too much in question by the employee.



Revised, SMART Objective

Employee generated SMART objective

- Example Objective (a). Develop memorandum of agreement (MOA) to identify and address core common business objectives, deliverables or milestones shared between PEO X and PEO Y. Ensure MOA is staffed throughout each PEO and signed by the senior executives by 12/2007. Each core common business objective must be identified in the MOA along with cost or time saving deliverables. Deliverables from each business objective must be identified at each event-driven milestone. (Example deliverable: Develop tactical communication model that will interoperate between the FBCB2 systems and all PEO Y developed Constructive simulations. The model will be demonstrated and delivered to PEO Y at ABC Trade show.) (E4)

Specific

Measurable

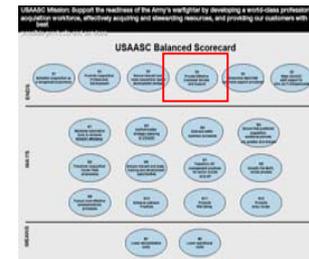
Aligned

Realistic/
Relevant

Timed



ASC "End 4.0"



4.0 Provide Effective Customer Service and Support



Summary

- ▶ The ASA(ALT) Balanced Scorecard and your DASA/PEO/DRU Scorecard is the only source for developing your NSPS SMART job objectives
- ▶ Relating your individual performance to the Balanced Scorecard will allow you to link the value and importance of your work to higher order organizational strategy
- ▶ Achievement of the vision and mission hinges on the success of job performance



References



References

- ▶ Army Priorities. (March 14, 2007). Army Business Transformation Agency.
- ▶ Balanced Scorecard User Guide. (July 2007). Assistant Secretary of the Army for Acquisition, Logistics and Technology.
- ▶ Balanced Scorecard Interest Group. (March 2004). US Army Corps of Engineers.
- ▶ Balanced Scorecard. (March 28, 2003). US Army Medical Research and Materiel Command.
- ▶ Berkon, Bradley (Principal Assistant for the Deputy Undersecretary of Defense for Logistics and Materiel Readiness). (September 13, 2004). Department of Defense Logistics Balanced Scorecard Monthly update. Memorandum for Joint Logistics Board members.
- ▶ Bolton Jr., Claude M. (Assistant Secretary of the Army for Acquisition, Logistics, and Technology (Feb 2004). Acquisition, Logistics, and Technology Governance Board Charter. Office of the Assistant Secretary of the Army for Acquisition, Logistics and Technology.
- ▶ Brinkley, Paul A (Deputy Undersecretary of Defense for Business Transformation). (Undated). Organization of the Defense Business Transformation Agency.
- ▶ Business Transformation Quick Summary. (August 2006). Business Transformation Agency.
- ▶ Elements of Defense Transformation. (April 24, 2003). Office of the Deputy Undersecretary of the Army.
- ▶ Denett, Paul A (Director of Administration/Senior Procurement Executive for the Department of Interior). (undated). Guide to a Balanced Scorecard – Performance Management Methodology. Procurement Executives Association.
- ▶ Harvey, Francis J (Secretary of the Army). (March 9, 2007). General Orders 00. Managing the Headquarters, Department of the Army.
- ▶ Harvey, Francis J (Secretary of the Army). (2007). Army Posture Statement.
- ▶ Hendricks, Kevin. (November/December 2004). The Balanced Scorecard: To Adopt or not to adopt? Ivey Business Journal.
- ▶ Kelly III, Thomas (Deputy Undersecretary of the Army). (April 24, 2006). Implementation of the Strategic Management System (SMS).



References (cont.)

- ▶ Kem, Jack (Dr.). (Colonel USA retired). (September 1, 2006). Military Transformation – Ends, Ways, and Means. Air and Space Journal Fall 2006.
- ▶ Iseler, Tracy K. (May 1, 2003). Balanced Scorecard Domain School. Office of the Secretary of Defense – Logistics Systems Management.
- ▶ Kirby, Mike. (Deputy Under Secretary of the Army for Business Transformation). (May 14, 2007). Business Transformation – Changing the way we do business. HQDA Staff Orientation.
- ▶ Kaplan and Norton. (Harvard Business School). (March 2004). Strategy Maps. Strategic Finance.
- ▶ Performance Management/Balanced Scorecard Fact Sheet. US Air Force. (undated).
- ▶ Shaw, David. (undated). Air Force Performance Management v2.0.
- ▶ Strategic Management Implementation. (undated). US Strategic Management Division Operations Center.
- ▶ Title 10 United States Code (USC). (January 3, 2005). Section 3013 and Section 3016. Armed Forces.
- ▶ Transformation in Support of the Future Force. (December 10, 2004). Department of Defense Transformation Roadmap. The Defense Logistics Agency.
- ▶ White, Thomas E (Former Secretary of the Army). (July 9, 2002). General Orders 03. Assignment of Functional and Responsibilities within the Headquarters. Department of the Army.
- ▶ Wise, Robert (Dr.). (December 14, 2004). Creating Strategy-Focused organizations using the Balanced Scorecard. Balanced Scorecard Collaborative.
- ▶ Wright, Cherri. (Acquisition Support Center) (January 4, 2007). Writing Job/Performance Objectives for National Security Performance System (NSPS).



Web Sites

- ▶ **Army Business Transformation (Selected Web sites require AKO login)**
 - http://www.defenselink.mil/dbt/products/March_2007_BEA_ETP/etp/Army-Priorities.html
 - <http://www.army.mil/aps/07/addendum/m.html>
 - <http://www.army.mil/ArmyBTKC/index.htm>
 - <https://akocomm.us.army.mil/2007scg/ASM.htm>
- ▶ **Articles**
 - http://www.navy.mil/search/display.asp?story_id=17553
 - <http://www.balancedscorecard.org/basics/bsc1.html>
- ▶ **ASA (ALT) Strategy and Performance Planning**
 - <https://www.us.army.mil/suite/page/303538>
- ▶ **ASA (ALT) Web Page**
 - <https://www.alt.army.mil/portal/page/portal/oasaalt>
- ▶ **Army Posture Statement**
 - <http://www.army.mil/aps/07/>
- ▶ **Balanced Scorecard Institute**
 - <http://www.balancedscorecard.org/>
 - http://www.sas.com/solutions/spm/tour/itour_flash.html
 - http://www.balancedscorecard.biz/Introduction_BSC_C1.html
- ▶ **DAU Balanced Scorecard domain school**
 - <https://acc.dau.mil/Search.aspx?id=1&m=All&q=balanced+scorecard>
- ▶ **NSPS**
 - <http://cpol.army.mil/library/general/nsps/videos.html>
- ▶ **Other Scorecards**
 - <http://professionals.pr.doe.gov/ma5/MA-5Web.nsf/Business/Balanced+Scorecard?OpenDocument>
 - http://www.finance.hq.navy.mil/fmb/gpra/gpra_p_u.html
 - <http://www.whitehouse.gov/results/agenda/scorecard.html>
 - <https://afkm.wpafb.af.mil/ASPs/CoP/OpenCoP.asp?Filter=OO-LG-AF-73>
- ▶ **Videos**
 - <http://www.cpms.osd.mil/nsps/videodl/NSPSOpenCaption.wmv>

