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Diane Putney: This is an oral history interview with the Honorable Gordon England, former Secretary of the Navy and Deputy Secretary of Defense, and Mr. Robert "Bob" Earl, former Special Assistant and Chief of Staff for Mr. England. The interviewers are Diane T. Putney and Alfred Beck. It's June 4th, 2009, and the interview is taking place at the OSD Historical Office in Arlington, Virginia.

The purpose of this interview is to record your experience, Mr. England and Mr. Earl, with the evolution of the National Security Personnel System, NSPS, at the Department of Defense (DoD). A transcript of the interview will be preserved as a permanent NSPS record and may be used as source material for a DoD history of the NSPS.

The first question is directed at you, Mr. England, and it's an easy one. The first few questions serve just to get you positioned as Secretary of the Navy, your transfer to DHS, and then your return to the Department of Defense.
Would you briefly summarize your career in private industry prior to your being nominated for the position Secretary of the Navy? Did your leadership and executive experience with private industry prepare you well for assuming responsibility as Secretary of the Navy?

Gordon England: I'm not sure any private sector can prepare you well because it's a different environment, but I would say it probably prepared me as well as anyone could be prepared. I not only was in private industry in terms of the defense industry and leadership positions, I literally worked my way up from engineering and designing defense products, space products, to various levels of management, including running companies and developing business. Then I was on various defense science boards and committees, working with the Congress here in Washington.

When I came in as Secretary of the Navy, I was very comfortable in the Washington environment. I knew the Pentagon some, and then, of course, I knew a lot of the products, some of which I had literally helped to design and develop myself. There was a comfortable feel; that said, I was not familiar with the
way the Pentagon operated and the details, although I did have an extensive three-month orientation, literally all day and evenings, becoming familiar with the way the Pentagon operated.

I guess my last comment will be that when I came into the Navy, I think the best way to understand the way the Department of the Navy worked would be to look at the flow of funds, how the money flowed through the organization because how money flows through an organization reveals a real organization. The size of the money pipes are very indicative of the various power centers within the organization. This seemed to be a very simple question: tell me the flow of funds through the organization. Actually, no one knows that. No one ever mapped out the flow of funds. The Navy did. It took a period of time, but it became a very interesting first exercise in terms of people fundamentally understanding how the organization worked as a way to help manage it.

My experience led to some practices that were useful in the Department of the Navy, although there was obviously a learning curve with the Navy in terms of organization.
**Diane Putney:** I’ll bet if someone looked at an individual’s checkbook, too, over time, it would reveal a lot about that individual. How did it come about, then, that you were appointed by President George W. Bush as Secretary of the Navy?

**Gordon England:** I had been asked by Les Aspin back in the early ’90s to come talk to him. He wanted me to be the AT&L, acquisition, technology, and logistics person. That was about ’92. I’m not sure exactly. I guess it was the ’92 election. But that was very, very bad timing for me, because I had just moved to Fort Worth as head of the Fort Worth Company building F-16s, and I was there to rebuild that company, and I just couldn’t leave then. I always felt I would come back at some reasonable time in my career, and I always felt at the end of my career I would do that.

When President Bush came in, I had spent four years in the Washington area, had already retired a couple of times, and was leaving General Dynamics again. I had decided I’d been here long enough. Time to go back to Texas. Well, I knew a lot of people in Washington. A lot of people knew me. I had a long career in industry and a successful career, frankly.
I became just one of the candidates. People obviously put me on the list, and I came in and was interviewed by the team just like they do now, the personnel team for President Bush. I thought that they wanted me for acquisition, technology, and logistics since I had already served on various boards and committees. I had run a number of boards and committees in acquisition. It was pretty well known in the Washington area, but when I came in, they had selected Pete Aldridge. My response was, terrific. God bless a good friend of mine; I know Pete well, a wonderful person. I said he’s highly qualified.

Great, I’m going back to Texas, and they said, not so fast. We’d like to talk to you about a service secretariat, but they didn’t know which service secretariat position. They were still interviewing candidates. I expected it would be Air Force secretary because most of my background was Air Force-related, although I also ran land systems and knew a lot about ground combat. The one area I had never run was shipbuilding. Nonetheless, they asked if I’d be Navy Secretary, which I was delighted to do. It’s actually the most complex because it’s the Marines, and it’s the Navy.
Interestingly, I asked them how long people were typically Navy secretary, and they said 19 to 22 months is average. I had already been out of Texas for four years, so my wife and I talked about this, and we said, okay, two years more, we can do that. It turned out to be eight years more. Nonetheless, the nation was at war, and it was the right thing to do. That’s how I ended up.

By the way, for historical purposes, in the interview I had with Secretary Rumsfeld, Don Rumsfeld said that he’d get back with me. He said he had an arrangement with the President that when he hired senior people in the Pentagon, like a service secretary, both he and the President had veto on that person. The President could recommend somebody, and he could recommend somebody, but at the end of the day they both had to agree. He said, so I do have to work this with the President, and I guess he did, and ultimately I became Navy secretary.

Diane Putney: Now, Mr. Earl, how did you become the chief of staff for Mr. England?

Robert Earl: I had been working with Gordon England in private industry, and when he retired out of GD and went to the
Pentagon, I was happy in industry. The last thing I wanted to do was go to the Pentagon, so I stayed at General Dynamics. Good people, exciting stuff. Then 9/11 kind of changed my metric and frame of reference, and I felt that it was a good time to come back in the government. I had served as a Marine for 22 years, came back in the government and gave some service back to the nation. When Gordon England moved to Homeland Security, that was a good opportunity to join him, and I became his chief of staff there and then stayed with him as he kept changing jobs.

**Gordon England:** By the way, I do need to add that Homeland Security wanted Bob to stay at Homeland Security. [laughter] When you think about Bob Earl, he came back to serve the nation, and Homeland Security was in great need at that time. They wanted him to stay, and there was really some discussion about how could he best serve the country, at Homeland Security or back at the Pentagon. And after that discussion, I’m pleased to say he decided to come into the Pentagon because he then served another two tours with me.

**Diane Putney:** Before or shortly after you were sworn in as Secretary of Navy, did Secretary of Defense Rumsfeld ask you to
focus on some initiative? What did he want you to accomplish? Was there anything on that list about changing the personnel system that early?

**Gordon England:** No, there was no discussion about the personnel system. First, the approach for service secretaries I think was unique at that time. The Administration wanted three experienced industry people, so it was myself, Tom White, and Jim Roach, who were all in senior executive positions in corporations, two of which had service backgrounds. I didn’t. I’m the only person without the service background. He wanted senior executives who would function like a board of directors, that is, Donald Rumsfeld, Paul Wolfowitz, and the three service secretaries would basically be the management team for the Department of Defense. Secretary Rumsfeld was very interested in doing a lot of restructuring in the Department. When he came in, pre-9/11, there was a lot of emphasis on efficiency, the effectiveness of the Department. While we didn’t talk about personnel systems, we also knew that there were serious issues with the personnel systems. I would say that that was sort of
inherent in his whole thing about how do we change the management structure of the Department.

