Civilian Human Resources
Strategic Plan

Annex D

FY 2004 Year of Execution Plan

**Office of the Under Secretary of Defense
(Personnel and Readiness)**

FOREWARD

FY 2004 will be an auspicious year for the Department. For the first time since

the Civil Service Reform Act of 1978, major changes to the Department's

personnel system will occur with implementation of the National Security

Personnel System. This report outlines the DoD Civilian Human Resources

Strategic Plan objectives for FY 2004. The fifty-one performance measures,

aligned to DoD's seven strategic goals, included in this report fully support the

new National Security Personnel System.

FY 2004 INITIATIVES

FY 2004 performance measures are depicted as they correspond to each of the seven goals identified in the Department of Defense (DoD) Civilian Human Resources (HR) Strategic Plan. Fifty-one initiatives are identified for completion in FY 2004. Twenty-six of these have been added since the original publication of the Plan in April 2002 and are identified as (new).

GOAL 1: Promote focused, well-funded recruiting to hire the best talent available.

Strategy: Market DoD as a premier employer in the Federal government.

The Department continues to be faced with an enormous challenge in recruiting talent in the highly competitive public service labor market. The strategic initiatives planned for FY 2004 will serve as a stimulus to recruit, train, and maintain the cadre of people needed to provide services in an efficient and effective manner.

The status quo is no longer good enough for government work. The problem facing the Department, as well as the rest of the government, is the impending retirement wave. About a third of all federal employees will be eligible for retirement in the next five years. A considerable amount of knowledge soon will be walking out the door with the retirees. To some degree, a certain amount of turnover is desirable in any organization to foster new thinking and give younger workers a chance to take on additional responsibility. Nevertheless, the outflow of federal workers may cause difficulties in maintaining efficiency and service.

A survey cited in a *Government Executive* article (July 2003) discussed the responses of liberal arts and social work students. The soon-to-be graduates saw the non-profit sector as the destination of choice for those wanting a public service career instead of the federal government. The Department's challenge is not just getting enough applicants, but also rather getting the right applicants.   Dr. David Chu, Under Secretary of Defense for Personnel and Readiness (USD(P&R)), testified before the Subcommittee on Oversight of Government Management before the U.S. Senate on May 12, 2003, concerning the challenges facing the Defense Civilian Workforce. Dr. Chu said, "Significant changes in the challenges we face in the national security arena, the characteristics of our workforce, and the competitiveness of the marketplace for talent demand a much more strategic approach to managing our valuable people."

A critical element in recruitment will require the development of a strategy to attract candidates at any level, which requires identifying incentives and features of employment to attract applicants from entry through senior level personnel. In addition, the Department intends to use recommendations and results from a study completed on the type of intern program that will meet the intake needs with this entry-level program. Efforts continue in the marketing of the Department as an "employer of choice." The marketing effort will be multi-faceted in terms of identifying or "branding" to educate the public. This branding will showcase the Department's missions and civilian occupations using various media to include: the Internet with narratives, graphics, streaming media, and photography.

Additional e-government enhancements for internal candidates will be addressed in testing compatibility of automated applicant qualifications software with the Department's Priority Placement Program (PPP). The Department continues to stay attuned to other Federal initiatives by serving on various study groups, including the current Office of Personnel Management (OPM) staffing barriers study team. The following 15 initiatives are identified to promote focused and well-funded recruiting to hire the best talent available:

Objective 1.1. Develop a recruitment strategy designed to attract candidates at any level.

1. Identify incentives and features of employment to attract applicants for entry through senior level personnel. (1.1.2)

2. Determine source of change required. (1.1.3)

3. Develop legislation. (1.1.4)

4. Change departmental regulations and practices. (1.1.5)

5. Identify funding sources. (1.1.6)

6. Develop and publish strategy. (1.1.7)

Objective 1.3. Determine what type of intern program is needed to best meet the needs of DoD.

7. Issue decision from the intern recruitment study conducted in FY 03. (1.3.2)

8. Develop a Defense Business Fellows Program. (New) (1.3.3)

9. Complete initial recruitment for the Defense Business Fellows Program. (New) (1.3.4)

10. Begin first class of interns for the Defense Business Fellows Program. (New) (1.3.5)

Objective 1.4. Assess requirements and funding sources for marketing DoD as a "first choice" employer.

11. Establish cost for implementing recommendations on a recruitment and marketing program to establish DoD as a "first choice" employer. (1.4.3)

12. Develop funding strategy for DoD "first choice" employer marketing program. (1.4.4)

Objective 1.5. Implement HR system changes to enhance recruitment.

