



PERSONNEL AND
READINESS

OFFICE OF THE UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

SEP 03 2006

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Department of Defense Civilian Human Capital Strategic Plan 2006-2010

I am proud to present you with a copy of the Department of Defense (DoD) Civilian Human Capital Strategic Plan for FY 2006-2010. I wanted to share the Plan with you so that you could become familiar with the goals and objectives outlined in the Plan and to share it with your workforce. The Plan builds on the Department's Human Capital Strategy outlined in the Quadrennial Defense Review and provides a comprehensive strategy to ensure a strong civilian workforce that is able to meet the mission challenges of today and the future.

The Plan sets the foundation for building a strong "total force" equipped to support the national security mission of the United States. Although the Plan has been published there is much more work to be done. As you began to incorporate the goals and objectives of the Plan into specific results-oriented actions within your organization, you will soon see tangible evidence of human capital improvements that support the overall DoD mission.

By applying the Plan throughout your organization you will help guarantee that we maintain a competent, motivated, and mission-ready workforce which is able to respond to emerging threats, now and in the future. I encourage you to share the plan widely within your organization. The Plan may be found on-line at the following website <http://www.dod.mil/prhome/reports.html>.

A handwritten signature in cursive script, reading "Patricia S. Bradshaw".

Patricia S. Bradshaw
Deputy Under Secretary of Defense
Civilian Personnel Policy

Attachment
As stated

Civilian Human Capital Strategic Plan 2006 – 2010



Department of Defense



Sustaining a capable, agile, and decisive civilian workforce

*This Plan builds on the strength and commitment of the civilian workforce, laying the foundation for seamless integration with the **Total Force** and accountability in a results-oriented performance culture. Our goal is to maintain a competent, motivated, and mission-ready workforce to support the Department of Defense and respond to emerging threats, now and in the future.*



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Department of Defense
Civilian Human Capital Strategic Plan
2006 – 2010

“The future force must be more finely tailored, more accessible to the joint commander and better configured to operate with other agencies and international partners in complex operations.”

“In a reconfigured Total Force, a new balance of skills must be coupled with greater accessibility to people so that the right forces are available at the right time. Both uniformed and civilian personnel must be readily available to joint commanders.”

Quadrennial Defense Review Report, page 75
February 6, 2006



Purpose



This Civilian Human Capital Strategic Plan (CHCSP) constitutes the Department's comprehensive plan for ensuring a strong civilian workforce, able to meet the mission challenges of today and the future (see Appendix C). The CHCSP guides and informs the civilian human resources (HR) policies, programs, and initiatives for the Combatant Commands, the Military Departments, Combat Support Agencies, and Field Support Activities of the United States. The CHCSP:

- Aligns HR actions with the goals and objectives of the 2006 Quadrennial Defense Review (QDR) Report, the Human Capital Strategy (HCS), and the Office of the Under Secretary of Defense for Personnel and Readiness (OUSD(P&R)) Strategic Plan for Fiscal Years (FYs) 2006-2011 (April 2006).
- Addresses the criteria for Strategic Management of Human Capital, as per the President's Management Agenda.
- Provides a map for future action for Department of Defense (DoD) Components to ensure the "right people, doing the right jobs, at the right time and place, and at the best value" to achieve mission success.
- Will result in a civilian workforce equipped to maintain a force capable of decisive effects, achieve the vision of the Joint Total Force, and enhance agility to contend with uncertainty.¹

¹ National Military Strategy of the United States: A Strategy for Today; A Vision for Tomorrow, 2004.



Strategic Environment



The CHCSP has been created to address the future civilian workforce demands of the DoD within a challenging strategic environment, particularly fighting the long war now faced by the United States. It is important to note that many of these challenges are unique to DoD, and increase the risk in implementing a Department-wide civilian human capital strategy. These challenges are discussed at length in Appendix A to this plan, but are summarized below:

- The size and complexity of the Departmental workforce, one of the largest workforces in the world, consisting of multiple components and supporting organizations.
- The need to align with the DoD mission, the National Military Strategy (NMS), the HCS, and the OUSD(P&R) Strategic Plan (April 2006), as illustrated in figure 1 on page 5.
- The need to address statutory requirements, specifically Section 1122 of the FY 2006 National Defense Authorization Act (Public Law 109-163 dated January 6, 2006).
- The implementation of the National Security Personnel System (NSPS) pursuant to Section 1101 of the FY 2004 National Defense Authorization Act (Public Law 108-135 dated November 24, 2003) authorizing the Secretary of Defense to establish the NSPS as a means to transform the personnel system for civilian DoD workers.
- The need to integrate enterprise and component human capital requirements and address Department-wide and Component needs simultaneously.