**Diane Putney:** In 2003, you left the Department of Defense to become the Deputy Secretary of the new Department of Homeland Security (DHS). How did it come about that you left DoD and assumed the new responsibility at DHS?

**Gordon England:** I was asked by the White House. Secretary Rumsfeld didn’t want me to leave. I was doing a good job, I think, at the Department of the Navy, and the Navy and Marine Corps leadership, we all had a great team, and we accomplished a lot of good things. On the other hand, 9/11 had occurred, and we were now trying to set up a new department. Congress had not yet authorized the Department of Homeland Security, but after the election in November, it was pretty obvious that was going to happen because that became a campaign issue. The election was in November, and I think it was October when I was asked by the White House if I would move if asked. They told me this was coming from the President. I actually wasn’t here to be Secretary of the Navy; I was just here to do whatever was needed. This wasn’t about me; it was about service to the
country. If that’s what they wanted me to do, I was pleased to do it. Ultimately they asked me if I would go over to be the deputy, and I said if that’s what you want me to do, I’ll go be the deputy of Homeland Security.

**Diane Putney:** With your experience at DHS was there anything of particular use or value connected with personnel matters that might’ve helped you when you returned to the Department of Defense and were involved with the National Security Personnel System?

**Gordon England:** Let me back up some. In industry, of course, we had 26,000 people at Fort Worth, had a lot of unions that I was very close to. I knew the union leadership. I knew Tom Buffenbarger [President, International Association of Machinists and Aerospace Workers]. As an industry leader, I always had excellent employee relationships, factories, unions, and professionals, so this was an area that I was greatly interested in at the Department. I think it was one reason they asked me to go to Homeland Security, not just management ability, but because there were people from all these different agencies who were all coming together in a whole new department,
and everybody had different cultures, customs, pay scales, everything. It was a random mix of a lot of people.

That was, I think, a big challenge for the Department of Homeland Security: to bring all these different cultures and people together. The personnel side of that was probably more important than any other part of it. At the end of the day, the challenge in the Department was how to bring it together in some effective way.

**Diane Putney:** Did you have any connection with Kay Coles James --

**Gordon England:** Oh yes, a lot.

**Diane Putney:** -- at that time because of the personnel issues?

**Gordon England:** Yes. I dealt with Kay Coles James, OPM personnel, quite a bit.

**Diane Putney:** How did it come about in 2003 that you returned to the job at the Department of Defense as Secretary of the Navy?

**Gordon England:** I can’t remember the person who was appointed to replace me *(editorial insert: Colin McMillan)*, but
after I left, it took a long time to find a replacement for me, so there was an “acting” for a long time. The person who was going to be Secretary of the Navy, and now I can only tell you what I’ve been told, so I can’t say this is factual; I can just tell you this is the way I understood it. He had earlier had cancer of the mouth at some point and apparently had some sort of reoccurrence. He told Secretary Rumsfeld on a Friday he was going to have a medical test on Monday, and as soon as the medical test was over, he was going to let him know the following Wednesday if he was going to be physically able to serve. Apparently he had the test on Monday and on Tuesday committed suicide. Shot himself with a rifle at his ranch. I mean, God bless him. He was a guy who was about to serve and had a terrible thing happen. I don’t know if that’s the relationship in all that, but nonetheless, that was how I understood it.

The nation was still at war at this point, and the Navy hadn’t had a service secretary for basically a year. I kept the position until they appointed someone. He was going through the whole process. At that time, I was asked again by the White House would I consider going back to the Department to fill the
position again, and again I’m doing what the Administration really feels is their need and where I can serve. Secretary Rumsfeld wanted me back, as did the White House. At that point, I had already agreed to doing this, so I went back to fill the Navy position. But since someone else had been nominated, and I had already been confirmed in another position, I actually had to come back and go through the confirmation process one more time as the 73rd Navy secretary.

Diane Putney: Then when and how did you become involved with the National Security Personnel System?

Gordon England: When I came back, I actually had this discussion with Secretary Rumsfeld. He would periodically ask me to do things at, quote, “the OSD level,” as opposed to the Navy level. If he had an issue, was just looking for somebody to help get the job done, he’d just give it to me. I got things accomplished, and so he would ask me to do things.

He asked me to take a look at the National Security Personnel System. He was probably the only person who wanted me to look at it because there was a whole organization doing it, and it was for the whole Department; it wasn’t a Navy program at
all, and so why is the Navy secretary involved in this, right? Nonetheless, he asked me to look at it. Bob and I actually spent time together looking at it. Now it turns out that the Congress of course had passed the law the previous September. I knew a lot of people on the Hill involved in all of this, still do, a lot of people, [George] Voinovich, and Susan Collins, and all the people who were on the committees.

In looking at the program, I also talked to them, and I found out they were extraordinarily unhappy with what the Pentagon was doing in implementing the law, and they were in the process of changing the law. Basically they were going to go back to the old program because of their unhappiness with what the Department was doing.

The approach in the Department was to have a small team basically working together, and they were designing a new National Security Personnel System. We were to design this system totally within the Department, no OPM involvement. OPM was excluded from this. Their view was this was strictly a DoD matter; Congress gave them the authority to do it, so they were going to design it. What they were doing was designing a new
system. They were going to document it, put out all the procedures, get it all ready on the shelf, then on October 1, make all this data available within the Department and start the new personnel system. So that was the plan.

My view was that was not an appropriate way to do a new personnel system. Personnel is the most important thing in people’s lives. It’s their pay, it’s their benefits, their environment, it’s everything. It’s your whole workplace, right? Everything else is ancillary to it, not the other way around.

I went back and told Secretary Rumsfeld that, in my view, this was not going to work. There was no possible way of implementing this in the Department the way it was being approached, and, in addition, the Congress wasn’t going to let us do it anyway, and, therefore, you’d better stop what’s doing and recreate a whole new process for the National Security Personnel System.

Now I assume that he had had other input or he never would’ve asked me to look at this. I’m sure he didn’t just one day decide to do it, so he must’ve had some inkling from somewhere of issues going on. With that report, as the old saw
says, generally, the messenger also ends up getting the next job. In this case, he said: Gotcha. You tell me how to do it. We put a new process together and presented it to the SLRG, which is the Senior Level Review Group in the Pentagon, the generals, civilians, etc. I laid out what in my mind was the more rational process for developing what was the most complex personnel management system anyone ever put together, the largest change ever, I mean, certainly in the history of the country. We weren’t going to do this in a few months by writing books and just handing them to people. This to me was going to be long, hard work over a significant period of time because you had to get a lot of buy-in on this. Anyway, that’s how I got involved in this.

I would tell you this was not a universally accepted thing in the Department, however, to have the Secretary of Navy responsible for the entire Department, all the agencies’ personnel systems. Their reaction was, why is the Secretary of Navy doing this? That was totally outside the OSD organizational structure, so it wasn’t something that was applauded by everybody.
Diane Putney: The Secretary called a halt to things. He had a strategic, comprehensive review.

Gordon England: Yes, a strategic pause.

Diane Putney: It’s clear that the unions were quite upset. I did read in the PEO’s chronology that in about mid-February, Secretary Rumsfeld asked you to be the point man to work with the unions.

