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HOUSE ARMED SERVICES COMMITTEE**

**STATEMENT OF
VICE ADMIRAL JOHN B. NOWELL, U.S. NAVY
CHIEF OF NAVAL PERSONNEL
AND
DEPUTY CHIEF OF NAVAL OPERATIONS
(MANPOWER, PERSONNEL, TRAINING & EDUCATION)
BEFORE THE
SUBCOMMITTEE ON MILITARY PERSONNEL
OF THE
HOUSE ARMED SERVICES COMMITTEE
ON
MILITARY PERSONNEL
TALENT MANAGEMENT MODERNIZATION
AND THE EFFECTS OF LEGACY POLICIES
FEBRUARY 8, 2022**

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INTRODUCTION

Chairwoman Speier, Ranking Member Gallagher, and distinguished Members of the Military Personnel Subcommittee, thank you for the opportunity to appear before you today to discuss Navy's talent management initiatives and policies that support our most important strategic asset, our people. As stated in the One Navy-Marine Corps Team: Strategic Guidance from the Secretary of the Navy and the Chief of Naval Operations Navigation Plan, Sailors remain our competitive warfighting advantage and are the true source of our naval power. To maintain our advantage at sea and win in long-term strategic competition, MyNavy HR continues to implement, evaluate, and improve talent management programs and policies to help attract, develop, and manage the most talented and diverse workforce possible.

ATTRACTING TALENT

Competition for Talent

Strong economic conditions in the U.S., like those characterizing periods of expansions, tend to challenge Navy's ability to meet recruiting and retention requirements. While there was an initial surge of improvements in economic activity and the labor market, the rebound is slowing and many indicators, including employment, have achieved only a partial recovery to date. As we approach a third year of the pandemic, we will continue to monitor economic conditions as they play an important role in understanding how we effectively manage our talent. We continue to leverage our competitive pay and benefits package, talent management initiatives, and MyNavy HR service delivery in order to meet our recruiting and retention goals.

Enlisted Recruiting

MyNavy HR remains committed to removing barriers for entrance and improving the diversity of our Navy. Key recruiting Diversity, Equity and Inclusion initiatives include reshaping recruiting efforts to better address underrepresented groups, refining recruiting strategies to drill down to generational interests and behavior, and leveraging a whole-person concept in all recruiting and accessions efforts.

MyNavy HR achieved 100 percent of the Fiscal Year (FY) 2021 enlisted accession mission for the Active Component (AC) (33,559/33,400) and non-Prior Service requirements for the Reserve Component (RC) (2,733/2,625), meeting 100 percent of each rating's annual requirements. COVID-19 continues to impact our recruiters ability to leverage in-person events, reducing access to high school students and in-person traffic to recruiting stations.

To combat these challenges, MyNavy HR has deployed a cloud-based enterprise Customer Relationship Management Mobile Application and augmented digital tools to assist recruiters with virtually engaging future Sailors and potential applicants. Awareness and lead generation through national advertising remains critical to the mission given the number of contracts derived from marketing and advertising leads. In addition to new digital initiatives, MyNavy HR continues to leverage enlistment bonuses and other virtual tools to meet the FY22 AC and RC enlisted accession mission of 33,400 and 7,400, respectively.

Officer Recruiting

MyNavy HR attained 99 percent of the AC officer mission (2,491 of 2,524) and 71 percent (941 of 1,319) of the RC officer mission. As with enlisted recruiting, continued COVID-19 physical distancing restrictions, reduced walk-ins, limited access to schools, and graduation delays due to implementation of COVID-19 policies at universities throughout the Nation were the primary challenges that influenced the officer mission. In particular, lack of access to medical facilities severely limited our ability to prospect for fully trained medical personnel.

MyNavy HR implemented a variety of initiatives to enhance diversity within the officer corps, including the Naval Reserve Officers Training Corps (NROTC) Preparatory Program (NPP). NPP's objective is to expand NROTC scholarship opportunities by selecting applicants who show great potential via grades, character, and extra-curricular activities, but may lack resources available at more advanced high schools. NPP enhances midshipmen candidates' mental and physical foundations, better preparing them for success in the NROTC program. In academic year (AY) 2019-2020, the program's second year, 67 midshipmen candidates enrolled in NPP, of which 49 students successfully completed their prep year and selected for follow-on NROTC scholarships. During AY 2020-2021, 109 Midshipmen candidates enrolled and 85 students completed the program and received follow-on NROTC scholarships. This past fall, NPP continues to expand with 113 Midshipmen candidates enrolled. Additionally, MyNavy HR established Broadened Opportunity for Officer Selection and Training (BOOST) 2.0, which uses available seats at the Naval Academy Preparatory School to prepare NROTC program applicants. Upon completing BOOST 2.0, students are assigned to a follow-on NROTC unit, with a four-year scholarship, to an affiliated school with demonstrated success in graduating high percentages of diverse students. A pilot program comprised of eight candidates for AY 2021-2022 is underway with all eight on track to graduate.