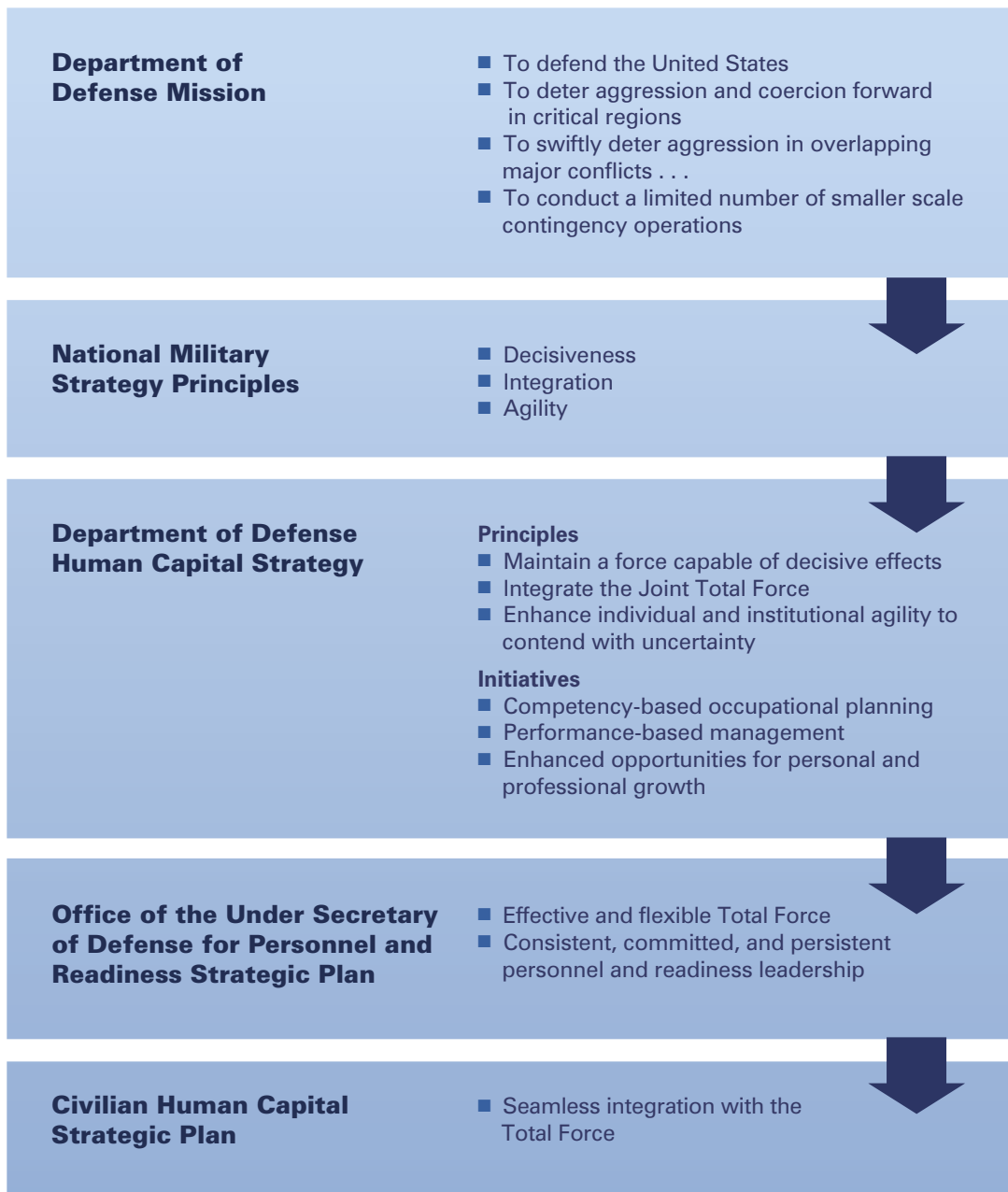
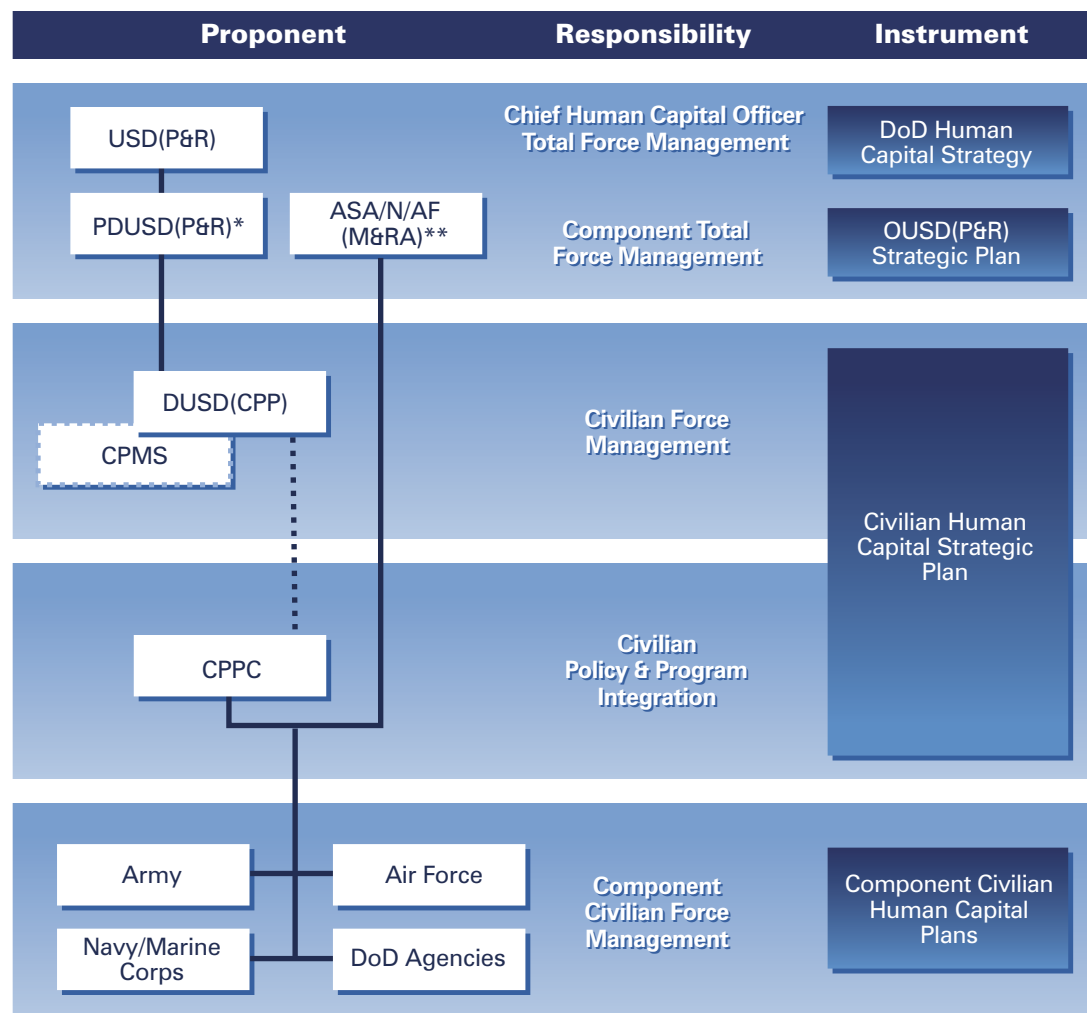