13. Implement PPP changes as agreed upon by Components and the catalyst session during the DoD HR Worldwide Conference. (1.5.4)

14. Implement distance-learning modules for CARE programs. Develop, field test, and deploy PPP learning modules: 1) Releasing Activity, 2) Gaining Activity, 3) Introduction and Administration, 4) Special Policies, and 5) Reemployment Priority List. (New) (1.5.10)

15. Assess the Department of the Army RESUMIX test for policy and procedural revisions for Priority Placement Program. (New) (1.5.11)

GOAL 2: Provide a HR system that ensures the readiness of tomorrow's integrated force structure.

Strategy: Develop a responsive, flexible personnel system that permits management to maintain a mission-ready workforce.

The Department's effort must not end with recruiting a talented workforce. Efforts are needed to provide a challenging work environment along with an opportunity for growth in a mission-ready force. A keystone of this effort will be active participation in the legislative process to identify incentives and features of employment that would attract applicants for entry through senior level positions. Donald H. Rumsfeld, Secretary of Defense, during his June 4, 2003, testimony at the Senate Government Affairs Committee on the National Security Personnel System (NSPS) stated, "We are engaged in a new and unprecedented war--the

global war on terror. But we are fighting that first war of the 21st century with management and personnel systems that were developed decades ago, during or even before the Cold War. DoD is working to deal with the security threats of the 21st century with a personnel system that was fashioned for the mid-20th century. We have an industrial age organization that is struggling to perform in an information age world."

DoD has extensive experience with personnel management flexibilities dating from the early 1980s. The Department currently has nine personnel demonstration projects covering 30,000 employees. Over the last year, DoD has distilled the "Best Practices" of these demonstrations. Based on this experience along with national security needs, the DoD proposes to establish the NSPS through legislation. Tailored to DoD, NSPS provides the opportunity to build a mission-based and total force system of management for civilians. NSPS supports national security while retaining civil service values and core protections.

NSPS provides broad legislative authority for establishing a new civilian personnel management system. This new legislation springs from the work that DoD has done in the establishment and evaluation of personnel demonstration projects. The April 2003 Federal Register notice on Laboratory Demonstration Projects provides detailed explanation of the human resources flexibilities that will be used in NSPS.

In tandem with NSPS legislation, the Department will pursue the identification of existing policies and procedures that add no value to transforming the existing bureaucracy into a flexible and business environment. Best Practice HR departments are those that focus on employees as human resources and seek to align those resources with the organizational strategy. HR practices that support the organization's goals may entail either changing traditional practices to foster cost and time savings or make substantial investments in new systems or resources.

The Department will continue to pursue initiatives to transform civilian personnel policies into flexible business processes. The Department continually evaluates the viability of delegation of approval authorities to the lowest practicable level to provide managers greater authority and flexibility in administering their workforce.

As part of on-going analysis and experimentation toward customer-focused HR delivery systems, a study of private industry transition initiatives will be compared to DoD tools in support of pending Base Realignment and Closure Activities (BRAC) in FY 2005. The Department will continue efforts to evaluate and transform personnel policies to create business processes. Transformation will

include implementing authorities and establishing standards to improve overall qualifications, such as those for the Department's accounting personnel. Other initiatives will be pursued to identify optimal and customer-focused human resources delivery systems by evaluating Pilot Programs to improve the EEO Complaints Process. The Department will continue efforts to ensure that automated systems support civilian human resources mission requirements. Technological advances will be pursued to provide expansion of capabilities and control associated costs to support departmental initiatives. An example of expanded capabilities will be to automate the Department's Lost Production Days data. As a fundamental principle, the Department will strive for continuous improvement in the HR mission, as well as in accountability for the overall DoD mission. The following 15 initiatives are identified to provide an HR system that ensures the readiness of tomorrow's integrated force structure:

Objective 2.1. Benchmark HR processes and practices against industry best practices.

16. Research and benchmark private industry transition initiatives against DoD tools to support BRAC. (New) (2.1.4)

Objective 2.3. Evaluate and transform civilian personnel policies to create flexible business-like processes.