The market continues to be extremely challenging for RC Medical Department officer recruiting. The overall RC Medical Department mission attained 52 percent, partially due to the depleted candidate pool since most medical professionals were supporting COVID-19 efforts. Mitigations for COVID-19 that severely affected Office Candidate School shipping in FY20 were overcome in FY21, shifting the challenge away from reduced capacity towards logistics of ensuring all candidates arrived on time during various challenges to the transportation industry amid changing COVID-19 protocols and demand surges as the country re-opened.

During FY21, the NROTC program commissioned 761 Navy officers and the Seaman-to-Admiral program commissioned 42 Navy officers. In the fall of 2021, courses resumed with a combination of in-person, hybrid, and fully remote programs. NROTC units shifted between program modes depending on local health guidance. Navy is working to overcome the COVID-19 environment and labor market to achieve the NROTC application goal of 1,600 for next school year.

TALENT DEVELOPMENT

Learning, innovation, and personal and professional development are part of our naval heritage. To achieve a warfighting advantage, we must instill continuous learning behaviors in our Navy Total Force. These behaviors will enable adaptation and improvement, and strengthen our ability to out-think our competitors. Navy is currently engaged in initiatives to foster and sustain a high-performance culture that maximizes individual Sailor development and potential in a very deliberate, enduring, and Sailor-focused way. We recognize that learning is integral to every aspect of a Sailor's development and comes in a variety of forms including formal training and education, experiential learning and on-the-job training obtained in the operating forces, self-directed study that taps into an individual's natural curiosity and personal interests, and mentorship. Investing in the intellectual capital of the Navy team and instilling a lifelong passion for continuous learning in Sailors will be our foundation as we grow a decisive force that can out-think and out-fight any challenger to American interests.

Ready Relevant Learning (RRL)

The RRL initiative continues to modernize Navy training and accelerate delivery methods, supplementing our traditional brick-and-mortar schoolhouses with modern, multi-media, multi-platform solutions. RRL delivers the right training, at the right time, and in the right way by developing a career-long learning continuum (CLLC) for every Sailor, modernizing training to maximize impact and relevance, and accelerating our processes to bring new training to the Fleet.

Our CLLC has progressed from the first stage, Block Learning, where Navy determined and validated the current "what" and "when" of existing accession-level training, into the second stage, developing CLLCs across a Sailor's career to ensure every Sailor receives the right training at the real-world point of need to support assigned tasking. CLLCs capture all the technical, professional, and leadership training and applicable qualifications, certifications, and skillsets established for each rating. It serves as a comprehensive roadmap for Sailors by outlining the individual training and leadership for their rating. It also functions as a management tool to assess each community's rating master task list, to inform where training gaps may exist. In FY21, we developed continuums for the Aviation Maintenance Administrationman (AZ), Operations Specialist (OS), Personnel Specialist (PS), Logistics Specialist (LS), and Logistics Specialist Submarine (LSS) ratings. Work on the Training Assessment Process also began in FY21, solidifying the Fleet's role in defining learning and performance requirements and validating analysis, which aligns training content and delivery methods with Fleet needs. The Type Commanders, working closely with MyNavy HR, are identifying metrics to assess the Sailor's learning, performance, and behaviors in the classroom and the Fleet. Metrics related to the modernized OS course began development in FY21. Leveraging the Kirkpatrick Model, these metrics will identify ways to improve and focus curricula to meet Fleet needs.

In FY21, four additional ratings began modernized delivery: PS, Yeoman (YN), Yeoman Submarine (YNS), and AZ joined OS, Quartermaster (QM), Retail Specialist (RS) and Intelligence Specialist (IS) in modernized delivery. OS Spiral 2, which included the training

gaps discovered during the original OS effort, also completed modern delivery updates. By the end of FY21, 38 ratings completed the requirements development stage with another 11 ratings undergoing requirements development.

During FY21, while the COVID-19 pandemic continued, 405 Fleet Returnees across the Interior Communications Electrician (IC), Gunner's Mate (GM), Steelworker (SW), LS, Religious Program Specialist (RP), and Ship's Serviceman (SH) ratings graduated from RRL-Block One training, thereby increasing Fleet readiness. Additionally, MyNavy HR continued the "heel-to-toe" Block One training for new accession Sailors, established during FY20 to reduce restriction of movement and travel requirements during the pandemic.