Figure 1. Aligning the CHCSP with DoD Strategic Priorities.

Joint Roles and Responsibilities

Figure 2 shows how the CHCSP will align with the DoD HCS, as implemented through the OUSD(P&R) Strategic Plan (April 2006), and how the component human capital plans will align with the CHCSP. Figure 2 also indicates ownership for these strategic processes and instruments.



* Principle Deputy Under Secretary of Defense (Personnel & Readiness)

** Assistant Secretaries of the Army, Navy, and Air Force (Manpower & Reserve Affairs)

Figure 2. Roles and Responsibilities.

While the roles of each proponent are discussed at greater length in Appendix B to this plan, two key roles are discussed below:

Chief Human Capital Officer. The Under Secretary of Defense for Personnel and Readiness (USD(P&R)) serves as the Chief Human Capital Officer (CHCO) in support of strategic management of human capital for the Department. The CHCO is responsible for developing policies, plans, and programs to ensure the readiness of the force as well as the efficient and effective support of peacetime operations and contingency planning and preparedness. The OUSD(P&R) Strategic Plan (April 2006) implements the Department's HCS, the foundation for the CHCSP.

Deputy Under Secretary of Defense for Civilian Personnel Policy. The Deputy Under Secretary of Defense for Civilian Personnel Policy (DUSD(CPP)) is charged with providing corporate level leadership in civilian HR and serves as the focal point for civilian HR policy for the Department. The DUSD(CPP) effectively, efficiently, and humanely develops, manages, and is accountable for HR strategies, plans, policies, and programs for the civilian workforce. The DUSD(CPP) is charged with management, implementation oversight, and senior coordination of the CHCSP.

The Civilian Human Capital Strategic Plan

The CHCSP establishes a set of Department-wide goals and objectives to carry out the HCS for civilian personnel. The four goals shown below will result in a future civilian workforce that is decisive, agile, and integrated with the Total Force; in short, fully capable of supporting the warfighter in carrying out DoD's mission.

Goal 1: World Class Enterprise Leaders. The Department of Defense has diverse civilian leaders who effectively manage people in a joint environment, ensure continuity of leadership, and sustain a learning environment that drives continuous improvement across the enterprise.

Goal 2: Mission-Ready Workforce. The Department of Defense has a highly capable workforce characterized by agility, flexibility, diversity, and seamless integration with the Total Force.

Goal 3: Results-Oriented Performance Culture. The Department of Defense has a mission-focused, results-oriented, high-performing culture.

Goal 4: Enterprise HR Support. The Department of Defense civilian HR community is strategically aligned and customer-focused, and provides measurable, leading-edge results.

These goals define a civilian workforce that possesses the leadership, competencies, and commitment necessary for successful mission accomplishment. While all CHCSP goals support the three principles of the NMS, the vision described in Goal 1 will certainly support the decisiveness called for in the NMS. Goal 2, with its vision of a highly competent and adaptable civilian workforce, is synonymous with necessary agility. In Goal 3, a results-oriented workforce, singularly focused on achieving DoD's mission, both requires and supports the integration of joint force capabilities. Goal 4 ensures that the human capital management workforce is cutting-edge and human capital processes are delivered efficiently and effectively in a joint environment.

The CHCSP defines the objectives that enable the successful accomplishment of each goal. The CHCSP is operationalized in an Implementation Plan that outlines a detailed set of actions, timelines, measures, and responsibilities—a roadmap for accountability and results, as shown in figure 3.

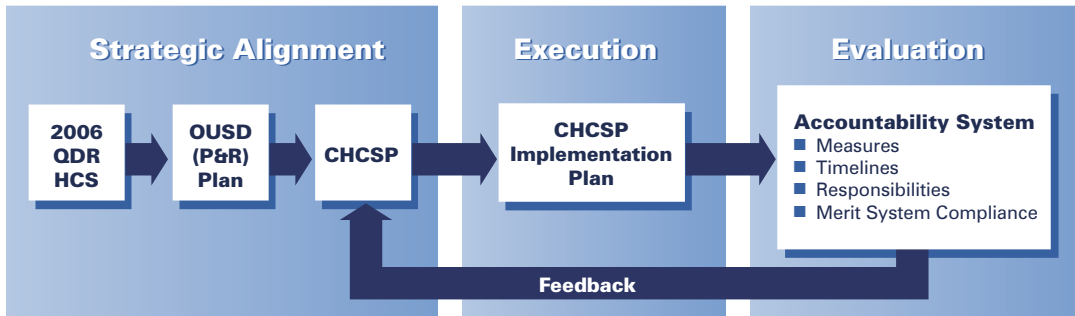


Figure 3. Roadmap for Human Capital Accountability and Results.