Gordon England: No, he asked me to just take the program. I mean, that was my --

Diane Putney: So just to be the senior executive.

Gordon England: I’m actually the person who put the strategic pause in place. Part of the approach was to basically redesign the system, redesign the way forward because we needed a pause on the Hill; otherwise, we were going to get legislation on the Hill that was basically going to end up killing the program. We felt like this was a reasonable program, but we had to have some period of time to work this out.

The unions had at this point been totally excluded from the process; I say, effectively totally excluded. My understanding is when the group was working on NSPS as the original program,
they invited the union to some of the meetings. The union was not allowed to sit at the table, however. They could listen and observe, but they really had no direct involvement in the system. Immediately the unions were extraordinarily negative to this because they were excluded from it. Rather than having an input, rather than having them as participants, they were, at the very front end, excluded, as was OPM. So a lot of ill will was initially built up.

I had already worked with the unions; I knew a lot of union people. I have a good reputation with the national union leadership. Part of this was to try to get the unions back on board, and so I had lunches, and dinners, and meetings in my office. We did a lot of work with the unions. We brought them into the process. But I will tell you that it’s sort of an interesting situation with the unions. We wanted them in the process so that they could participate. On one hand, they wanted to be in the process; on the other, they did not want to be in the process because they did not want to compromise the fact that they didn’t want the NSPS system.
If there’s going to be a system, they want to have a say, but they actually don’t want the system, so they don’t want to participate and then provide credibility and support to the system. It was very hard, all wonderful people doing a good job leading their unions, but this was a very difficult situation for them. And, by the way, they never did really come on board because they’re inherently against it, but I think we did generate more respect and a professional way to deal with people because at the end of the day, unions are still an integral part of our workforce and an important part of our workforce, and they do a good job.

Diane Putney: With this strategic review then were you in charge of calling all those groups together, the task forces to take a look at everything on labor relations and all that?

Gordon England: We set up all the task forces. Conceptually, Diane, my view was you had to have integrated product teams working this with involvement by everybody you could. This was an enormous job to do. Enormous. This wasn’t something a few people were going to do, and you had to get buy-in for those people to participate in it. I had the opposite
approach, that is, cast the net as wide as you can and find a management structure to benefit from all the talent you can in the Department to help design this system.

The Department of Defense is an enormously complex, diverse organization. People do every kind of job and skill imaginable. It is a cross-section almost of the world. In fact, we’re all over the world. Our employees are all over the world. We do every kind of job imaginable in the Department of Defense. It’s a personnel system that encompasses this wide range of skills, diversity, and cultural backgrounds, not just individually, but cultures that are organizationally spread out. Your office here has its own cultural identity. People come here, and they have a long-term cultural identity. This is a tiny, tiny department. Multiply this by thousands, and even within large organizations like NAVAIR there are procurement areas that have their own view of the world. There’s technical people. There’s thousands of these independent cultures that make up the Department of Defense, so having a new personnel system that encompassed all this in a way that made people comfortable in the new system was a massive undertaking. Spread the net wide.
I decided to do this with integrated product teams with responsibilities in various areas, and then an overarching integrated product team to integrate it all. That structure then reported basically to me. I reported through these teams to the total leadership of the Department, where we got other inputs and views on this. It was wide, but basically coming back to me so that I could provide the leadership. I was the point person. I represented it, encouraged it, and met with people. This was hard. People didn’t necessarily want to do this. Even the people doing it didn’t want to do it. They were comfortable in their jobs. People don’t ever want to change. Changing their personnel, how they’re going to be paid, how they’re going to be reviewed, the relationship with their supervisors. Frankly everybody sort of wished all this had just gone away.

**Diane Putney:** This is a good time to ask why it was necessary? What were the main reasons why DoD’s General Schedule system had to be transformed and reformed? What were the main problems with the General Schedule system?

**Gordon England:** First of all, I think there was very little motivation for people to excel in their jobs. Pay was basically
independent of performance. No matter how you performed, it didn’t make any difference. There were no incentives, positive or negative. People just came to work, put in time, after a while got promoted. Promotions were pretty much based on time in grade. You worked your way up. It was a time dimension rather than a performance dimension when skills are more and more valuable to the Department and to the nation. This was about encouraging people to better performance. We had a very poor system of managing, that is, people didn’t even see their supervisors during the year a lot of times. The end of the year came around, they got their three-percent increase and a thanks for being here, and maybe not even the thanks, just the increase. There were no objectives for most people; they were just very broad. Ninety-eight percent of all the people in the Department of Defense were rated outstanding, so there was no system, it was all frankly a sham. Everybody was magnificent. And the people who were extraordinarily poor performers, you couldn’t do anything with them; you just were stuck with them.

I will tell you, I had been Secretary of Navy maybe two weeks, and OPM — I didn’t even know who OPM was — had a
conference on employees, etc., and I went. I was probably the only senior executive in the Department who attended. I just went and listened to all this. They talked about how we were going to have to hire all these people and everything, and I said, well, tell me this, while you’re working to hire people, how do you deal with poor performers? What’s the mechanism? It all got sort of wishy-washy because nobody knew how to deal with that. Somebody at the table said, I’ll tell you how we deal with poor performers. We rank them the highest because the way you move poor performers is to give them high rankings, and they get hired somewhere else.

Diane Putney: Oh, no. Painful.

Gordon England: The worst performers got the highest rankings as a way for management to deal with somebody who’s a real issue. The whole system was frankly dysfunctional. It was unfair to the employees, and it was extraordinarily difficult for supervisors and managers to manage an organization where they had absolutely no authority.

We had cases with people going through a legal process lasting ten years trying to dismiss a problem employee. The
system was about as poor as it could be; over years it had been modified by court cases and culture. If somebody doesn’t show up, don’t make an issue because I can’t stand to go through all the hearings and the legal process. Just ignore the whole thing.

In my view, when I finally got into all this, I realized there were serious, serious problems, and of course I ran into some of these in the Navy. I think that Congress understood this. This was a pretty profound law to go through the Congress.

Diane Putney: Now you’re in charge. You’re the senior executive, and you’ve brought in from the acquisition world this model to help OIPTs and a PEO.

Gordon England: No, it wasn’t the acquisition world.

Diane Putney: Where does that structure come from?

Gordon England: Well, we use it in industry all the time. We had integrated product teams and still do. It’s a management technique in a lot of industrial organizations. There was nothing unique about committees except we actually formalized them into integrated product teams. In a lot of areas today, you bring together various people, disciplines to do cross-
discipline issues with a team leader. Most engineering units accomplish that.

**Diane Putney:** In developing the F-16, you had to have a certain management system. Is it similar to what was created for the NSPS?

**Gordon England:** I think that a lot of this has to do with leadership style. Mine is very collaborative. People approach things differently, so my management approach always has been a very collaborative one. People getting involved and having their voices heard were vastly superior than just directing people to go do things.

