



DEPARTMENT OF THE NAVY  
CHIEF OF NAVAL PERSONNEL  
WASHINGTON, D.C. 20370-5000

IN REPLY REFER TO

29 Jan 04

From: Chief of Naval Personnel

To: All Hands

Subj: **2004 GUIDANCE MESSAGE**

Encl: (1) Balanced Scorecard Strategy Map

(2) Definitions

(3) Associated Goals

1. As I enter my second full year as your Chief of Naval Personnel, I am buoyed by your tremendous efforts displayed throughout 2003. In the past year, you have fulfilled our guiding principle of "Mission First, Sailors Always" and helped set the course for future change. Among last year's most significant accomplishments:

- **Readiness.** Having the right person, in the right place, at the right time, best captures the manpower contribution to readiness. Your efforts helped reduce gaps at sea to under 2,000 and bolstered overall shore manning to its highest level in many years.
- **Recruiting, Retention and Quality of Service.** In 2003, the Navy way of life was embraced and sustained by a record number of Sailors. Our recruiting force met new contract objective goals each month, extending the streak to an unprecedented 28 months in a row. Importantly, our new recruits were collectively of the highest quality, well in excess of DoD goals. For those Sailors currently serving, reenlistment levels reached new high levels and attrition all-time low levels as formal survey results showed overall greater professional satisfaction with Navy work.
- **Force Shaping.** We took the first steps toward gaining better control over the shape and structure of our ranks. *Perform to Serve* is now firmly entrenched in our lexicon and *Selective Reenlistment*, *Critical Skills* and other incentive bonus programs helped us to carefully target our future needs. 2003 also delivered authority for the new *Lateral Conversion Bonus* program which should aid in future force shaping.
- **Requirements.** Last year we took impressive steps toward getting back into the shore requirements business. Flag Poles studies, sea-shore rotation analysis, IA work, and OM/FM implementation all helped to put us on a path to more effectively and efficiently realign our manpower resources.

Subj: **2004 GUIDANCE MESSAGE**

2. As impressive as the results of last year may be, we all recognize that there is a great deal of work to be done if we are to sustain the momentum necessary to deliver the enhanced personnel readiness required of Sea Power 21, the Fleet Response Plan and the Flexible Deployment Concept. The CNO puts it this way: *"The battle for people is never won and we must continue to wage it every day."*

3. To help guide your efforts during 2004, we have implemented use of the Balanced Scorecard methodology. The balanced scorecard is a conceptual framework for translating our strategic objectives into a set of performance indicators distributed among four perspectives: Financial, Customer, Internal Business Processes, and Learning and Growth. Using metrics, we will be able to monitor both our current performance and our efforts to improve processes, motivate and educate our people and enhance information systems – all measures of our overall ability to learn and improve. When implemented effectively, this methodology can help our manpower and personnel organization translate our vision into measurable objectives, prioritize initiatives, allocate resources and communicate our specific strategies.

4. Accordingly, my guidance for 2004 is aligned with the accompanying balanced scorecard strategy map, definitions and associated goals (attached as enclosures).