Education

The United States Naval Community College (USNCC) successfully completed its first pilot course offerings in June 2021, with nearly 600 students from the Navy, Marine Corps, and Coast Guard completing courses in general education/military history, nuclear technology, cyber security, and data analytics/intelligence. Leveraging the degree granting authority provided by Congress in the National Defense Authorization Act (NDAA) for FY22, and in collaboration with high-quality civilian academic institutions, USNCC maximizes credit earned for Service members' technical training and enables students to earn an associate degree in Naval Science, with a warfighting-relevant concentration, at no cost to the student. Pilot 2 will take place across FY22 and FY23 and expand enrollment up to 5,500 active duty enlisted Sailors, Marines, and Coast Guardsmen in the USNCC Naval Studies Certificate program and seven professional concentration areas: military studies, cyber security and network administration, nuclear engineering technology, data analytics, organizational leadership, maritime logistics, and aviation maintenance technology. Once the USNCC reaches full operating capacity, up to 25,000 students will have the opportunity to participate in one of 15 concentration areas.

Navy Voluntary Education continues to service Sailors' educational needs through the highly successful Tuition Assistance (TA) program and the Navy College Program for Afloat College Education, which provides Sailors the opportunity to complete courses while deployed at sea. These programs empower Sailors to advance their personal and academic development through formal education that leads to a high school diploma, formal certificate, and/or an associate, bachelor's, or master's degree. Since reframing the TA program to focus on professional qualifications and warfighting readiness first, the successful completion of TA courses increased from 91 percent in FY19 to nearly 94 percent in FY21.

Navy remains committed to continuous learning as a key warfighting enabler. Educating current and future leaders is a necessary investment; it helps to maintain our competitive advantage and enables us to succeed in Strategic Competition. We reflect this commitment in our talent management objectives designed to identify, encourage, and place our highest-caliber officers in selective graduate-level programs, thereby enhancing our warfighting capabilities and building strategic superiority. One example is the requirement that all Unrestricted Line officers in Year Group 2015 and beyond complete in-residence graduate education before assuming major command. In-residence education programs continue to provide the best opportunity to mature critical strategic thinking skills necessary for Navy leaders today and into the future.

This requirement will ensure that our most talented officers are given the opportunity to take this educational pause to mature their strategic thinking skills.

Leader Development Continuum

World-class leader development continues to be one of the Navy's strategic advantages. Our Navy continues to develop leaders at all levels throughout the many stages of their careers. The Naval Leadership and Ethics Center (NLEC) continues to support and build upon the Navy Leader Development Framework (NLDF) version 3.0, which was released in May 2019. NLEC offers leader development classes from the E-4 to O-6 level. Key topics taught in every NLEC course include self-awareness, ethical foundations, ethical decision-making, unconscious bias in decision-making, and emotional survival/toughness. Recent developments at NLEC include the integration of senior enlisted leaders who are not assigned to a Command Master Chief billet as participants in the Senior Leader Course. This creates a unique situation that allows senior officers and senior enlisted to confront ethical scenarios they may face together in a safe, non-attributional classroom environment. Additionally, the Enlisted Leader Development (ELD) program has grown significantly in the previous year. As part of the ELD program, enlisted personnel attend a course commensurate to their paygrade and explore topics in self-awareness, ethical decision-making, naval heritage, coaching, and moral courage. In December 2021, NLEC began offering the new Chief Petty Officer (CPO) Leader Development Course, which will replace the current CPO Indoctrination Course and further explore leadership topics while helping prepare participants to attend the Senior Enlisted Academy and the Command Master Chief Course.

While many leadership principles have remained unchanged across many generations, the area of leader development continues to grow rapidly; the curriculum at NLEC reflects this growth. Core topics of character development, ethical foundation, and moral courage continue to be pillars on which all leaders must have a solid footing. NLEC and the Navy continue to stay current with modern research on mental agility, growth mindset, unconscious bias, coaching, and self-awareness. Recent advances in curriculum include topics involving decision science, which explore the effects of cognitive biases in everyday decision-making. In these instances, learners are presented real-life case studies, they discuss the cognitive biases that may come into play during that scenario, and they practice techniques to mitigate these biases. In addition, the tenets of Warrior Toughness (WT) have been added to NLEC courses broadly - primarily through the topic of emotional survival/toughness. This topic focuses on preparing personnel for the daily challenge of a high-stress position, as well as the possible experience of a traumatic event and/or major life change. Discussions center on how to recognize the impacts daily challenges have on our thoughts and behaviors and how to mitigate the impacts on oneself and one's family. The addition of WT, particularly the idea of sharpening one's mind, body, and soul, has proven to be a perfect complement to the existing curricula. Also, NLEC has developed a bias mitigation tool designed to give learners a "nudge" toward more reflective thinking when making decisions. Additionally, Navy is implementing Independent Review Commission recommendations, including leadership development in the areas of fostering healthy climates to reduce harmful behaviors and ensuring appropriate leadership response to sexual assault and sexual harassment.