One of my underlying principles has been that, all managers, all leaders, do the same thing. Every leader does exactly the same thing regardless of whether you’re military, civilian, technical, or anything. What leaders do is provide an environment for their people to excel. That’s what leaders do. They don’t do a better design. If you’re going to be successful in a leadership role, you provide an environment for your people to excel. If your people excel, then you excel, and your organization excels.
NSPS was never the objective. The objective was not to put NSPS together, to have NSPS. NSPS was a mechanism to provide an environment for people to excel. I used to try to get people thinking. The end result is not implementing NSPS. The end result is having an environment for people to excel, and NSPS is a way to get us there. That’s why we do NSPS. It’s not about the law; it’s about giving us a way. When you design this system, keep in mind what the objective is. This isn’t just go put together stuff that fills in these different check boxes. The objective is having a better environment.

You asked about the shortcomings. I think one of the biggest shortcomings that we had in the old system was people hardly knowing and understanding what was expected of them, what they were trying to accomplish, and the connection between them and their managers and supervisors so everyone had a clear understanding what the job was.

Ideally what happens is the President establishes the national security objectives. The Secretary of Defense puts out the Department of Defense objectives. Those objectives are flowed down in the organization so the person on the deck plate
is actually doing a job that helps meet the national objectives of the United States. That person on the deck plate knows that what they are doing is important to the nation’s goals.

If you can flow goals and objectives through the organization, and if I can discuss them with you, and you understand, and I understand them in a way that we can now measure how well you do, then I can pay you for your performance objectively. I can differentiate between you and somebody else who isn’t working as hard or as smart, right? You can be paid for your performance, and the nation benefits from this because we’re realizing the national objectives of the United States. This is all part of linking the organization together in some way that you can achieve national objectives, and people are rewarded and motivated, and you know what they’re doing has value to the country.

Robert Earl: I thought your question was going one level down from where the Deputy just was, and it was setting up the PEO structure, and having Mary, who was an engineer, and the OIPT structure. After getting to that level, then translating
that, there were some analogies to one of the most complex
weapon systems --

  **Gordon England:** Well, we didn’t have Mary at the time.
  
  **Robert Earl:** No, we didn’t when we started.
  
  **Gordon England:** We just had the OIPTs. Then my analogy was
an aircraft carrier. I told the Secretary, think about it. When
we design and build an aircraft carrier, we have a whole PEO
structure that does an aircraft carrier, a whole organizational
structure to manage it. I said, now we’re about to put a system
together that’s far more complex than an aircraft carrier with a
lot more people involved. I said, so if we need a PEO for an
aircraft carrier, we need a PEO for this system. We need a
permanent office that manages this transformation. That was the
analogy, by the way, from my Navy experience, and everybody
bought into that.

  **Diane Putney:** How did you select Mary Lacey? What were the
strengths that you saw in her as the selectee to be the PEO?

  **Gordon England:** First, we actually wrote out specifications
for that position. We had criteria. We laid out a lot of
criteria. I interviewed maybe four or five people for that
position, some inside government, some outside. Again, we cast a wide net for that.

Mary impressed me. First of all, she had run large organizations. She knew the government system well. She had dealt with the unions. She was dissatisfied with the system. She knew the system was broken. She wanted to work and fix the system. She was energetic, articulate, and she had leadership qualities and was motivated to go change the system. If anybody else were doing it, I don’t think Mary Lacey would’ve been the selectee. You couldn’t look at her experience and relate to this, but in my view she had the personal characteristics that were exactly what we needed for this because it is ultimately leadership. When you’re trying to get people to go from one position to another, it’s about leadership. You want a strong leader who wants to bring about the change, and so my conclusion was Mary Lacey.

Robert Earl: The OIPT had done an extensive search, interviewed a lot of people, and had come up with several--

Gordon England: Yes. They ended up with, what, about five people, I guess.
Robert Earl: Right, out of at least a dozen or more that we seriously considered. The personnel system experience would be one that you would traditionally think of for that job, but Mary had experience with the acquisition community’s pilot programs and performance-based personnel systems. It was very valuable. She had several years of experience actually implementing them and saw the pitfalls. That was a very strong component of her credentials.

Diane Putney: David Chu had been in charge of the NSPS implementation prior to the strategic review. As the NSPS senior executive, what was your relationship then with Under Secretary of Defense David Chu regarding NSPS?

Gordon England: I wanted David to stay involved. This was a case, and I’m not being, and I never will be critical of David because I think David was really excellent, but this was an area where I think his people let him down. Their approach, I think, was just not sound in terms of their expectations, what they could accomplish. I think David and I had some disagreement about OPM involvement, and ultimately that went to the Secretary as part of SLRG. The fact is OPM came in as a vice chair of the
integrated product team because I just couldn’t imagine we could implement a system this fast in the federal government without OPM. It just didn’t seem possible to me, although, again, that was the DoD view.

But that was a contentious point. I don’t know, maybe it was the right decision, but ultimately the decision was to include OPM. Kay Coles James then was the director, and their person was the vice chair of the senior overarching integrated product team, so we got the benefit of OPM.

Now it turned out in retrospect that really was a good decision because the Congress never would have let us proceed without OPM. I didn’t know it at the time, but I later realized OPM was viewed very favorably by the Congress as their experts in personnel. They never would’ve let this happen otherwise. So David stayed engaged with us. His people were still --

Diane Putney: Mr. Abell was there.

Gordon England: Charlie Abell was still there. Some people left who were in senior positions. Some stayed.

Diane Putney: Ginger Groeber left, but Charlie was there, and he was the co-chair of OIPT.
Gordon England: Charlie stayed. Brad Bunn stayed, who’s running the program now and turned out to be a very valuable and good person. Some people couldn’t make the transition; it was just too hard for them where they were. I’m not critical of that; that’s just the way life is. People are comfortable or not comfortable with different approaches and situations, and if you don’t buy in, then you go do something else. That’s not unusual in anything. Some people said, yes, we like the way it is; other people said the old way was better, why did you screw it up, etc. It all filtered out. There was a little bit of hard time at that point. I tried to make it easy for everybody but to some extent, and Bob knows this, I had to be very assertive because this whole way had to end.

I was determined that was going to end completely, and we were going to move in a whole new direction. There was some assertiveness, leadership assertiveness, that had to happen at that point, and it did leave people behind. Okay, I left some people behind, and we got on with the new approach.
Diane Putney: You have this new approach now with the unions. Did you have a strategy of trying to bring the unions on board?

Gordon England: The issue always was, and I was never completely comfortable with this: the plan was to bring everybody in on a performance-based system. It was never clear to me that that was really a correct national strategy. It’s very hard for people in a production line, or people repairing a vehicle, and particularly union people, to have pay for performance. That goes to the very heart of unions, which is negotiating equal pay packages for people in similar work and time.

As I said, there were fundamental union issues that this just undercut, and frankly it was never obvious to me that there was much benefit trying to do this at that level, with those people welding in shipyards, and all. It seemed that wasn’t really where the emphasis was. I actually had some sympathy with the unions in all of this.