It is important to note that the CHCSP lays the foundation for the Civilian Human Capital Accountability System (CHCAS) by defining what is important to DoD from a strategic perspective. The measures identified and described in Appendix D will be used to assess the Department’s success on a particular goal or objective. These measures, in concert, will form the CHCAS enabling DoD to monitor and evaluate the results of the CHCSP; analyze compliance with merit system principles, and identify and implement future improvements. In turn, as shown in figure 3 above, DoD will continually assess and refine its CHCSP goals, based on information produced through the accountability system.

Civilian Human Capital Goals

Goal 1: World Class Enterprise Leaders

The Department of Defense has diverse civilian leaders who effectively manage people in a joint environment, ensure continuity of leadership, and sustain a learning environment that drives continuous improvement across the enterprise.

“The cornerstone of this human capital strategy is the development and implementation of a competency-based occupational system.”² The QDR HCS envisions a DoD framework for occupational planning designed to respond to changes in mission and based on common definitions of competencies and work across all DoD Components—again with the critical goal of supporting an agile, decisive, and integrated Total Force. Leadership competencies will be a key piece of the framework.

As the DoD-wide HCS is developed and implemented, it is clear that existing and planned civilian leadership competency models will need to be aligned both with the HCS framework and with the Office of Personnel Management’s (OPM) Executive Core Qualifications (ECQs).

DoD is seeking to more effectively manage its pipeline of future leaders through aligned recruitment, selection, education, training, and development strategies. DoD typically develops civilian leaders internally, so great importance must be placed on building and managing this pipeline. The Department must take steps to ensure rich diversity of employees throughout the leadership candidate pipeline, as well as DoD experience and perspective.

Once leadership competency gaps are identified, the CHCSP and its supporting Implementation Plan will outline how DoD selects and develops a diverse set of civilian leaders. By capitalizing on the insights of various components and responding quickly to

² QDR Human Capital Strategy, Final Draft, January 17, 2006, Section IV Competency-Based Occupational Planning, p. 8.

identified competency gaps, DoD has the opportunity to strategically build up its pipeline of highly qualified leaders. (Additional education, training, and development opportunities will be incorporated into the overall plan for civilian personnel.)

Goal 1 of the CHCSP and its supporting objectives are fully aligned with the OUSD(P&R) Strategic Plan (April 2006) goals, specifically:

- **Goal 4:** Ensure the Department systematically plans and forecasts workforce requirements to support the DoD mission with a trained and ready civilian force.
- **Goal 5:** Ensure that DoD's civilian workforce is capable, high-performing, results-oriented, and as richly diverse as America itself.
- **Goal 11:** Provide appropriate education, training, and development of the Total Force to meet joint coalition/international mission requirements.
- **Goal 15:** Promote an environment that is supportive, respectful, and harassment free to get the most out of each individual.

Objectives:

- Objective 1.1** Evaluate the status of the current executive cadre and succession pipeline to ensure continuity of leadership and diversity of leaders.
- Objective 1.2** Identify world class leadership competencies to enable the DoD enterprise to accomplish its mission of national defense.
- Objective 1.3** Assess and close current leadership competency gaps to enable the DoD enterprise to accomplish its mission of national defense.
- Objective 1.4** Design and implement appropriate human capital policies and programs to manage the current and future Senior Executive Service (SES) corps, thereby ensuring diversity, readiness, and effective joint operations.

DoD will measure and track its success in attracting, developing, and retaining the cadre of world class enterprise leaders so critical to achieving the DoD mission in a joint and increasingly complex environment. By obtaining a clear profile of its current leadership—diversity, competencies, years of service, experience across the DoD enterprise, etc.—DoD will identify what is required of current and future leaders and take steps to develop both the existing cadre and the critical pipeline.

Examples of measures to assess progress toward and achievement of this CHCSP goal are identified in Appendix D. In developing its CHCAS, DoD will systematically evaluate these proposed measures to determine if they will be accurate, effective, and cost beneficial indicators of success. DoD will track progress against its goals, measure results, and ensure compliance with merit system principles and related laws, rules, and regulations through risk-based assessment processes that use statistical analysis and periodic transactional audits to proactively identify compliance concerns.

Goal 2: Mission-Ready Workforce

The Department of Defense has a highly capable workforce characterized by agility, flexibility, diversity, and seamless integration with the Total Force.

The Department must constantly review and evaluate the make-up of its workforce to ensure success in meeting mission requirements. Not only must the right people be available to do the job, but a system must also be in place to ensure that, as conditions or missions change, the civilian workforce is fully competent and ready to meet the challenge.

Workforce planning includes determining the best structure to provide optimal results at mission-acceptable levels of timeliness and cost, while ensuring quality human capital availability. It also entails cross-component and DoD-wide initiatives to align human capital plans with operational plans, develop competency models, and conduct forecasting to ensure human capital readiness. These efforts will be focused, first and foremost, on responding to real-world pressures that impact DoD—the global war on terror, complex joint operations and national security requirements, and the warfighting mission. Other considerations impacting effective workforce planning include:

- Budget constraints.
- Total Force management, including military to civilian conversions and coordination across components, military, and reserve forces.
- Emerging workforce planning and forecasting tools.
- Labor market changes, including the aging workforce, regional market conditions, and challenges to obtain “in-demand” skill sets.
- Continuity for at-risk occupations.
- Competency gaps.
- Competitive sourcing, joint services initiatives, and Base Realignment and Closure (BRAC).