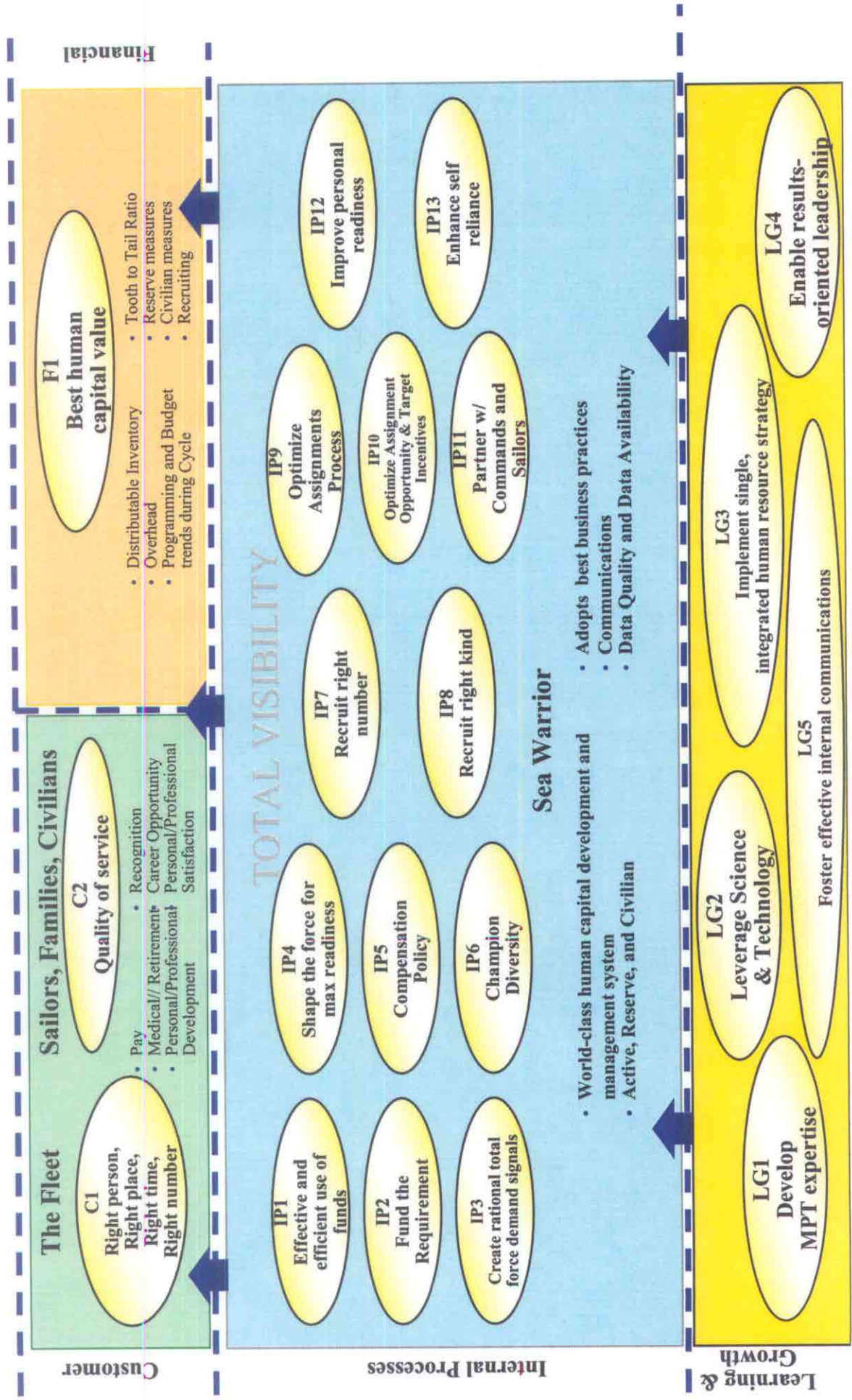
a. As of now, some of the goals listed in enclosure (3) are still general and lack specific measurable supporting metrics. Your division director has been tasked to develop additional measures that will "cascade" down from this higher plan. From this effort, I expect each goal in enclosure (3) to be restated, as necessary, with more specific metrics. Time is of the essence. I expect to review the revised objectives in February with the goal of publishing an updated version of this guidance no later than 02 April.

b. It is my intent that you should be able to see how your specific duties and responsibilities are supporting the overarching objectives of the greater organization. The balanced scorecard approach, which we will refer to as the "Navy Manpower and Personnel Strategy System (N-MAPSS)", will help make that linkage very clear.

  
G. L. HOEWING  
Vice Admiral, U.S. Navy

# Navy HR Strategy:

*“Mission First...Sailors Always”*



C1 Right Person, Right Place, Right Time and in the Right Numbers - Sustain our combat edge by providing the fleet with the right number of properly trained, high quality people, in time to ensure continuity and mission readiness.

C2 Quality of Service - Provide a combination of superior Quality of Work (Positive environment and job satisfaction) and Quality of Life (Enhanced personal, professional, and family well-being) that make Navy the employer of choice.

F1 Best Human Capital Value - Provide the Fleet with the highest quality Force possible within the available resources.

IP1 Effective and efficient use of funds - Conduct programming, budgeting, and execution of policy and resources in a manner that ensures the Navy gets the best manpower for its money.

IP2 Fund the Requirement - Through a comprehensive requirements determination process, capture the Force requirement, program for its complete cost, and then formulate a defensible budget ensuring the requirement remains fully funded.