Again, my objective was to end up with the best system at the end of the day. We frankly always put the union issues
further out in time because my view was that’s really not where the benefit was. The real benefit was with our non-union workforce in more skilled jobs, in more professional jobs, not necessarily more skilled, but different kinds of work. Union folks did hugely skilled work, but of a different nature. That’s what we did. I didn’t want the unions undercutting the whole program because of their membership. There were still hundreds of thousands of people who were not in unions, and we didn’t want that to undermine the whole program. Part of this was trying to maintain the program, trying to keep the structure in place, and not destroying it because of the union aspect of this.

I met regularly with the union leadership because they have a role. They have a really important role, union leadership, and I respected the role they had, and so this was both of us finding our way through. I will say at various times it became quite strident, but it was okay. I knew that was part of what they have to do as leaders, and it never bothered me. I sort of accepted it.
**Diane Putney:** The NSPS itself was not designed and implemented using the collective bargaining approach that the unions are very comfortable with. A “meet and confer” approach was used instead of collective bargaining. How were you involved in the meet and confer process?

**Gordon England:** Of course, I would meet the union leaders myself and supported the approach of meet and confer. Again, if you ended up bargaining, then you were back to the old system. I was trying to support the new system in terms of going forward. Now the actual sessions where they dealt with issues involved Mary Lacey and all her people. My role was to keep people on the path of NSPS, of which “meet and confer” was one of the tenets; it wasn’t a negotiation.

This was always a major point with the unions because that’s what unions do; they negotiate terms, conditions, and salary, and all those things, and so this was a fundamental tear in the union fabric not to be in a position to negotiate. If you’re not negotiating for your members, then why is there a union? This was a threat to the union. By the way, I will say that early on, I do not think the new system as designed was
anti-union. Clearly it was not encouraging union membership and unions. And again, it really did poison that relationship early on. I tried very hard not to be a threat to the unions, to work in some ways that they can still have viable unions and representation, just do it in different ways that were beneficial to their membership and to the Department. But that was the fundamental issue.

Diane Putney: If in 2003 Congress had required the Department of Defense to design and implement NSPS using collective bargaining instead of meet and confer procedures, do you think NSPS would’ve advanced very far? Had NSPS been collectively bargained would NSPS currently cover more or fewer employees than now is the case?

Gordon England: You wouldn’t have had NSPS. It would’ve been a different system. You wouldn’t have had an NSPS performance-based system, and collective bargaining would have been a different system. You’re probably never going to be able to answer that question.

Diane Putney: You couldn’t have gotten NSPS through collectively bargaining it.
Gordon England: No. You would’ve ended up with the same system. This was a different notion, paying people for performance. The heart of NSPS is pay for performance, and making objectives, and meeting measurable objectives. Unions are not pay for performance. Unions represent their members. Every member of the UAW gets the same wage, the same increase, steel workers, everybody. This is the heart of it. If you’re going to negotiate wages, benefits, and terms and conditions of employment, you’re back to the old system. On the other hand, maybe that’s a stretch too far to change all that for those types of jobs, and that’s always sort of been the issue of NSPS.

Diane Putney: Based on your private industry experience with unions, do you see major differences with how union representatives function within private industry as compared with how they function within the federal government?

Gordon England: I would say yes. First of all, you have the Congress involved. Union membership does more work on the Hill. I would say it’s a different relationship because of the Congress and working directly with the Congress. Pay is set by
the Congress. They actually don’t negotiate pay with the unions as you do in the private sector. Congress allocates the money.

There’s no real negotiation of pay and benefits in the federal government. The benefits were all set by the Congress, so the negotiation is with the Congress. Unions work with the Congress. There’s really no competitive pressure on anybody in the federal government. The federal government pays whatever they want. It’s sort of interesting. Federal government employees make twice what private-sector employees make. Most people don’t know that, but if you look at the data, on average it’s actually a little more than twice. Right now in the economic downturn, with people losing jobs and income, federal employees don’t lose jobs and income. They’re all protected. I would say it’s totally different. There’s no real competitive environment per se. It’s just negotiate with the Congress, not with the management team.

Diane Putney: What were some of the major NSPS issues or problems that PEOs Mary Lacey and Brad Bunn and the chairman of the overarching integrated product elevated to your level for a decision?
**Gordon England:** We met every week. I met every single week with the overarching product team for, what, a couple of years, Bob.

**Robert Earl:** Yes.

**Gordon England:** Maybe even a few years. We did this weekly, so there was very little I wasn’t involved in. For the first year or two, we were dealing together with the issues. Then as time went on, and we got more in place, and we moved along, they would just bring me the whole list. It would generally be a regular sheet of 15-20 topic items for that day, some of which were just info, but a lot of which were, boss, what do you think, how are we going to handle this, and they were decisions. Maybe half of them were a decision or a way forward, and the others were to let you know where we are.

**Diane Putney:** Do you remember having to elevate some decisions up to Secretary Rumsfeld’s level?

**Gordon England:** Probably very few. Early on there were some about OPM, obviously a big decision, the way we were going to manage it. We were going to set up a PEO structure. But once we got past that, I would say that --
Robert Earl: Right at the beginning of the strategic pause, one of the issues was whether the earlier track would continue even while the strategic pause was under evaluation, or whether that should stop. The strategic pause takes over everything.

Gordon England: Early on, because I’m Navy Secretary running an OSD program, I get top cover just to make sure everybody knew the boss agrees with all this stuff. Once it was in place, the way Secretary Rumsfeld and I worked was with what I call “three buckets.” We took everything in the Department, and we put them in three columns. Bob and I laid it out originally, and the Secretary said okay to that.

We had one list of responsibilities that was for Secretary Rumsfeld. He had the war. He had the military things. I had another list of responsibilities, which was budgeting and financial, personnel, and Guantanamo and a whole bunch of things that were really a lot of fun. Then we had a list in the middle that he and I both worked on, but one of us was lead. I worked it with him, but he was responsible, or he worked it with me.

The personnel system was in my column of responsibilities, and frankly what I was responsible for he wasn’t involved in
unless I needed it, and the same on the other side. That’s the way we worked because his theory was we couldn’t both do everything or you can’t run a Department this way, so we each did our own thing, and we only met when we needed to. So I would say by and large it was really at the deputy level, not the secretary level.

**Diane Putney:** Issues regarding veterans’ preference seem to have continually surfaced among OIPT members, PEO, senior advisory group, and working groups, with some DoD leaders and personnel stating that in a pay for performance system, veterans’ preference should be curtailed in hiring, reductions in force, and terminations. Did issues about veterans’ preference rise to your level for resolution? When and how did you get involved with the issue of veterans’ preference in pay for performance?

**Gordon England:** I would say it was always an issue, and my view was you could not change the rules on veterans’ preference. It was so ingrained that you could not do that. There was a school of thought that said we are jeopardizing the system if we make exceptions on veterans’ benefits, and we’re not achieving
NSPS if we keep the benefits. My own view was, strongly felt on the Hill, too, not to change veterans' benefits. By the way, the unions used this all the time because they had to find ways to discredit the system. Welcome to Washington. I’m not being critical; it’s just the practical way it is. They had to find a way to discredit the system, and that was a way to discredit the system by saying that we were taking away veterans’ benefits.