In addition to managing NSPS as a key transformation tool, DoD faces other significant challenges in molding a responsive workforce. In support of the DoD mission, the demands on the civilian workforce are shifting to focus on such things as:

- Virtual combat support.

- Maintenance of global networks.
- Coordination across DoD Components.
- Oversight of a growing number of contractors.
- Increasing civilian deployments.
- Support for natural disasters.
- Coordination across multi-national coalitions.

These workforce challenges must be met in a wartime and natural disaster-challenged economy that forces difficult budget decisions. In addition, there is the ongoing BRAC program that creates an opportunity to restructure and redeploy the workforce to support the mission, but also generates uncertainty in the existing workforce. The challenges for recruiting, retaining, and realigning critical talent are greater than ever in this environment—DoD must brand itself as an employer of choice so that highly qualified civilian personnel can be recruited and retained in this competitive labor market. Further, DoD must ensure that it hires and retains a diverse workforce that reflects the U.S. workforce in comparable occupations.

As mentioned in Goal 1, the QDR HCS has defined the need for a competency-based occupational planning framework and a performance-based human capital management structure. These structures are integral to the evolving capabilities-based planning process that identifies, organizes, and prioritizes cross-DoD activities and processes needed to meet warfighting requirements and execute DoD strategy.

Goal 2 of the CHCSP and its supporting objectives are fully aligned with the OUSD(P&R) Strategic Plan (April 2006) goals, specifically:

- **Goal 3:** Implement the NSPS and ensure that it is flexible, agile, credible, trusted, and fiscally sound.
- **Goal 4:** Ensure the Department systematically plans and forecasts workforce requirements to support the DoD mission with a trained and ready civilian force.
- **Goal 5:** Ensure that DoD's civilian workforce is capable, high-performing, results-oriented, and richly diverse as America itself.
- **Goal 9:** Enhance quality of life for the Total Force and support military members, their families, and retirees across the full human resource life cycle.
- **Goal 11:** Provide appropriate education, training, and development of the Total Force to meet joint coalition/international mission requirements.
- **Goal 12:** Support the readiness of the Total Force for peacetime, contingency, crisis, and warfighting and post conflict stability operations.
- **Goal 14:** Reduce injuries for our civilian employees and military members and aviation mishaps.



Objectives:

- Objective 2.1** Review and refresh mission critical and mission support occupations, and evaluate current and future demands, to ensure continuity of a diverse, mission-oriented workforce.
- Objective 2.2** Develop a competency-based approach to determine and fulfill requirements for the civilian workforce to support the national defense in a joint environment and accomplish DoD's unique mission.
- Objective 2.3** Assess and close competency gaps.
- Objective 2.4** Using new authorities under NSPS, design and implement flexible human resource programs that enhance the ability to recruit, hire, compensate, reassign, and deploy the civilian workforce. This new flexibility will ensure agility, readiness, and effective joint operations.
- Objective 2.5** Become an employer of choice through policies, programs, and initiatives fostering professional development (aligned with the goals of the Strategic Plan for transforming DoD training) and promoting work life balance opportunities.

Never before have the challenges facing DoD been greater as it pushes the edge of civil service reform by creating processes and competency frameworks that support a Total Force operational environment. DoD will carefully monitor its progress in molding an integrated civilian workforce. This monitoring will be done by assessing the effectiveness of recruitment, retention, development, worklife, and workforce management strategies and systems in closing mission critical competency gaps—ensuring the right people, at the right place, at the right time. Furthermore, DoD will be alert to unintended consequences that arise in undertaking these ambitious efforts. In addition to the extensive NSPS program evaluation measures, DoD will track other critical measures to ensure an agile, diverse, and mission-ready civilian workforce.



Goal 3: Results-Oriented Performance Culture

The Department of Defense has a mission-focused, results-oriented, high-performing culture.

In May 2001, President Bush stated his vision for the transformation of the Department of Defense into a “force that is defined less by size and more by mobility and swiftness, one that is easier to deploy and sustain, one that relies on stealth, precision weaponry and information technologies.” Secretary of Defense Donald Rumsfeld expanded that vision stating that the Department must transform “the way we think, the way we train, the way we exercise, and the way we fight.”

While Goal 2 addresses the capabilities of the civilian workforce, Goal 3 addresses the focus and performance of the workforce. Building a mission-focused, results-oriented, and high-performing workforce requires a shift in the performance culture of DoD. NSPS is designed to create a results-oriented performance culture in which the performance and contributions of the DoD civilian workforce are fairly recognized and rewarded, while maintaining merit system principles. NSPS provides the Department the authority to change the way DoD civilians are hired, evaluated, compensated, and disciplined.

In addition to the creation of NSPS, DoD continues efforts to increase the effectiveness of its workforce through clear linkage of individual performance objectives with the mission and goals of the Department. Civilian employees at all levels will be held accountable for the results of their work, shifting the culture to recognize the value and impact of each individual on the performance of the entire agency. The resulting mission-focused, results-oriented, and high-performing workforce will have the capability to perform, as well as the direction, motivation, and focus to meet any challenge in achieving DoD’s mission.