IP3 Create Rational Total Force Demand Signals - Consolidate manpower requirements and create rational, total force demand signals, which are cost effective, deliver readiness, and are executable.

IP4 Shape the Force for Max Readiness - Man the fleet more responsibly by developing and executing new paradigm-breaking force shaping initiatives. Make the Navy leaner, putting more teeth into the 'tooth to tail' measure by optimizing strength and infrastructure while maintaining core war-fighting skills.

IP5 Compensation Policy - Enable Navy's personnel strategy and national defense objectives by (1) influencing budget and personnel decisions, and (2) developing additional force shaping tools to assist the OCM/ECMs in shaping the force for max readiness.

IP6 Champion Diversity - Contribute to mission success by enabling both the N1 workforce and those we serve to reach their full potential through the strength of their diversity of creativity, culture, ethnicity, gender, race, religion, skills, and talents.

IP7 Recruit the Right Number - Identify and recruit young men and women in sufficient numbers to support manpower requirements of the world's greatest navy.

IP8 Recruit the Right Kind - Recruit the very best young men/women from the diverse population of our country to serve in the world's greatest navy.

IP9 Optimize Assignment Process - Fill each mission essential job with a trained Sailor who is content with his/her billet at as low a cost as possible.

IP10 Optimize Assignment Opportunity & Target Incentives - Increase number of jobs from which to choose that match Sailor's & Navy's needs by developing and implementing dynamic incentives that use market place forces to shape the force and get the right people to the right place, at the right time and cost.

IP11 Partner with Commands and Sailors - Develop trust amongst Sailors/Commands (gaining & losing) by increased interaction throughout the detailing process and at career milestones and by actively engaging fleet units through education and feedback mechanisms aimed at improving career management processes and quality of service.

IP12 Improve Personal Readiness - Create and deploy programs designed to develop more technically astute, focused, accomplished and ready naval professionals.

IP13 Enhance Self Reliance - Create an environment in which Navy personnel are able to locate and benefit from the myriad of readily available services and information geared toward personal and professional improvement.

LG1 Develop MPT Expertise - Develop and advance MPT expertise within the N1 workforce through effective training and development of our personnel.

Optimize the use of our MPT training course for key personnel throughout N1.

LG2 Leverage Science & Technology - Actively support N1/NPC human resources strategy by coordinating programming and execution of research funds, acting as knowledge conveyors and scientific and analytic consultants, while leading the infusion of science and technology into the human resources strategy.

LG3 Implement Single, Integrated Human Resource Strategy - Support all Navy with a world class human resource enterprise : Single data entry to logically linked databases; icon driven integrated applications; broad access at the headquarters, command, and individual level leveraging the Navy/Marine Corps Intranet; enabling enhanced decision making, reduction of command level of effort to manage/support personnel, and simplified processes for sailors to review records, update information and conduct administrative actions. Enable major process improvements.

LG4 Enable Results Oriented Leadership - Mentor and train all leaders formally and on the job to inspire subordinates to achieve their best. Give them the tools to formulate well defined goals and measure progress. Recognize and reward this type of leader.

LG5 Foster effective internal communications - Heighten awareness, increase understanding and strengthen commitment to the N1 corporate mission, strategic business objectives and ongoing operations. Deliver a balanced message, provide consistency between communication vehicles, and enable the transition from concepts to specific actions.

## SPECIFIC GOALS

**C1 – Right Person, Right Place, Right Time and in the Right Numbers** – sustain our combat edge by providing the fleet with the right number of properly trained, high quality people, in time to ensure continuity and mission readiness.

(CM)

1. Meet Fleet Response Plan requirements with all Strike Groups manned at C1.
2. Achieve  $\geq 95\%$  Officer (URL/RL) “Fit” for all billets afloat.
3. Achieve  $\geq 85\%$  Officer (URL/RL) “Fit” for all billets ashore.
4. Achieve  $> 90\%$  Enlisted trained manpower (NEC) “Fit” for deploying Strike Groups.
5. Manage mobilized reservist population to remain within 5 % of stated requirement at all times.

(N11)

1. Identify current civilian workforce for at least 12 civilian communities and assess the associated community health.
2. Develop CIVPERS management execution action plan based on the CNO’s workforce development strategic initiatives.
3. Implement community management concept advertising campaign.
4. Integrate Flag Officer/SES position evaluation products into community management efforts.