17. Move existing demonstration projects to Best Practices. (2.3.4)

18. Establish standards to improve the overall qualifications of the Department's accounting personnel. (New) (2.3.13)

19. Publish Civilian Personnel Manuals (CPM) for Defense Intelligence System consistent with best practices results. (New) (2.3.15)

20. Develop policy and procedures to support implementation of the National Security Personnel System and Best Practices. (New) (2.3.16)

21. Determine baseline data for NSPS and Best Practices evaluation. (New) (2.3.17)

22. Collect baseline data for NSPS and Best Practices evaluation. (New) (2.3.18)

23. Develop evaluation plans for NSPS and Best Practices. (New) (2.3.19)

24. Coordinate and report Strategic Plan and other achievements to obtain Proud to Be" green status. (New) (2.3.20)

25. Add DLA, NGB, and AAFES to the Office of Complaint Investigation's client list. (New) (2.3.21)

Objective 2.4. Conduct studies, analyses, and experiments to identify optimal, customer focused human resources delivery systems.

26. Conduct cost/benefits study to determine most efficient systems and processes. (2.4.1)

27. Conduct pilot programs to improve EEO complaints process. (2.4.2)

28. Evaluate pilot programs to improve EEO Complaints Process. (New) (2.4.3)

Objective 2.5. Ensure that automated systems support civilian human resources mission requirements.

29. Review current automated systems and how they may be improved. (New—deleted 11/06/03) (2.5.1)

30. .Identify technological advances that facilitate expansion of capabilities and associated costs. (2.5.3)

31. Automate the process of obtaining civilian "lost production day" data. (New) (2.5.5)

GOAL 3: Promote and sustain a civilian workforce that is as richly diverse as America itself.

Strategy: Foster and promote an environment attractive to individuals from all segments of our society.

The Department is engaged in a very active campaign for recruiting a diverse workforce with a focus on the recruitment of entry-level, minority, disabled, and female applicants. The Department takes seriously the responsibility to foster and promote an environment that is attractive to individuals from all segments of society. The strategy for FY 2004 is to continue to develop a diverse workforce based on an assessment of current workforce demographics, awareness of representation issues, and commitment to actions that will result in a highly qualified and representative workforce.

In FY 2004, the Department will continue to support the goals of Executive Order 13163 to increase the employment of people with disabilities. The Department will continue to improve and initiate programs to reach out and provide opportunities for students with disabilities in a collaborative recruiting effort with colleges and universities. The Department will explore ways to publicize opportunities through a variety of information systems, including websites and printed media. The following four initiatives are identified to promote and sustain a civilian workforce that is as richly diverse as America itself:

Objective 3.1. Promote initiatives that result in a diverse and representative workforce.

> 32. Publish program assistance package. (3.1.2)
>
> 33. Evaluate the results of policy implementation. (New) (3.1.7)
>
> 34. Implement appropriate section of Management Directive 715 and the "No Fear Act." (New) (3.1.8)

Objective 3.2. Promote diversity by providing developmental opportunities to employees.

> 35. Publish program assistance package to promote diversity in developmental opportunities for employees. (3.2.2)

GOAL 4: Invest in human capital to improve effectiveness of the workforce.

Strategy: Evaluate HR programs and systems and sufficiently fund HR initiatives.

The DoD Civilian HR Strategic Plan, developed in concert with senior HR officials from the Military Departments and Defense agencies, details the Department's direction, including its vision, values, principles, critical success goals, and objectives. This annual planning conference sets the stage for a variety of initiatives that lead to improved personnel programs and allow greater managerial flexibilities designed to control costs. DoD is committed to providing the HR programs and systems necessary to achieve success in human capital transformation and make the Department a high-performing workplace.

The Department is pursuing detailed workforce analysis to address several aspects of the civilian workforce with a focus on attrition rates. The Department has experienced significant downsizing, base closures, and organizational

realignments during the last decade. The civilian workforce has increased in age over the last 12 years. Succession planning and recruitment are challenged by the uncertainties of the conversion of some non-core jobs to the private sector along with anticipated based closures or realignments in future years. The following seven initiatives are identified to invest in human capital to improve the effectiveness of the workforce:

Objective 4.2. Develop resource strategies that integrate civilian human resources initiatives with the DoD Program Objective Memorandum (POM).

36. Participate in POM process as active member assessing impact on the Department's civilian workforce. (4.2.2)

Objective 4.3. Develop standard metrics for HR policies, procedures, operational requirements, and systems.

37. Implement use of performance measures DoD-wide. (New) (4.3.3)

Objective 4.4. Evaluate the adequacy of resources for education, training, and professional development of civilians to support the Department's evolving mission.