Goal 3 of the CHCSP and its supporting objectives are fully aligned with the OUSD(P&R) Strategic Plan (April 2006) goals, specifically:

- **Goal 3:** Implement the NSPS and ensure that it is flexible, agile, credible, trusted, and fiscally sound.
- **Goal 5:** Ensure that DoD’s civilian workforce is capable, high-performing, results-oriented, and richly diverse as America itself.
- **Goal 7:** Integrate the active and reserve military, civilian employees, and support contractors into a diverse, cohesive Total Force and a rapidly tailorable joint force structure.

- **Goal 15:** Promote an environment that is supportive, respectful, and harassment free to get the most out of each individual.
- **Goal 16:** Inform and educate U.S. citizens worldwide of their right to vote; foster voting participation; protect the integrity of, and enhance the electoral process at the Federal, State, and local levels; and promote effectiveness and efficiency in the administration of the Uniformed and Overseas Citizens Absentee Voting Act.

Objectives:

- Objective 3.1** Implement a mission-focused performance system that links individual performance to organizational goals, cascading down into the organizations from DoD leadership goals and performance plans.
- Objective 3.2** Strengthen the linkage between performance and compensation and between performance and retention.
- Objective 3.3** Design and implement human capital policies and programs, including diversity management and working with employee organizations to enhance workforce performance.

Successful integration of the civilian workforce is dependent upon DoD's implementation of effective performance management—its ability to link individual performance at all levels throughout DoD to well-defined and articulated organizational goals. As noted earlier, this change is extensive, given the size and complexity of the Department. As mentioned in Goal 2, it will be critical for DoD to monitor progress in creating and implementing an effective performance management and accountability system.



Goal 4: Enterprise HR Support

The Department of Defense civilian HR community is strategically aligned and customer-focused, and provides measurable, leading-edge results.

In order to effectively implement the goals and objectives outlined in this CHCSP and support civilian workforce transformation focused on QDR priorities, new and increased demands will be made of DoD HR professionals. They will need to be competent, well-trained, and well-equipped with effective tools and processes to meet the expectations of a joint and integrated environment. The roles and responsibilities of these professionals do not and will not look like they have in the past. HR professionals must rely on technology solutions for transactional processing and become capable of developing human capital strategies and business-oriented solutions using more flexible management tools such as NSPS. As a result, this goal focuses on developing new HR competencies and business processes to drive the achievement of CHCSP goals and ensure a civilian workforce fully prepared to support the DoD mission.

DoD acknowledges and supports its role as a Shared Service Center provider in the government-wide Human Resources Line of Business Initiative (HR LOB). DoD is actively engaging in development of all HR LOB Federal Enterprise Architecture components, enabling Federal-wide, standardized HR measures and processes. By standardizing performance goals (and subsequently defining and evaluating relevant metrics and aligning measures to outcomes), compliance with the Federal Enterprise Architecture guidance, as well as support of the OPM's Human Capital Assessment and Accountability Framework (HCAAF) objectives, will be ensured.

Goal 4 of the CHCSP and its supporting objectives are fully aligned with the OUSD(P&R) Strategic Plan (April 2006) goals, specifically:

- **Goal 6:** Provide a DoD HR community that is strategically aligned and customer-focused, and provides measurable, leading-edge results.

Objectives:

Objective 4.1 Assess current and future demands to ensure appropriate on-board strength of HR workforce.

Objective 4.2 Develop a competency-based approach to determine and fulfill requirements for the HR workforce to support the national defense in a joint environment and accomplish DoD's unique mission.

Objective 4.3 Assess and close competency gaps.

Objective 4.4 Evaluate HR business processes to provide the best HR service delivery, ensuring maximum efficiency and effectiveness in a joint environment.

As for each of the other CHCSP Goals, this goal will require careful monitoring of progress and outcome measures to ensure an effective HR and human capital function, supported by qualified professionals fully aligned with DoD priorities.



Conclusion

DoD's Civilian Human Capital Strategic Plan is designed to meet the realities of evolving technology and globalization, joint operations, new national security requirements, and a rapidly changing workforce. DoD's strong commitment is to develop a capable, agile civilian workforce, fully aligned with the Department's mission and strategic objectives. The civilian workforce must be in full support of the warfighter, and continue to function as an integrated part of the Total Force. Alignment of civilian human capital strategies across DoD Components is a critical ongoing task. Civilian HR strategies must emphasize a future force specifically balanced for success. Transformation requires continual identification and development of leaders, establishment of competency models, and closure of competency gaps. NSPS will be central to improving the performance of organizations and individuals to meet mission requirements.

A consistent practice of accountability and assessment must be maintained to effectively measure the results of this plan. To that end, the Department's Civilian Human Capital Accountability System will measure progress against the goals, assess employee perceptions, and ensure regulatory compliance. The CHCAS will provide critical, metric-based feedback to future strategic planning, enabling DoD to adjust and revise these CHCSP goals based on measurable results and to ensure that human capital policies, programs, and practices further the vitally important mission of the Department of Defense.

To effectively respond to the global landscape of the 21st Century, DoD must be a world-class employer. We must recruit, manage, develop, and retain the best and the brightest in order to achieve the national defense mission. This Plan is the framework we will use to transform the civilian workforce, optimize our capabilities, and prepare for new challenges in a rapidly changing world.



Appendix A

Strategic Environment



The Civilian Human Capital Strategic Plan (CHCSP) has been created to address the future force demands of the Department of Defense (DoD) within a challenging strategic environment. It is important to note that many of these challenges are unique to DoD and increase the risk in implementing a Department-wide strategy.