MyNavy Coaching

MyNavy Coaching builds and sustains a coaching culture within the Navy. Coaching is a communication skill rooted in the core coach-like skills of active listening, empathy, and asking powerful questions. Through MyNavy Coaching, we will increase the performance and maximize the potential of our Sailors to build a stronger warfighting force built upon personal connections, increased engagement, empathy, heightened personal awareness, and promotion of a deeper level of learning. This empowers Sailors to take responsibility for their development and performance. MyNavy Coaching is being implemented through a peer-to-peer coaching approach and a renewed focus on Mid-term Counseling.

CULTURE OF EXCELLENCE

The Culture of Excellence (COE) continues to be our Navy-wide framework designed to promote signature healthy behaviors and enhance warfighting excellence by instilling toughness, trust, and connectedness in Sailors. The Navy's holistic COE Campaign Plan counters destructive behaviors and champions signature behaviors by focusing on four lines of effort:

- **Develop Lethal Warfighting Force.** Ready Relevant Learning delivers the right training, at the right time, in the right manner, so that Sailors are ready to operate and maintain their equipment at the extreme technical end of its capability to control the high end of maritime conflict.
- **Champion Signature Behaviors and Counter Destructive Behaviors.** The ten signature behaviors support the proactive prevention of destructive behaviors by showing Sailors what “right” looks like.
- **Diversity, Equity and Inclusion.** Navy actively includes all perspectives and harnesses the creative power of diversity, accelerating Navy's warfighting advantage and lethality.
- **Governance, Analytics, Assessment and Strategic Communication.** The governance structure of Navy's programs and strategic communications is continuously evaluated through Flag-level governance bodies, surveys, and working groups.

The foundation of our culture increases strength and resiliency across the Fleet and is a combination of encouraging Signature Behaviors, promoting inclusivity and representation, and training our Sailors to build mental and physical toughness to prepare them for any challenge. Signature Behaviors call on Sailors and civilians to treat others with respect, take responsibility for their actions, and be leaders who instill leadership in others. Signature Behaviors help Sailors and civilians avoid making destructive decisions and enable optimized performance. All COE elements align with the Navy's core mission of building a more effective and lethal warfighting force. As we embrace this Culture of Excellence, our Navy will grow stronger and more capable of winning tomorrow's fight.

OPTIMIZING TALENT MANAGEMENT

To generate an effective fighting force, Navy needs to identify, develop, and shape Sailor performance to meet our current and future mission objectives. We continue to expand our Talent Marketplace, creating a modern, flexible, and transparent assignment process that more effectively balances a Sailor's assignment, location, and advancement opportunity with the Navy's mission and operational needs. Simultaneously, we are improving the delivery and accessibility of HR Services to Sailors and families. Our goal is to maximize the efficiencies and value of our services in order to produce more effective Warfighters and enhance warfighting readiness.

Enlisted Talent Management

In 2016, Navy implemented Billet Based Distribution to efficiently assign personnel in support of warfighting readiness by matching Sailors to specific billets based on rating, paygrade, and Navy Enlisted Classification Codes (NEC). Building on this effort, we continue to develop a more robust talent marketplace focused on flexible, streamlined, and responsive community and career management. We are moving towards a talent management approach that prioritizes individual strengths, skill portfolios, such as proficiency and experience, and development to align with the Navy's needs.

Navy end strength has shifted from growth to sustainment, while continuing to aggressively fill sea duty billets and retain the right mix of ratings, paygrades, and skillsets to meet the mission. We continue to develop a robust marketplace with an eye on optimizing Fleet readiness, through our efforts to fill priority requirements with the best-qualified Sailors by:

- Maximizing reenlistment opportunities for all retention-eligible Sailors and expanding conversion opportunities for Sailors to move from overmanned to undermanned ratings to help balance community health.
- Broadening advancement opportunities for Sailors to fill priority billets via Advance-to-Position (A2P), incentivizing service in priority or hard-to-fill billets across the Fleet by advancing Sailors who fill them to the next pay grade, while maintaining our Meritorious Advancement Program (MAP) to spot advance top talent.
- Stabilizing the current accession mission to sustain end strength requirements, as the previously recruited enlisted accessions are arriving to the Fleet to address apprentice pay band gaps.
- Continuing production of optimal by-rating community health plan to rebalance ratings within 98-102 percent of inventory-to-Enlisted Programmed Authorization by the end of any given FY.
- Continuing utilization of RC personnel supplementing the AC workforce. Navy recalled over 200 Reserve Sailors to help with the recruiting mission—training recruits at boot camp and entry-level schoolhouses—and to fill vacant/gapped sea duty manning requirements with experienced and technically-proficient Sailors.
- Continuing to evolve A2P incentives via the distribution system. The MyNavy Assignment (MNA) system advertises opportunities for E-4 and E-5 Sailors to

permanently advance to the next paygrade by accepting orders to critical sea and high-priority shore-duty billets.