**C2 – Quality of Service** – provide a combination of superior Quality of Work (positive environment and job satisfaction) and Quality of Life (enhanced personal, professional and family well-being) that make Navy the employer of choice.

(FS)

1. Implement Navy Call Center, NPC Web, and Navy One Source polling. Establish a monthly feedback mechanism for N1.
2. Develop and deploy CATWEB (web based command climate survey tool).
3. Increase BRIG funding levels in across the FYDP commensurate with GWOT security and facility maintenance requirements.

**F1 – Best Human Capital Value** – provide the fleet with the highest quality force possible within the available resources.

(N10)

1. Improve and expand access to integrated Personnel and Pay data through deployment of the HR Enterprise Data Warehouse and Financial Data Mart.
2. Coordinate with CNRF and ASN(M&RA) on plans to bring Reserve and Civil Service HR and Pay Data into the warehouse construct.

(N11)

1. Identify tasks and competencies (knowledge, skills, abilities, and other behaviors) for twelve civilian communities in order to establish career development templates, conduct succession planning, develop recruitment strategies, and create other human resources planning tools for Community Leaders.
2. Establish community career roadmap for the Safety Community.
3. Define leadership competencies and incorporate associated leadership development opportunities within community career roadmaps.

**IP1 - Effective and Efficient Use of Funds** – conduct programming, budgeting and execution of policy and resources in a manner that ensures the Navy gets the best manpower for its money.

(N10)

1. Employ the HR Enterprise Data Warehouse to improve the accuracy of MPN and RPN execution.
2. Provide ability to certify end of fiscal year financial statements for FY04 without significant qualifiers.

(CNRC)

1. Consolidate Active/Reserve Recruiting.
2. Improve recruiter selection and assignment process.
3. Utilize Flagpole and Headquarters Manpower Studies to achieve proper organizational alignment.

(BOD)

1. Complete NPC reorganization.
2. Prototype Activity Based Analysis.
3. Review contractor/contract services.
4. Standardize/re-engineer processes within BOD.

**IP2 - Fund the Requirement** – through a comprehensive requirements determination process, capture the force requirement, program for its complete cost and then formulate a defensible budget ensuring the requirement remains fully funded.

(N10)

1. Coordinate with N12, N13, N80, N81 and N82 to continue the Business Process Reengineering initiative for redesigning legacy programming and budgeting processes, models and systems.
2. Coordinate with DFAS on conceptual design development of new business architecture to replace aging legacy DFAS pay accounting systems.

**IP3 – Create rational Total Force Demand Signals** – consolidate manpower requirements and create rational, total force demand signals, which are cost effective, deliver readiness and are executable.

(N12)

1. Enforce claimant responsibility to keep billet authorizations balanced with programmed (funded) end strength at the activity level and ensure programmed (funded) end strength is sending a proper demand signal.
  - a) Do not allow excess billet authorizations to exceed programmed end strength by more than 100 within six weeks of TFMMS-PBIS synchronization for each fiscal year within the detailing window.
  - b) Do not allow unqualified end strength to exceed 500 within six weeks of the TFMMS-PBIS synchronization for each fiscal year within the detailing window. Do not allow unqualified end strength in non-precommissioning units to exceed 100.
2. Provide for the efficient use of Navy manpower through 10 in-progress Total Force Assessments at any one time with 10 more in the planning stage. Total Force Assessments shall include:
  - a. Flag pole studies
  - b. Community ZBRs
  - c. Medical Support Analysis
  - d. Cross-Claimancy Functional Reviews

**IP4 – Shape the Force for Maximum Readiness** – man the fleet more responsively by developing and executing new paradigm-breaking force shaping initiatives. Make the Navy leaner, putting more teeth in the “tooth-to-tail” measure by optimizing strength and infrastructure while maintaining core war-fighting skills.

(N13)

1. Achieve FY04 End Strength of 373,800 while supporting the challenges of the Fleet Response Plan (FRP) and maintaining readiness.
  - a. Shape Enlisted communities by size and skill mix to meet end strength of 314,650.
  - b. Shape Officer communities by size and skill mix to meet end strength of 54,873.
2. Enlisted Reenlistment Goals: Zone A-56%, Zone B-70%, Zone C 85%.
3. Manage career force to +/- 0.5% of true requirement.
4. Modify the sea-shore rotation assignment model to achieve total force manpower reductions without reducing mission capability.