Size and Complexity of the Departmental Workforce

DoD is comprised of one of the largest workforces in the world. Consisting of more than three million people across multiple organizations and agencies, it includes active duty enlisted (38 percent), active duty officers (7 percent), civilian (21 percent), selected reserve enlisted (22 percent), selected reserve officers (4 percent), Individual Ready Reserve/Inactive National Guard (IRR/ING) enlisted (7 percent), and IRR/ING officers (1 percent).

Beyond its massive size, the Department consists of Components (each larger than the typical Federal cabinet agency) and numerous organizations chartered to support specific warfighting needs and capabilities. Specialized commands integrate capabilities across Components, foster agility and joint operations, and potentially contribute to increased organizational complexity. In addition, the Department is supported by private sector contractors and organizations, and other government agencies and nations.

Aligning the CHCSP with the NDS, QDR, HCS, and OUSD(P&R) Strategic Plan (April 2006)

The 2006 Quadrennial Defense Review (QDR) Report builds on the 2005 National Defense Strategy (NDS) and identifies four priority areas to operationalize the NDS.³ The DoD mission, the four major areas of the NDS, and the four QDR priority areas are noted in figure A1 on page A-2.

The National Military Strategy (NMS) presents three principles to achieve the objectives laid out in the NDS. These principles are decisiveness, integration, and agility: maintaining a force capable of decisive effects; integrating the Joint Total Force; and enhancing agility to contend with uncertainty.

³ Quadrennial Defense Review Report, February 6, 2006, p. 19.

Mission:

- To defend the United States.
- To deter aggression and coercion forward in critical regions.
- To swiftly defeat aggression in overlapping major conflicts.
- To conduct a limited number of smaller scale contingency operations.

Areas of National Defense Strategy:

- Weapons of Mass Destruction
- Homeland Defense
- Global War on Terrorism
- Spreading Democracy

QDR Priority Areas:

1. Defeating terrorist networks.
2. Defending the homeland in depth.
3. Shaping the choices of countries at strategic crossroads.
4. Preventing hostile states and non-state actors from acquiring or using weapons of mass destruction.

OUSD(P&R) Mission:

Ensure human resources are recruited, trained, capable, motivated, and ready to support the DoD mission so that the Department remains capable of responding to the broad continuum of emergency threats, both now and in the future.

Figure A1. Mission, National Defense Strategy, and Quadrennial Defense Review Priorities.

One of the critical elements of the 2006 QDR is DoD's Human Capital Strategy (HCS), discussed in the QDR section entitled, "Developing a 21st Century Total Force."⁴ The HCS provides overarching direction and guidance for the effective and efficient management of the total DoD workforce across the Total Force—active, reserve, civilian, and contractor. In combination with the National Security Personnel System (NSPS) and similar reforms, the HCS will enable the transformation of the Total Force by providing a foundation for a coherent, analytically sound, integrated, forward looking personnel management and man-power system supported by robust technology.

The pressures to develop and implement an integrated HCS are increasing as never before. Technology and globalization, joint operations involving all components of the Total Force, and complex national security requirements (e.g., terrorism, homeland defense, weapons of mass destruction, strategic diplomacy, multi-national coalitions, and interagency partnerships, etc.) all point to the need for a highly flexible, lean, and

⁴ Quadrennial Defense Review Report, February 6, 2006.



adaptive workforce and adjustable work processes. The transition to Total Force management is critical to this transformation, enabling a linkage of human capital strategies to operational strategies to support the warfighter in achieving the DoD mission. Further, the HCS outlines three strategic initiatives to achieve these objectives, stating that DoD will develop and implement:

- A **competency-based occupational planning system** to describe work and workers.
- An **enhanced performance-based management system** that uses metrics to evaluate the strengths and weaknesses of DoD organizations and individuals.
- Enhanced **opportunities for personal and professional growth** to provide better access to programs that support the strategic objectives, particularly for civilian employees.

Successful refinement and implementation of a DoD-wide HCS will require central oversight by the Office of the Secretary of Defense (OSD) and will benefit from the appointment of the Program Executive Officer (PEO) reporting directly to the Deputy Secretary of Defense. The PEO will be supported by an Overarching Integrated Product Team in developing and piloting the competency-based occupational planning system.

A critical strategy and process for workforce transformation, impacting both civilian and military forces, is Base Realignment and Closure (BRAC), the congressionally authorized process DoD uses to reorganize its base structure to more efficiently and effectively support forces, increase operational readiness, and facilitate new ways of doing business. In 2005, DoD initiated the largest BRAC process in history, right-sizing the U.S. military infrastructure to meet future national defense and security needs. BRAC 2005 is dramatically different from previous years, as much of the excess capacity today is more fragmented and often in the form of underused facilities, suggesting the need to share facilities to achieve savings. Joint basing—selecting the appropriate organizations from two or more services to share facilities in the right location—is a trend consistent with the Department’s emphasis on jointness and can significantly improve combat effectiveness while reducing costs. BRAC 2005 will enable the U.S. military to better match facilities to forces, meet the threats and challenges of a new century, and make the wisest use of limited defense dollars.⁵

Aligning the CHCSP with the OUSD(P&R) Strategic Plan (April 2006)

The Office of the Under Secretary of Defense for Personnel and Readiness (OUSD(P&R)) Strategic Plan for Fiscal Years (FYs) 2006-2011 (April 2006) serves as a key driver for the goals found in the CHCSP.