- Expanding opportunities for Sailors to receive special and incentive pays, such as Selective Reenlistment Bonuses (SRB) and Sea Duty Incentive Pay, to help with sea-duty manning.
- Maximizing High Year Tenure waiver opportunities for Sailors who want to remain at sea, go to sea, or remain in critical ratings and NECs.

MyNavy HR continues to leverage A2P, a program that started with 15 advertised billets in October 2019 and has matured to a consistent 75 advertised billets each MNA cycle. As of October 2021, MyNavy HR has seen over 400 Sailors selected for advancement under the program. It has also expanded to include shore duty positions at Recruit Training Command, overseas duty stations, and certain instructor billets. MyNavy HR will evolve the program to include filling critical billets in operational units. While Navy Wide Advancement Exams currently remain the primary path for advancement, accounting for approximately 74 percent of total advancements, we continue to refine the execution of Meritorious Advancement, which empowers our Command Triads to identify and reward high-performing, technically proficient Sailors through accelerated advancement.

In late 2020, MyNavy HR, with the support of Fleet and Type Commanders, established the Detailing Marketplace Campaign Plan (DMCP) to fundamentally transform enlisted talent management across the Navy. This multi-year plan will provide improved structure to address systemic issues contributing to Fleet gaps and billet mismatches that limit Sailor career planning and flexibility. The campaign plan established specific goals to improve Fleet manning; enhance incentive systems; improve career management via skill and expertise-based promotion and an A2P policy to improve at-sea command flexibility; improve Sailor experience; and integrate personnel policies across MyNavy HR.

The Detailing Marketplace Assignment Policy (DMAP) represents a significant unifying line of effort within the DMCP, bringing together rotation timing and elements of incentives and advancements. At its core, DMAP replaces long established policy to limit sea duty tours to 60 months with a system of monetary and non-monetary incentives including A2P, to better man our sea duty commands. The 60-month limitation is a significant contributor to systemic gaps at sea for sea-intensive ratings since the limitation is not aligned with the realities of the billet base and Navy needs. These policy-induced gaps amplify the already arduous nature of sea duty due to undermanning in operational units. For ratings under DMAP, Command Advancement to Position (CA2P) replaces MAP advancement opportunities, allow commanding officers to reward top performers with both advancement and geographic stability via a guaranteed follow-on assignment at the same unit. In December 2021, we announced implementation of DMAP Phase 1. DMAP Phase 1 will commence on March 1, 2022 for four sea-intensive ratings. This represents the first step towards a truly dynamic, Sailor focused Detailing Marketplace that will improve Fleet readiness and enrich Sailors' careers.

In FY22, we will shift our focus towards developing capabilities linking reenlistment and extension decisions with assignments and integrate MNA with the Navy Pay and Personnel system via the Offer, Accept, Obligate (OAO) policy initiative. OAO will modify enlisted

contract management, making it an Officer-like model, which amends reenlistment control policy by tying obligated service to acceptance of orders, and the associated tour length. Negotiating for assignment indicates intent to reenlist or extend. Acceptance of assignment will constitute agreement to reenlist/extend and accept an obligation for the prescribed tour length. Some exceptions are provided for Sailors eligible for SRB; they may reenlist for longer periods--beyond the tour of duty--to maximize the monetary benefits received.

In December 2021, we delivered MNA 4.8c, which provides Sailors visibility into rating conversion opportunities and the ability to apply for specific billets in a different rating. Sailors selected to a billet are converted to the new rating at the same time. This process provides more transparency for the Sailor, meets the needs of the Navy, and streamlines the rating conversion process.

Enlisted Retention

Although FY22 aggregate end strength requirements are slightly lower than FY21, we continue to retain the right talent, with the right mix of skills, in the right communities to ensure we have the personnel needed to maintain our advantage at sea. Our retention levels exceeded Zone A (0-6 years) forecasts and fell slightly below levels forecasted in Zones B (6-10 years) and C (10-14 years) because of uncertainty due to the COVID-19 pandemic. While retention behavior shows Sailors are choosing to wait until closer to their End of Active Obligated Service to make a reenlistment decision, overall retention during FY21 remained strong.

