

2014

National Defense University Compensation Analysis Report

This report provides a comprehensive analysis of talent management best practices and an analysis of NDU's compensation strategy.



Executive Summary

Introduction: NDU is a unique organization, faced with one-of-a-kind challenges in providing professional military education to support national and international defense goals and priorities through domestic and international education programs. NDU commissioned an independent study to analyze Title 10 faculty compensation and to benchmark resource management best practices.

Methodology: The study applied two different methodologies to address compensation and resource management. Both methodologies focused on identifying and comparing educational institutions, including those designated Joint Professional Military Education (JPME) institutions, as these organizations are most closely aligned in mission, culture and context to NDU. The study also aligned recommendations with NDU strategic planning. The study findings were identified below:

Talent Management Findings:

- Funding uncertainties, and faculty recruitment, renewal, and hiring could be improved through an enterprise approach to talent acquisition.
- Improved linkage between renewals and performance may resolve process inconsistencies.
- Hiring decision transparency may significantly improve the faculty hiring cycle.
- A centralized authority or committee for human capital management decisions may result in improved, expedited processes, achieving efficiency in the talent acquisition process.

Compensation Findings: The study reviewed Title 10 faculty compensation, benchmarking JPME and similar institutions and completed an analysis of NDU's current compensation policy. In general, the analysis determined NDU's compensation is aligned equitably with NDU-similar organizations, but the current compensation policy should be modified to align pay with performance, creating strategic alignment and tactical execution between organizational and individual performance.

Recommendations: the following are high-level recommendations and require additional consideration for a specific NDU implementation:

- Consider how an annualized and prioritized, resourced, end-to-end hiring cycle could strategically "lock in" faculty manpower hiring resources each June, while identifying skills sets required for effective recruitment or renewal, and determining appropriate salary recruitment levels.
- Contemplate an annual, pay-for-performance and appraisal system integrating Title 10 decisions regarding renewals, performance awards, within band pay increases and movements between pay bands, to provide a transparent, enterprise level view of faculty compensation that ensures consistent treatment of all faculty related to performance.
- Reflect on the "value-add" of a centrally managed talent management committee with authority to speak for the NDU President (NDU-P) on all human capital matters.
- Ponder the "value-add" of an autonomous POC, reporting directly to the NDU-P, with defined compensation parameters to make final salary determinations, based on organizational recommendation. This POC coordinates with the Talent Management Committee chair on every hire.
- Deliberation of faculty requirements should reflect thoughtful analysis by the various colleges Deans.

- NDU should reflect on, and potentially clarify, the role senior leadership plays in human capital management decisions.

Summary: NDU's success lies in its ability to acquire and retain a world-class workforce. This study provides talent management, compensation and miscellaneous recommendations to achieve this goal. However, as described in the report, NDU faces a significant challenge in changing its corporate culture to work together as "one university" for the benefit of NDU and its individual organizations. There is a strong need for leadership, collaboration and collegiality in order to identify and implement solutions that will support NDU's mission to provide unique, cutting edge military education and leader development.