38. Evaluate funding levels and compare to amount spent in private sector. (4.4.1)

39. Publish report on funding level and comparison of amount spent in private sector. (4.4.2)

40. Refocus the Defense Leadership and Management Program to better meet the Department's succession planning needs. (4.4.3)

Objective 4.6. Implement new and evolving authorities.

41. Develop Federal Wage System survey proposal to improve efficiency of survey process and forward to OPM. (New) (4.6.4)

42. Assess and develop methods for implementing civilian payroll flexibilities in the Federal Wage system. (New) (4.6.5)

GOAL 6: Focus the HR Community on the needs of its customers.

Strategy: Consider customer feedback in developing HR policies and procedures.

The HR community continues to focus on the needs of its various customers and in keeping with the Department's goals. To support this focus, the Department is developing a customer feedback program to assess the satisfaction of HR customers. The feedback program will provide HR with an understanding of the customers' needs along with an evaluation of how well the needs are being met.

The Department takes extraordinary efforts to improve the delivery of personnel services DoD-wide through the reengineering and regionalization of personnel services. The Department also recognizes that human resources management services must continue to improve. During FY 2004 the Department will begin surveying customers in an effort to determine the services that can benefit from continued reengineering. The following three initiatives were identified to focus the HR community on the needs of its customers:

Objective 6.1. Attune products, policies and programs to customer needs, including delegation of authority, as appropriate.

43. Review results of customer feedback in relation to products, policy, and programs. (6.1.2)

44. Develop a process to turn customer feedback into effective policy. (6.1.3)

45. Conduct DoD civilian survey. (6.1.10)

GOAL 7: Promote Quality of Work Life as an integral part of daily operations.

Strategy: Foster and encourage initiatives that improve the quality of work life.

During the past decade, the Department has seen a profound shift in expectations of its workforce. Outsourcing, base closures, organizational realignments, and technological advances have combined to reduce the number of positions requiring limited education and training. Technological advances, contract oversight, and complex missions have generated the need for more advanced education and greater technical skills. Reduced hiring and the aging of the baby boom generation have combined to increase the average age and grade level of the workforce. Taken together, these factors have produced a workforce that is very different from its predecessor of a decade earlier.

As in the private sector, several principal factors are driving changes in Federal employee perceptions and the need to encourage quality of work life initiatives and flexibilities:

- Nature of work and the workplace are changing dramatically due to technology that produces vast amounts of data along with the ability to communicate more rapidly and at more levels than ever before;
- Expectations of the workforce reflect generational differences in attitudes about work and careers;
- Shape of the workforce is changing with more emphasis on a blended workforce of permanent civil servants, temporary and intermittent employees, contractors and a continuous process of public/private competition;
- Managers are asked to focus on the work team's ability to respond to changing circumstances and workload requirements; and
- Managers are asked to view employees as human capital with a corresponding investment in employee growth and development.

Leadership is taking forms other than the classic supervisory and management functions. It is important to identify, develop, and promote specific policies and programs for quality of work life initiatives that advance the Department's ability to meet its mission. Demographic, technological, and economic changes will continue to influence the future of the Department's workforce. The Department must be poised to compete with the private sector for skilled and competent workers who seek flexible work arrangements, support and services for childcare and elder care, benefits tailored to meet their needs, and a safe and healthy work environment.

Initiatives pursued will promote the maximum use of policy and programs to improve the working environment that will include: attainment of DoD telework goals; develop and publish DoD leave and health benefits to promote quality of work life for NAF employees; develop proposals for cafeteria style benefits; and evaluate the feasibility of DoD civilian retiree identification card. The following six initiatives are identified to promote Quality of Work Life as an integral part of daily operations:

Objective 7.1. Promote maximum use of policy and programs that improve the working environment (e.g., flexible work schedules, teleworking, job sharing, child care, and elder care).

46. Seek the attainment of DoD telework goals. (New) (7.1.7)

47. Publish updates to the Civilian Personnel Manual (CPM) subchapters on health care benefits and DoD leave policies for NAF employees. (New) (7.1.11)

Objective 7.2. Engage in a process to upgrade benefits that can be tailored to the needs of the individual employee (i.e., cafeteria style benefits).

48. Implement flexible spending accounts. (7.2.1)

Objective 7.3. Participate in efforts to facilitate a quality work environment (e.g., safety, health, and facilities).

49. Create a website for quality of work life best practices. (New) (7.3.4)

50. Evaluate the feasibility of DoD civilian retiree ID card. (New) (7.3.5)

51. Increase the number of follow-up visits to persons on the compensation rolls by 10 percent. (New) (7.3.9)