Years of high retention have driven the need to rebalance overmanned ratings, while ensuring the Navy retains top talent. Building upon the retention gains of the last few years, the Navy remains committed to retaining the right talent and experience in the right pay grades and ratings. Competition for talent remains high, with continued challenges in the high-demand and low-density communities of nuclear, information warfare, and special warfare. We continue to use monetary and non-monetary incentives – bonuses, special duty assignment pays, and high-year tenure waivers – to keep talented individuals in the Navy.

The nuclear community observed a downward trend in retention over the past two years in Zone B. To improve this behavior, the nuclear community adjusted its sea/shore flow career (SSF) path to improve alignment between the sea/shore rotation and Zone B SRB eligibility requirements. This SSF change will take effect in April 2022.

Officer Talent Management

Competition for officer talent remains significant as we continue to use every tool to recruit America's top talent into our officer corps, train them with cutting-edge technology and techniques, and retain their expertise to preserve our competitive advantage in the global security environment. The expanded Defense Officer Personnel Management Act authorities enacted in the John S. McCain NDAA for FY19 continue to enhance our ability to attract and retain a talented officer corps and includes:

- Promotion Merit Reorder permits placement of those selected for promotion at the top of the list, demonstrating the value and primacy of merit over time in service. The Secretary of the Navy has authorized up to 15 percent of those selected for promotion for merit reorder. We continue to utilize this authority during our active duty promotion selection boards and have expanded the use for our Navy Reserve promotion selection boards in FY21. Additionally, Navy Reserve promotion selection boards will now consider below zone officers, starting in FY22.
- Expanded continuation authority (“Up & Stay”) permits certain control-grade officers serving in targeted skills to remain on active duty beyond the traditional statutory 30-year active duty limit. Modified career paths provide needed expertise to the Fleet. Boards selected nine Captains for continuation to fill shortages in the Defense/Naval Attaché and Acquisition Corps communities. We are expanding use of this authority to the Judge Advocate General Corps in FY22 for the purpose of retaining experienced military judges. Additionally, we have conducted six Professional Flight Instructor (PFI) boards, yielding 52 PFIs slated out of 245 applicants. This career path initiative allows highly-qualified pilots and naval flight officers to serve continuously as flight instructors beyond their department head milestone.
- Opt-out of promotion board consideration permits officers to opt-out/defer from a statutory promotion board to complete a career broadening assignment, advanced education, or a career progression requirement delayed by one of these assignments (e.g., White House Fellows, Marshall, Rhodes, or Olmsted Scholars). The Navy has approved 42 officers to opt-out of promotion consideration (7 for the FY21 promotion cycle, 14 for the FY22 promotion cycle and 21 for the FY23 promotion cycle).
- Expanded officer spot promotion authority continues to facilitate filling at-sea and operational O-5 and O-6 billets with officers possessing critical skills such as post-operational or operational command executive leadership. Two spot promote boards were convened in FY21 to fill 14 O-5 and 22 O-6 billets.
- Expanded constructive service credit for initial accessions allow officers with specific education requirements to be accessed at senior pay grades for Active Cyber Warfare Engineer and Engineering Duty Officer as well as Reserve Cryptologic Warfare and Information Professional competitive categories. MyNavy HR continues to refine skillset requirements as needs evolve to maximize usage of this program for qualified potential officer candidates.

The Navy Command Leadership Assessment and Selection Program (NCLASP) is an effort to create a more effective process to select the best and the brightest future Navy leaders with the goal of supplementing the existing command screening boards and making a good process even more robust. Navy Command Screen Administrative Selection Boards have been an efficient process to select future Navy commanders for many years, but they traditionally rely on information about the candidates that is limited in nature. Specifically, when officers are selected for command, an administrative board made up of community-specific leaders briefly reviews each officer’s record of performance and based on that information the board votes on where the candidate falls within a rank order of other candidates. This process has been effective, but does not paint the full picture of the candidate in terms of leadership attributes and

potential. NCLASP is intended to augment the command qualification process and/or the Administrative Command Screen Board to provide human factor, data-driven information to inform leadership decision making and talent management. The Navy does not envision this as a substitute for the screening process, but rather an enhancement to provide more fidelity into the results and assist in the leadership selection and slating process.

MyNavy HR is currently in the testing phase of the development and implementation of NCLASP. The current and primary focus is on completing scientifically valid job analyses to define each community's definitions of leadership before assessments are integrated into leadership decision making. Personality and cognitive assessments have been administered for data collection program development and validation. These assessments are standard assessments utilized in personnel selection programs in both the military and civilian corporate sector. In the future, the purpose of these assessments will be to identify leadership strengths and vulnerabilities related to the job role, to aide in smarter, data-driven talent management. The first pilot was conducted from November 2020 through January 2021 with the Explosive Ordnance Disposal community. The Naval Special Warfare Leadership Assessment Program executed their first pilot in February/March 2021, and the Submarine Force executed their first pilot June-August 2021. Multiple pilot iterations have been conducted or are planned for these communities for continued data collection and validation as their programs mature.