My view was you couldn’t do this, but it kept coming up because there’s no question that was a variance with what we were trying to do in NSPS. But you have to deal with the world you deal with. You can’t live in this perfect world. It’s not a perfect world.

**Diane Putney:** Do you recall providing guidance about the performance management part of NSPS regarding the criteria by which individual employees would be evaluated? There seems to have been disagreement within the OIPT whether employee behavior should be the dominant evaluation criteria or actual employee results. You were briefed at one point and provided direction about the importance of evaluating employee results with less
emphasis on behavior. Can you address this topic, because today NSPS evaluates employees on both, results and behavior?

**Gordon England:** People talk about diversity. When they talk about diversity, they think of gender, or they think of color, or they think of nationality, whatever. In every organization there is another kind of diversity connected to people’s personalities, which affects the way each employee does things. And a lot of times people with unusual personalities are excluded because they don’t fit in with the norm. But people with different personalities often actually bring great talent. If you had a group of musicians here, and I came in as an engineer, I’d be the guy who was the odd man out. This is even true in families, right? Some people who are the strangest in terms of behaviors are actually the most innovative, and so organizations have to accommodate a wide range of, quote, “behaviors.” Now that doesn’t mean disruptive behavior.

I felt that wasn’t something you evaluated because it would hurt people rather than benefit people, plus ultimately the results are what count, and that person who may have a strange behavior could still produce excellent results. It depends on
how you look at this. This is a different situation depending on what window you look through, Diane. I was a very results-oriented person because I actually didn’t want it to be the other way. Ultimately we ended up with a balance of roughly 70 of behavior and 30 of performance. To some extent, it was to accommodate worker expectations, OPM. The advantage of the OIPT and this broad involvement of a lot of people is that you end up with a system people will accept. To some extent you take a position knowing it’s going to be modified later anyway, just because that’s the way you get there. This is to let people help design it so they buy into it.

**Diane Putney:** Was the budget for personnel salaries under NSPS more difficult to figure out and plan for than the civilian personnel budget under the General Schedule system? How are you going to control the personnel costs of a pay for performance system? How do you establish fiscal constraints on a system as large as NSPS for hundreds of thousands of employees?

**Gordon England:** The going-in rule was that it wasn’t going to cost any more either way; that is, we weren’t going to add money, so whatever the general structure was, along with the
yearly promotion increases, whatever that pot was, we would have the same kitty of money on NSPS. We would just distribute it differently. I don’t believe that’s actually the case. I think the budget’s gone up, so I think we’re spending more money. But that was the going-in position.

But you are right, it’s extraordinarily hard to manage the pots of money in some consistent, uniform way. We’re not allowed to tell people you have to have a bell curve, but in industry you can. Industry is managed this way: I say, guys, here’s how much money you’re going to spend, and here’s what the distribution is going to look like, and I can force people to evaluate reasonably along some distribution because I don’t care what the organization is, it isn’t skewed so that everybody’s perfect in one organization, and nobody is in another. Talent in the world actually is pretty well distributed over a large enough number of people.

In the federal government, you can’t do that; you just have to convince people that they need to do a reasonable job with us. You can’t tell them to do it; you can encourage them to do it. You can tell them the whole system relies on this kind of a
structure. It actually came out pretty well. People did it independently, and it came out to be a reasonable distribution. If the managers don’t manage right, then the system doesn’t work, because you will end up with skewed performance results, and, therefore, skewed money.

I would say that is one of the really strong and weak points of NSPS, making sure that the managers understand that their responsibility is to fairly and accurately evaluate people. If they decide to make it easy and evaluate everybody a hero, which is easy for a manager to do, then the system breaks down completely. They have to have objective criteria, and they have to measure against the criteria; otherwise, the system doesn’t work. That was a union issue. Is it a weakness in the system, or are the managers no good? The unions would say the weakness of the system is the managers aren’t any good, and if the managers aren’t good, the system’s no good because you promote all the wrong people. This is the union. The wrong people get promoted for the wrong reasons because they know somebody; therefore, you got all the wrong people, and, therefore, the system isn’t going to work.
The system only works if people work to make it work. People have to feel responsible that they have to promote the right people and evaluate fairly, and we had checks and balances built in to help that. People could appeal, things would be reviewed.

Diane Putney: There’s a pay pool that looks over everything. Industry doesn’t ordinarily have pay pools either, does it?

Gordon England: Yes, they have pay pools.

Diane Putney: To look over it?

Gordon England: Well, nobody reviews the pay pools like this. The government’s got all these other groups to come in and evaluate. We didn’t do all that. Engineering had a certain amount of money, and it was up to the vice president of engineering to do it right. Industry’s a lot more direct at this. You don’t think the vice president of engineering is doing a good job, you get rid of him. Find another vice president of engineering. He’s gone in three days. With government rights, it’s a much more convoluted process, and we have all these
democratic processes built in to do all this. I’m not sure it’s effective, but it’s part of the process.

Robert Earl: There is a self-reinforcing mechanism of the pay pool that we were talking about. If a manager takes the easy way out and puts everybody at the top, then the fact that there’s only a finite amount of money in the pay pool means the share value has gone down, and so he has not --

Gordon England: It’s how people get less.

Robert Earl: -- he’s not given his top people what he could do and what they should get for higher performance. As they get experience in this thing, they see that and the importance of making meaningful distinctions amongst employees.

Diane Putney: The pay pool will call the manager on that. They’ll say, you’re way out of line with the others; you need to take another look at this.

Gordon England: But, Diane, you know, the nature of people is they like to get along, particularly with the people working for you. It’s really hard to bring somebody in and say, I just want to tell you’re not performing at the level that you could perform and how I expect you to perform. That’s not the nature
of people. The nature of people is walk in, put your arm around someone, and say, boy, you’re just a wonderful person, I love you, and everybody’s happy. That’s part of the training for the supervisor and manager to know their job and what they have to do.

Now part of this is that the manager or supervisor knows when they do that, they are hurting people, they’re not helping them because ultimately it’s going to catch up. If a person is not performing well, the objective was not to disparage and get rid of them. The objective was, look, you’re not doing well, you’re going to have to learn some new skills, you’ve got to take some classes, you’re going to have to read more. The purpose was to get everybody to be a top performer.

You were hurting people. Having everybody rated 98 percent was detrimental to people in their long-term careers. It’s much better to tell somebody you don’t have the right skills. It’s now the digital world, and you’re still doing old analog stuff or something. Go back to school; we’ll pay your classes. If people don’t respond or say: no, I’m too lazy, I’m not going to school, I’d rather play baseball, okay. Then those people you do
get rid of or whatever, but people get an opportunity to improve. This whole system is built on people’s understanding that they have obligations and responsibilities to do it correctly.