**IP5 – Compensation Policy** – enable Navy’s personnel strategy and national defense objectives by (1) influencing budget and personnel decisions and (2) developing additional force shaping tools to assist the OCM/ECMs in shaping the force for maximum readiness.

(N13/N1X)

1. Pursue the following legislation for 2006
  - a. Transition Incentive Program
  - b. Restructured Sea Pay
    - i. Increasing Sea Pay cap
    - ii. Restructure Sea Pay Premium (cap/lump sum)
  - c. Increasing SRB cap

**IP6 – Champion Diversity** – contribute to mission success by enabling both the N1 workforce and those we serve to reach their full potential through the strength of their diversity of creativity, culture, ethnicity, gender, race, religion, skills and talents.

(N1J)

1. Develop one application form for entrance into both USNA and NROTC.
2. Increase flag officer participation at diversity events.
3. Align diversity organization with the N1 organizational “way ahead.”
4. Increase diversity communications to include a dedicated communications plan, website, training and tool kits.
5. Increase enlisted female accession into technical ratings by 2% (annual increase).
6. Increase minority officer programs applications to 25 percent (accessing the best America has to offer).

(CNRC)

1. Increase Enlisted Diversity Upper Mental Group Accessions by 5%.
2. Increase Total Diversity Officer New Contracts to 25%.



**IP7 – Recruit the Right Number** – identify and recruit young men and women in sufficient numbers to support manpower requirements of the world’s greatest Navy.

(CNRC)

1. Attain & Maintain a Strategic DEP Pool with 55% of the Next 12 Months Accession Requirements Identified.

**IP8 – Recruit the Right Kind** – recruit the very best young men/women from the diverse population of our country to serve in the world’s greatest Navy.

(CNRC)

1. Supply RTC with at least 67% of all recruits being in the Upper Mental Group.
2. Maintain OCS and RTC attrition at or Below 10%.
3. Increase the number of applicants with some college, particularly 2 Year Community College, by 20%.

**IP9 – Optimize Assignment Process** – Fill each mission essential job with a trained Sailor who is content with his/her billet at as low a cost as possible.

(CM)

1. Increase buying power to execute 100% of planned moves, ensuring trained manpower arrives on station to support the FRP.
2. Develop Permanent Change of Station (PCS) and Temporary Duty Under Instruction (TDI) predictive models to optimize use of available funding to produce trained Enlisted and Officer personnel in support of the FRP.
3. Release orders at least 6 months prior to projected rotation date.

**IP10 – Optimize Assignment Opportunity and Target Incentives** – increase number of jobs from which to choose that match Sailor’s and Navy’s needs by developing and implementing dynamic incentives that use market place forces to shape the force and get the right people to the right place, at the right time and cost.

(N13)

1. Expand Assignment Incentive Pay (AIP) assignment process to incentivize hard to fill assignments.
2. Maintain manning levels at AIP locations at historic pre-AIP levels.

**IP11 – Partner with Command and Sailors** – develop trust amongst Sailors/Commands (gaining and losing) by increased interaction throughout the detailing process and at career milestones and by actively engaging fleet units through education and feedback mechanisms aimed at improving career management processes and quality of service.

(FS)

1. Design and execute an NPC marketing campaign, to include print, electronic, and television markets aimed at increasing Fleet support and awareness of CNO/CNP/NPC personnel initiatives/programs, and improving retention climate.
2. Expand Perform To Serve (PTS) software to incorporate PTS processing for all CREO 2 ratings, NLT the second quarter of FY04. (N13 assist)
3. Release RFP, implement programming, and bring on line in FY04 the NPC Call Center “Customer Relations Management” software, ensuring data availability for NPC feedback and measurement tools.
4. Increase visibility, reporting, and analysis of sexual assault incidents. In coordination with appropriate Commanders, develop preventive and corrective measures to decrease the number of sexual assaults Navy-wide.

**IP12 – Improve Personnel Readiness** – create and deploy programs designed to develop more technically astute, focused, accomplished and ready naval professionals.\

(FS)

1. Attrition. Identify specific attrition issues and possible courses of action for NPC and CNRC to reduce Type 1 and Type 2 (non-programmed attrition) Navy wide.
  - a. Reduce Type 1 and Type 2 attrition by 10%.
2. Design and implement optimum PERS 65/66 and CNI alignment, maintaining N1 policy role, effective 1 Oct 04.