The vision for program sustainment is to embed operational psychology teams within major commands to develop, manage, and execute NCLASP tailored for the needs and goals of that community, based on robust scientific rigor, with centralized oversight at Naval Personnel Command (NPC) to ensure consistency and effectiveness of the program over time. Lessons learned from the pilots that have been executed thus far have paved the way for a comprehensive roll out plan that will tailor the program to the unique needs of each Type Commander (TYCOM) while maintaining the gold standards of personnel selection science.

Our Naval officers are one of the Department of Defense's most valuable commodities and it is essential to place our best talent in the leadership roles that will have the greatest impact on our warfighting imperatives. NCLASP has the potential to make a substantial positive impact on the Navy by providing decisionmakers with a flexible, community-driven program with new and more pertinent information for selection and slating. Increasing the likelihood of placing those who have the best attributes for essential leadership positions and passing on those who are least suited will ensure that the best leaders are selected for the right jobs, reducing the impact to the Fleet due to misconduct and toxic leadership, and promoting a culture of leadership that will produce an even stronger, more lethal Navy.

Officer Retention

Although officer continuation remains strong in meeting community milestone requirements, we are experiencing increased challenges in several critical communities. As in previous years, retention of aviation warfare officers in specific type/model/series platforms, conventional surface warfare officers, submarine officers, and Naval Special Warfare officers remains challenging. Offering precisely targeted incentive pays and bonuses, coupled with non-monetary incentives, such as the Career Intermission Program, Dual Military Spouse Co-location

and High School Senior Stabilization assignment policy, remains essential to maintaining and improving manning in these mission-essential specialties.

At the O-6 level, the opportunity for selection to Flag Officer is a retention tool that will be further reduced in 2023 as Navy reduces 14 billets in accordance with the reductions mandated in the FY17 NDAA, Navy's support to establish the Space Force, and the additional billet required for the special prosecutor mandated in the NDAA for FY22. Currently, of all the Services, Navy has the lowest Flag Officer to O-6 ratio resulting in the lowest opportunity for selection to O-7. Following these reductions, this ratio will be even lower. These reductions also remove the enterprise-wide management developmental billets used to groom O-7s for positions at the three and four-star level, to the detriment of the Navy enterprise.

PERMANENT CHANGE OF STATION (PCS) AND JOB CHANGE IMPACTS ON RETENTION

MyNavy HR is transforming personnel policies and using modern technology to provide an unprecedented customer service experience for Sailors and their families conducting PCS moves. Customer feedback in recent years reflects low satisfaction levels with PCS moves, particularly in peak summer moving season. Feedback indicates that PCS moves and job changes continue to factor significantly in Sailor and family retention decisions. From a 2018 Voice of the Sailor study report, 53 percent of Sailors considered the impact of Navy moves on families as a reason to leave the Navy. Additionally, of the 38 percent of Sailors with children, 65 percent considered the impact of PCS moves on their children as an influential reason to leave the Navy. Over the past five years, Navy has focused on improving geographic stability for Sailors. Currently, 75,444 Sailors have been on station for at least 36 months, 42,791 of those 75,444 Sailors have been on station for 48 months or more. Additionally, the percentage of no-cost, same geolocation PCS moves increased from 25 percent of all moves in FY15 to 29 percent in FY21.

We have hosted forums with Sailors, Navy families and responsible process organizations to listen, learn and begin redesigning the process to enhance the move experience. We are currently working 16 related initiatives influenced by group sessions and informed by feedback on recent PCS experiences and exit surveys, several of which focus on improving efficiency, clarity and funding of PCS moves such as:

- MyPCS Checklist (user friendly online checklist that supports move planning)
- Lean Orders (clear, concise format that supports the needs of Sailors and families)
- Government Travel Charge Card (reduces administrative and financial burden of PCS on Sailors and families)
- MyPCS Mobile App
- PCS Entitlements Calculator

While we work to enhance the PCS move experience, additional continuing resolutions (CRs) and funding uncertainty in FY22 will be counterproductive, as Navy will be required to delay PCS moves, resulting in shorter lead times for issuing PCS orders, which negatively impacts families' ability to plan their moves, find new jobs, and enroll their children in new

schools. Additionally, PCS move reductions exacerbate gaps at sea—where we need Sailors the most—and decrease Fleet readiness.

MYNAVY HR SERVICE DELIVERY

MyNavy HR transformation efforts continue to progress by replacing decades' worth of unchanged processes and outdated technology with a modern, world-class personnel services delivery system. Although transformation on this scale takes time, in 2021 we made significant progress toward our future state vision. Throughout FY21, we continued to develop and refine the HR Tiered Service Delivery Model to enable MyNavy Career Center (MNCC) to better serve Sailors.