**Diane Putney:** You had to change the culture from the General Schedule. But Congress didn’t pass any extra money for training. How were you --

**Gordon England:** We took it out of the budget.

**Diane Putney:** How are you going to change the culture? How are you going to give the managers this kind of training?

**Gordon England:** We did. Training was never an issue. We knew that this was a huge job to train everybody. I used to tell the Congress, the one thing DoD’s good at is training. If you said what is a core competency of the Department of Defense, we bring people in, and they get trained, and we probably spent more money on training and education than anybody in the world. That is not a problem. What we know how to do is train people, and we will make available whatever funds needed. We have big O&M accounts strictly for training. We will just spend whatever it takes. You’re into the real issue of this concept about we’re
going to do all this in three months, publish the books, and everybody is on the new system. It takes a long time for people to buy in, culturally adapt, and have the training to be able to do this effectively. Years, not months.

**Diane Putney:** In late 2005, after the final NSPS regulations were published in the *Federal Register*, ten unions went to court to stop the implementation of NSPS. Their reactions led to *AFGE v. Rumsfeld*. What was the DoD strategy as the defendant in *AFGE v. Rumsfeld*? Did you need a strategy? Did you have a strategy going to court?

**Gordon England:** Oh yes, sure we did, but I’m not sure I can remember all the details of all that. But we had a lot of meetings with lawyers, Mary Lacey on how to deal with all this. But that’s too far back, I can’t help you with that. It’s no longer in my memory bank.

**Diane Putney:** Probably the lawyers --

**Gordon England:** I just can’t, I had lots of meetings and subjects. You have to remember this is one of a thousand subjects that I deal with.
**Diane Putney:** I’ve always been amazed. We do the OSD history series books. Practically each secretary gets a volume, and it’s a whole book; there’s so much going on.

**Gordon England:** People ask me if I’m ever going to write books, and I say, you know, I’ve had some days when I could write a whole book on that one day, right, Bob? One subject in one day I could write a book on.

**Diane Putney:** I believe it. It’s called a monograph.

**Gordon England:** I could. I could write a book on one day. I always think about; I’ve only seen one of them, the 24-hour deal they have on TV. I saw one of them once and thought I can relate to this. This is typical life in the Pentagon. Every 24 hours there’s a new story going on.

**Diane Putney:** Just looking at your calendar, it’s divided into 15-minute time periods, half hour segments, the minute you show up till late at night.

**Gordon England:** Diane, I had one person who’s only role in life was my calendar every day. That’s all she did every day, and she worked about 10 to 12 hours a day only working my calendar. That’s all she did.
Diane Putney: We’re getting near the end here. How did the results of the mid-term election in 2006 alter your strategy for working with members of Congress in support of NSPS?

Gordon England: Well, it was a change, and, in fact, it’s still an issue. I’m not dealing with it right now, but I guess it’s right now possible that all of NSPS will just be done away with. That’s part of the consideration, just roll back the clock and go back to the old system because, of course, the Democratic Party is a big union party. It’s not a party issue, it’s the way it is. One party passes it, the other repeals it. This was viewed as a Republican initiative, I think, although a lot of Democrats supported it. I think it was bipartisan while we were doing it, but the union images are important in the political world. Doing away with NSPS is a matter of “Oh, we got rid of that onerous thing passed by the prior administration.” There’s a lot of political message in all that goes on. It’s the way the world works in Washington. I’d say that was a significant election because it suddenly shifted the view on NSPS. Certainly regarding the unions, it did.
Diane Putney: The National Defense Authorization Act of 2008 signed by the President in 2008, altered the NSPS as it was passed in 2003. I guess you would’ve seen that as a significant change in NSPS?

Gordon England: I’m not sure I remember all that. Do you remember that, Bob, exactly what the change was?

Robert Earl: No, I’m trying to think back.

Gordon England: What was it, do you know?

Diane Putney: They did roll back for hiring. You would go back under the General Schedule procedures. Labor relations would be under the way the entire federal government operated. Adverse actions--

Gordon England: I would say this. My view today is the most valuable part of NSPS is pay for performance, but not so much the pay for performance in itself. It’s the fact that pay for performance forces two things. It forces people ahead of time to articulate clear objectives, and it forces communication between employees and their supervisors or bosses, which had been sorely lacking.
Pay for performance, in my view, and I’ve expressed this in a lot of meetings, helped set this environment for people to excel. The fact is people now have to communicate. They never did before; people could work in a place for a long time and have very few conversations with their boss, particularly in terms of what their job content was, what their expectations were. Will this be an achievement? He just showed up and worked. Hopefully they worked on something worthwhile, but people worked and didn’t really know what the due date was, so it was just a laissez-faire kind of system with no competitive pressures.

NSPS at least put a structure in place for better communication within the organization, linking people together better, and, therefore, I think performance is better. That’s the tenet, and all the other things were sort of important.

Robert Earl: I think the ’08 legislation just documented where we were anyway at that point. It just took away all the labor relations parts, which frankly we weren’t going near anyway.

Diane Putney: It capped pay for performance.

Gordon England: It did.
Robert Earl: Which as he just said, that was the important part.

Gordon England: It still is. That’s really the key of this whole thing, and I never felt like it applied to most of the union people anyway. Now some it did. I think AFGE, but certainly not the people in the shipyard or those who repaired the tank. A vehicle comes in that’s been blown up and to the guy who’s going to rebuild the vehicle, it’s pretty hard to say, well, I’m going to get my objectives for the day. Not everything in the world fits a model, and I don’t think that fits the model, although some people felt strongly that this should affect every single person in DoD.

Diane Putney: There were quite a few unionized people in DoD who are white collar.

Gordon England: AFGE.

Diane Putney: It’s a very high percent, and that’s one of them. With 20/20 hindsight --

Robert Earl: Are the historians unionized?

Diane Putney: No, not as a rule. The Army Center for Military History is part of a bargaining unit. The historians
aren’t unionized, but some people at Fort McNair have been included in the bargaining unit there. So within that history organization, some people are under NSPS, and some are not.

But with 20/20 hindsight is there something you would’ve done differently as NSPS senior executive 2004 through 2008?

**Gordon England:** Yes. I think in retrospect, early on I’d have worked at just immediately excluding the unions from NSPS. I think we should’ve done that. We did it by pushing them away at the end, but the, quote, “threat” was always there that the unions weren’t going to be in NSPS. Frankly there’s 300,000, 400,000 people non-unionized that you could’ve brought into this program. That’s where the real value is anyway.

I think that the whole union thing greatly distorted everything. There was an enormous amount of energy and hours, and, probably for everybody, all for naught at the end of the day. It was sort of tilting at windmills in retrospect. That was something I probably learned along the way. Had I been smarter on day one, I would’ve gone to Rumsfeld and said, just make this the non-union workforce. That was probably frankly a mistake on my part. Even as I went along, I was convinced we were never
going to do it. We could’ve formally changed it. I think the problem was that if we had gone in with that big a change, then maybe we would’ve lost the whole system. Congress would’ve said, oh well, this is just one thing to think about now. But I think that’s one thing I would’ve changed.

Diane Putney: What are the criteria about which the success or failure of NSPS should be judged?

Gordon England: I’m not sure you can judge it. I’m not sure there’s a measure. It’s not a competitive environment. In the government, money is a fluid thing. In companies you can actually measure productivity, and products per dollar, the changes among competitors, whether the company is growing, or does it have more internationally. So I think you can measure it.

