





DEPARTMENT OF THE NAVY  
OFFICE OF THE CHIEF OF NAVAL OPERATIONS  
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IN REPLY REFER TO

OPNAVINST 12500.3  
OP-142

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OPNAV INSTRUCTION 12500.3

From: Chief of Naval Operations

Subj: POSITION CLASSIFICATION AUTHORITY AND POSITION MANAGEMENT  
RESPONSIBILITIES CONSISTENT WITH PAYROLL MANAGEMENT

Ref: (a) SECNAVINST 12510.9 of 26 Aug 86 (NOTAL)

1. Purpose. To implement the provisions of reference (a) within those commands and activities under the command of the Chief of Naval Operations (CNO) and to provide additional information on policy options related to pay administration and classification consistency.

2. Cancellation. OPNAVINSTS 5310.17A and 12500.1

3. Discussion

a. Personnel management trends in recent years have focused on the need to give line managers better tools for getting their work done. The 1980 approval by the Office of Personnel Management of the Navy's joint Naval Ocean Systems Center/Naval Weapons Center Demonstration Project, testing a simplified position classification system and improved organizational flexibility to administer personnel resources, provides a positive example of how the concept of giving managers greater authority and accountability works.

b. Managers have always been responsible for assigning work and keeping position descriptions up-to-date. As outlined in reference (a), the Secretary of the Navy has now authorized and encouraged that managers also be delegated the authority to classify positions, consistent with applicable Office of Personnel Management and Navy standards and allocated payroll.

c. Delegation of position classification, position management, and payroll management is a means of moving the Navy toward the type of simplified management process being tested by the demonstration project. However, changes in law and Federal regulation still are needed to achieve the degree of flexibility available to managers covered by the demonstration project.

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d. In exercising this delegated authority, managers will need to have a clear understanding of how pay administration rules affect the rate at which they expend their budget allocation. Further guidance will be issued on this by CNO and by major claimants. Pay administration as discussed here is defined as the administration of pay entitlement programs described in Parts 530, 531, 532, 536, 540, 550, and 551 of Title 5 of the Code of Federal Regulations.

4. Policy. It is the policy of the CNO that:

a. The heads of commands and activities will determine how, when, and to whom they will delegate position classification, position management, and pay administration authority, and will develop training plans and procedural guides as needed to administer these authorities. Commands may establish limits on the authority of subordinate activities to delegate these responsibilities to managers based on a determination that such delegation would not be practicable, either because of the size of the activity or for other reasons. Limitations may also be established where the need for consistency between organizations or within occupations overrides the concept of managing only to payroll limitations.

b. Command and activity classification and pay administration programs be administered in such a way that they:

(1) Achieve the greatest possible return from employee contributions for the compensation dollars expended.

(2) Attract and retain highly qualified personnel.

(3) Afford advancement opportunities to qualified candidates through appropriate internal job alignment structures.

(4) Motivate employees to strive continuously to improve the productivity of the organization.

(5) Comply with all statutory and regulatory requirements associated with payroll execution, position classification, position management, and pay administration.

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## 5. Responsibilities

### a. The Deputy Chief of Naval Operations (Manpower, Personnel, and Training) (OP-14) will:

(1) Ensure commands comply with reference (a) and other relevant guidance in administering the position classification and pay administration program.

(2) Work with commands and activities to establish a means of sharing information on successful classification, position management, pay administration, and evaluation techniques.

(3) Select and monitor program data which measures the effectiveness of command and/or activity programs.

(4) Provide training advice and assistance to commands and activities as needed.

### b. Heads of Echelon 2 commands and activities will:

(1) Establish and implement a plan for carrying out the delegation of financial management, position management, classification and pay administration authorities within the command.

(2) Record the reasons for concluding that delegation to an activity would not be feasible.

(3) Ensure activity complies with reference (a) and other relevant guidance in administering this program.

(4) Monitor impact of delegation on costs and ensure compliance with policy to manage within assigned payroll.

### c. Heads of commands and activities will:

(1) As directed by next higher level in the chain of command, develop and implement a delegation plan containing the provisions required by reference (a). Any limits on the delegation established either by the command structure or based on local option will be specified.

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(2) Develop training materials and procedural guides as needed to assure timely processing of individual pay administration actions and compliance with all statutory and regulatory requirements associated with payroll execution, position classification, position management, and pay administration.

6. Effective Date. This instruction is effective 1 October 1986.



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