MyNavy Career Center

In FY21, MyNavy HR established as a one-star command the MNCC, merging the Pay and Personnel Management Department, Human Resources Service Center, and Navy Pay and Personnel Support Center into one organization to better serve Sailors and their families with top-notch customer service for personnel and pay transactions. Additionally, the Command Pay and Personnel Administrator (CPPA) Pro Cell was established to assist CPPAs and command triads throughout the Navy by providing training and information, transparency into pay and personnel transactions, travel voucher breakdown, and mission critical Government Travel Charge Card authorizations and assistance with case resolution.

Navy Personnel and Pay

Development of the Navy Personnel and Pay (NP2) system, an auditable, cloud-hosted software suite, enabling Treasury-Direct Disbursement and a single pay source for all Sailors, remains our highest transformation priority. For the first time, NP2 will integrate the Navy's personnel and pay systems for both the AC and RC and will provide Sailors access to accurate personnel and pay information in one easy-to-use location. MyNavy HR continues to analyze and modernize every personnel process with an eye toward efficiency and simplicity. Introducing these new capabilities is ongoing and we will occasionally experience challenges as a normal part of such a significant system upgrade. The recent migration of two of our oldest systems, Navy Enlisted System and Officer Personnel Information System, gave us real time information on where workaround, system patches, and internal processes done over the years were not properly documented. As a result, some capabilities were not addressed in the new system, thus having a negative impact on Sailor pay and benefits. However, the MyNavy HR team was quick to respond as we identified and resolved approximately 600 issues impacting Sailors in the first 90 days after the systems transitioned. On October 12, 2021, we shifted the NP2 program from calendar-based to an events-based delivery schedule, which allows time for test and evaluation of a full range of considerations to mitigate the risk of transition of Navy's personnel and pay processes. We remain fully committed to delivering NP2 modernization to our Sailors and their families.

MyPCS Mobile continues to provide Sailors Common Access Card-free mobile access to PCS-related information and resources using their personal mobile devices with commercial-

grade, multi-factor authentication. Features include a tailored PCS checklist, PCS Entitlements calculator, the ability to apply for government housing and childcare, a set of lean orders Sailors can view on a mobile device, and the ability to submit PCS travel vouchers electronically from a mobile device utilizing an electronic signature. This capability significantly enhances the PCS experience for our Sailors and their families. Since rollout, over one-million MyPCS accounts have been created. Before MyPCS, between 25 and 40 percent of PCS travel claims were rejected and returned back to members. Now, MyPCS has revolutionized travel claims processing, resulting in no rejections for claims submitted through MyPCS since the application provides drop-down menus that prevent a Sailor from submitting an incomplete claim. Beginning this month, MyPCS travel voucher is being used to submit PCS travel claims.

Impact of Continuing Resolutions

Continuing resolutions have the potential to drastically impact military personnel, and would hit recruiting and retention the hardest. There is the possibility of a \$1.5 billion shortfall in the Military Personnel, Navy account for FY22. Navy would need to severely reduce the number of recruit accessions, which would increase gaps at sea and decrease overall Fleet readiness; reduce skill and incentive pays to Sailors, which would have an extremely negative effect on retention; and delay a large portion of the FY22 PCS moves, which would negatively impact career paths and the quality of life for Sailors and their families. These effects will make it more difficult to recruit and retain Sailors and degrade our warfighting capability.

Additionally, MyNavy HR operations would be significantly hindered along multiple lines of effort, affecting key training programs and our signature effort to transform the MyNavy HR enterprise. Navy would be unable to award all planned RRL contracts, delaying training modernization of up to 17 ratings. The “reengineering” of Navy personnel and pay operations through the new NP2 system and improved Sailor services at the MNCC would be delayed by up to one year. Shutdown of antiquated and fragile legacy systems would also be delayed, prolonging sustainment costs to keep these systems operational. Finally, enlisted Sailors will be unable to use the MNA interface to transition between AC and RC, while RC Sailors will not be able to use the interface for rating conversions.

CONCLUSION

The Secretary of the Navy and the Chief of Naval Operations have established enduring priorities that center on Empowering Our People and developing a seasoned team of naval warriors, which we will achieve through our talent management optimization, education and leadership development continuum, and cultivating a Culture of Excellence, where everyone is treated with dignity and respect. We will continue to provide exceptional service to our Sailors and their families by providing a modernized Sailor experience as we transform our legacy personnel and pay systems, bringing MyNavy HR into the 21st Century. I look forward to working with you as we continue shaping our Navy to meet future challenges. On behalf of the men and women of the United States Navy, thank you for your unwavering support.