To some extent, it’s surveys run to find how comfortable people are in their jobs. I’m not sure there’s a lot of really objective measures in the government, except secondary indicators of this. You survey to see if people are more satisfied with their jobs, things like that. Are they more satisfied with their pay? Do they feel like they’re advancing?
Are they getting equal treatment? I think there’s a lot of secondary measures. I don’t think there’s an organizational measure, though, without any, quote, “bottom lines” or anything to measure by.

**Diane Putney:** If the system in some organizations did begin to catch on, and it became a place where you excel, where people understood they were expected to go get training and excel, how would you know that that’s happened?

**Gordon England:** Again, I think you just have to survey or something. Plus it’s a huge organization, and it’s going to be uneven, so you depend on the leadership. Some areas will thrive and be dynamic, and others won’t be as much because of different people. Will the new NSPS leaders have the same zeal as the original leaders, or will it just sort of drift? This is why I think you need to continue to have the PEO, the training, the emphasis. I doubt the new deputy is going to have the time. I spent an enormous amount of time on this subject when there were other enormous pressures, the war and everything else. I spent the nights and the weekend reading, going to the Hill, and going to hearings. We had a lot of hearings.
There was an immense amount of time and energy to do this. Will the next person or person after that do it? Probably not because, one, they may not have just a personal interest in doing it, but, two, it’s different when it’s already in place, it doesn’t demand your attention. That attention sends a lot of messages to the organization. People know when a deputy spends a lot of time. I would go out to different organizations and speak, and visit, and meet a congressman there. This was an enormous drain on my own personal energy, and that has an effect on how people view it. If leadership spends time, it’s important; if they don’t, it’s not important. It may drift as being non-important issue.

**Diane Putney:** What would you like to see happen to NSPS today? What does the system require to make it effective and permanent?

**Gordon England:** I’d like it to have congressional support for the non-union workers. Personally after all that time and energy, if it just goes away, that would be a big disappointment. Although it wouldn’t be a disappointment. I understand Washington very well. I’m never critical of it. I
accept the fact that all sorts of things happen in Washington. It’s part of the process.

But I think it would be a loss for DoD if NSPS went away because I think it has been very effective in bringing the organization together in terms of people understanding what needs to be accomplished and why, and having these relationships between managers, supervisors, and employees. That dialogue and that understanding are hugely important in the organization. I think people want to know what’s expected of them. They actually want to know what the organization is trying to accomplish. How do I fit in? What’s my piece of it? How am I doing, boss? Tell me. I’d like to actually spend some time with the boss once in a while. I’d like him to tell me here’s what’s happening, here’s what’s going on, here’s how you’re doing, here’s how you need to improve. That’s part of a healthy organization, so NSPS I think is very important in terms of the health of the organization.

That’s sort of hard to measure, but I think it’s important, and NSPS encourages it. NSPS actually makes that happen, whether supervisors want to do it or not. Managing their people is their
job. A lot of managers don’t like to manage their people, and they don’t make it part of their job. They do all the other stuff, and they ignore what is the main thing they ought to be doing. I think NSPS is integral to helping make that happen, and, therefore, I hope that it continues, and it will make for an effective organization.

[Mr. England leaves room temporarily.]

**Robert Earl:** I would agree with that. People often complain about how much time is involved to do all the paperwork on the computer and talk to my people, so forth and so on. To me, the flip side of that is that’s the good part. It is forcing you to take the time to do that. It’s too easy under the GS system, as the Deputy has said, to do all this other important stuff, and then the thing that suffers is the time spent with your people managing.

The managers recognize that with the pay for performance system, they can’t afford not to. They can’t do it the old way. It’s not fair to the employee and all the employees not to have done the objectives up front, to talk to them midway along, and so forth. It forces them to do what they would otherwise not do.
Good managers will make the time and do it, but with the pressures of the job, it’s too easy to give short shrift to time spent with the employees and just say, hey, they’re good people, and just tell them to do it. Then they’re off doing other things. You can’t do that in this system. It doesn’t allow you to do that.

**Diane Putney:** I’ve observed that the big point of contention is the performance application program itself: It’s difficult to work with. It’s not user friendly. It’s very complicated, frustrating even for computer savvy people.

**Robert Earl:** Yes. There was a lot of feedback on that in the first iteration of it.

**Diane Putney:** I think we’re in the third iteration.

**Robert Earl:** The second one was better, and the third one will be even better. I think that’ll grow over time to be a much more user-friendly system. That then leads to the question you asked. The best outcome would be for the existing system under NSPS to continue, the 205,000 who are currently under NSPS to be allowed at least to continue doing that rather than turn back the clock, through all that investment of time and money, and go
back to the GS system without an adequate period really. As you said, it’s cultural change, and there’s, by nature, a concern about change. The natural instinct is to grumble that the software is not user-friendly, and we have to really give it a sufficient period of time, years, to work itself out and be adopted into culture. That to me is the best outcome that the people under it now would be able to stay on it and really perfect the pay for performance system. We’ll see what happens.

Diane Putney: Did you use the system? Were you part of it?

Robert Earl: No, I left --

Diane Putney: When did you leave?

Robert Earl: -- the Department two and a half weeks ago. I stayed on after he left because Secretary Gates asked everybody to continue since he continued, which is a whole other subject. You’ll want to look at that as a historical issue.

Alfred Beck: Yes, it is.

Robert Earl: The transition. Secretary Gates jokes he’s been through half a dozen presidential transitions, and the best of them was ugly. This one was very well done on both sides because we were at war and because he stayed on.
Diane Putney: Yes.

[Mr. England returns to session.]

Gordon England: We need to wrap up. I have one last comment for this.

Diane Putney: Right.

Gordon England: I will tell you that the team we put together, the various OIPTs, and Mary Lacey, Pat, and Mike, and Brad Bunn, they were extraordinarily good at this. I have a saying about this. The saying is the soft stuff is the hard stuff. This is soft stuff; personnel is soft stuff, but it’s the hard stuff. It is really hard to do this right. This is just hard bringing about big cultural change like this. First, they really bought into this. They were absolutely convinced this was the right thing to do for the organization and for the nation, and we viewed this as important to the country.

Ultimately if you think building an aircraft carrier is important, this is a lot more important because the people affect every single thing the Department does every single day, and they’ll do it for the next 25 years. If this is put in place right, this affects every single thing in the Department of
Defense for the next 25 years until somebody changes the system again. This is the single most important thing you can do for the Department and for the nation. It’s more important than anything else because it’s going to affect everything else. I think the team understood that, and they worked very hard to go through this. You asked me how I would feel. I accept the fact, but I think it would be a huge disappointment to a lot of people on these teams that worked really hard and were dedicated to do this. Anyway, they were really good through all of it.

And I thank you for this great work.

**Robert Earl:** Great work.

**Diane Putney:** All right. Thank you.

**Robert Earl:** Thank you.

**Gordon England:** Thank you.

**Alfred Beck:** We are going to have to interview Bob and find out how you do “chief of staff.”

**Robert Earl:** [laughter] That is endless.

**Gordon England:** I think you probably should do it.

END OF SESSION.