**IP13 – Enhance Self Reliance** – create an environment in which Navy personnel are able to locate and benefit from the myriad of readily available services and information geared toward personal and professional improvement.

(FS)

1. Develop World Class Customer Service Center. With support from CNI, implement Navy One Source operation in FY 04, ensuring seamless linkage with NPC Navy Call Center.
2. Family Summit. Host the Biannual CNP Family Summit before the end of Aug 04. FY04 to focus on Navy Family and Ombudsman issues and relations.
3. Spouse Employment. Increase the number of formal partnership agreements with Industry and Business in support of spouse employment portability.

**Sea Warrior** – (under-arching support vehicle for all internal processes)

(TF Warrior)

1. Integrate MPT functions by identifying system/process dependencies, tailoring interaction and alignment with a common goal by April 2004.
2. Implement task force common architecture across projects to unify major stakeholders and processes by June 2004.
3. Rollout Sea Warrior in an iterative, spiral development fashion adding incrementally more robust functionality and value added to Sailors. Delivery schedule will include:
  - a. 5VM functionality for all enlisted Sailors in summer of 2004, with
  - b. CMS functionality to follow as rapidly as possible, leveraging legacy systems and data when/where appropriate to expedite functional delivery.
4. Manage Sea Warrior with an acquisition discipline by employing the latest project management tools and conducting monthly management reviews.

**LG1 – Develop MPT Expertise** - develop and advance MPT expertise through effective training and development of our personnel.

(BOD)

1. Optimize MPT course - train 400 personnel.
2. Detail MPT Experience – show increase in number of second MPT tour
  - a. Investigate feasibility of developing a civilian career management development program
  - b. Prototype viable IDPs
3. Leverage 1200 Community – show increase in number assigned to N1
  - a. investigate feasibility of establishing a 1200 JO intern program"

**LG 2 – Leverage Science and Technology** – actively support N1/NPC human resources strategy by coordinating programming and execution of research funds, acting as knowledge conveyors and scientific and analytic consultants, while leading the infusion of science and technology into the human resources strategy.

(NPRST)

1. Increase coordination among all research funding assets (ONR, RDT&E and CNA) by creating a central research oversight group.
2. Initiate 6.4 RDT&E funding line.
3. Coordinate analytic resources for improved efficiency and utilization.
4. Improve the use and references to science, technology, and analysis in N1/NPC human resources goals.

**LG3 – Implement Single, Integrated Human Resource Strategy** – support all Navy with a world class human resource enterprise: Single data entry to logically linked databases; icon driven integrated applications; broad access at the headquarters, command, and individual level leveraging the Navy/Marine Corps Intranet; enabling enhanced decision making, reduction of command level of effort to manage/support personnel, and simplified processes for Sailors to review records, update information and conduct administrative actions. Enable major process improvements.

(N11)

1. Begin integrating Civilian Community Management results, including tasks and competencies, career plans, recruitment strategies, and the like into DON/DoD initiatives including, but not limited to Sea Warrior, NSPS, and DHMRS.

(N1T)

1. IT Legacy System Migration - Continue the reduction of existing legacy systems to a single integrated enterprise capability. This capability will include an authoritative data architecture to prepare for DIMHRS implementation and in support of FAM and NMCI programs.
2. BUPERS IT/IM emerging initiatives - Continue to extend the N1 enterprise data warehouse capability to support Sea Warrior transformational issues and emerging analytical decision support capabilities.
3. Balance Score Card. Implement BSC capability in support of N1 strategic direction.
4. NMCI - Establish a firm roll-out schedule for CNRC (approx 8000 seats). Reduce the dual desktops by approximately 50% in FY04.

**LG4 – Enable Results Oriented Leadership** – mentor and train all leaders formally and on the job to inspire subordinates to achieve their best. Give them the tools to formulate well defined goals and measure progress. Recognize and reward this type of leader. (ALL)

**LG5 – Foster Effective Internal Communications** – heighten awareness, increase understanding and strengthen commitment to the N1 corporate mission, strategic business objectives and ongoing operations. Deliver a balanced message, provide consistency between communication vehicles, and enable the transition from concepts to specific actions.

(PAO)

1. Develop and implement an effective internal communications plan.