Goal 1 of the CHCSP, World Class Enterprise Leaders, relates to the following goals in the OUSD(P&R) Strategic Plan:

⁵ BRAC Website: <http://www.defenselink.mil/brac/faqs001.html>.

- **Goal 4:** Ensure the Department systematically plans and forecasts workforce requirements to support the DoD mission with a trained and ready civilian force.
- **Goal 5:** Ensure that DoD's civilian workforce is capable, high-performing, results-oriented, and richly diverse as America itself.
- **Goal 11:** Provide appropriate education, training, and development of the Total Force to meet joint coalition/international mission requirements.
- **Goal 15:** Promote an environment that is supportive, respectful, and harassment free to get the most out of each individual.

Goal 2 of the CHCSP, Mission-Ready Workforce, relates to the following goals in the OUSD(P&R) Strategic Plan:

- **Goal 3:** Implement the NSPS and ensure that it is flexible, agile, credible, trusted, and fiscally sound.
- **Goal 4:** Ensure the Department systematically plans and forecasts workforce requirements to support the DoD mission with a trained and ready civilian force.
- **Goal 5:** Ensure that DoD's civilian workforce is capable, high-performing, results-oriented, and richly diverse as America itself.
- **Goal 9:** Enhance quality of life for the Total Force and support military members, their families, and retirees across the full human resource life cycle.
- **Goal 11:** Provide appropriate education, training, and development of the Total Force to meet joint coalition/international mission requirements.
- **Goal 12:** Support the readiness of the Total Force for peacetime, contingency, crisis, and warfighting and post conflict stability operations.
- **Goal 14:** Reduce injuries for our civilian employees and military members and aviation mishaps.

Goal 3 of the CHCSP, Results-Oriented Performance Culture, relates to the following goals in the OUSD(P&R) Strategic Plan:

- **Goal 3:** Implement the NSPS and ensure that it is flexible, agile, credible, trusted, and fiscally sound.
- **Goal 5:** Ensure that DoD's civilian workforce is capable, high-performing, results-oriented, and richly diverse as America itself.
- **Goal 7:** Integrate the active and reserve military, civilian employees, and support contractors into a diverse, cohesive Total Force and a rapidly tailorable joint force structure.



- **Goal 15:** Promote an environment that is supportive, respectful, and harassment free to get the most out of each individual.
- **Goal 16:** Inform and educate U.S. citizens worldwide of their right to vote; foster voting participation; protect the integrity of, and enhance, the electoral process at the Federal, State, and local levels; and promote effectiveness and efficiency in the administration of the Uniformed and Overseas Citizens Absentee Voting Act.

Goal 4 of the CHCSP, Enterprise HR Support, relates to the following goal in the OUSD(P&R) Strategic Plan:

- **Goal 6:** Provide a DoD HR community that is strategically aligned and customer-focused, and provides measurable, leading-edge results.

Addressing Statutory Requirements

Section 1122 of the FY 2006 National Defense Authorization Act (signed into Public Law 109-163 on January 6, 2006) requires the Secretary of Defense to develop and submit to the Committees on Armed Services of the Senate and House of Representatives a strategic human capital plan to shape and improve the civilian employee workforce. The plan must include an assessment of the critical skills and competencies needed by the civilian employee workforce to support current and future national security requirements, projected trends in the workforce based on expected losses due to retirement and other attrition, and a detailed plan of action for developing and reshaping the civilian workforce to address current and projected gaps in critical skills and competencies. Section 1122 also requires DoD to provide annual updates from 2007 to 2010 that include assessments, using results-oriented performance measures, to document DoD's progress.

Implementing the National Security Personnel System

Section 1101 of the FY 2004 National Defense Authorization Act (signed into Public Law 108-135 on November 24, 2003) authorized the Secretary of Defense to establish the National Security Personnel System. Affording the Department a means to transform the personnel system for civilian DoD workers, implementation of NSPS is essential to the Department's efforts to create an environment in which the Total Force functions and operates as one cohesive unit around the world in every time zone, every day. Representing landmark reforms, the implementation of NSPS is a key tool in the execution of the civilian human capital strategy. Expanding DoD's ability to hire more quickly and offer competitive salaries and compensating employees based on their performance and contribution to the mission will increase our ability to attract and retain a diverse, high-performing, and agile workforce. As such, discrete aspects of NSPS will emerge as objectives in support of CHCSP goals as the implementation process continues.

Integrating Enterprise and Component Human Capital Requirements

In implementing the CHCSP, attention must be given to addressing Department-wide and Component needs simultaneously, and to clarifying roles and responsibilities. As stated in the HCS, “Components will remain responsible for their unique strengths and cultures, but Department-wide integration and orchestration of specific and common talents are required to obtain the best-value solution and enhance core competencies.”⁶ Dispersion of responsibility in a huge, complex Department demands active, frequent communication. It requires consensus building for policies and programs that will benefit from a joint approach, without harming or causing unintended consequences for Defense Components.

The alignment of civilian human capital strategies across DoD Components is a critical first step—and it is not a small one. To be effective, it must be more than a paper exercise. It must be a dialog across the civilian human capital management community to identify the human capital objectives that must be aligned, consistently measured, and monitored as part of a civilian human capital accountability system. Strategies must be implemented—leaders identified and developed, competency models established, competency gaps closed, workforce analysis automated—all at a time when fiscal and human resources are stretched thin due to support for the war effort and recent natural disasters, the rollout of NSPS, and implementation of BRAC. It will be critical for the civilian human capital community to work together to prioritize these strategies in a way that meets the mission requirements.

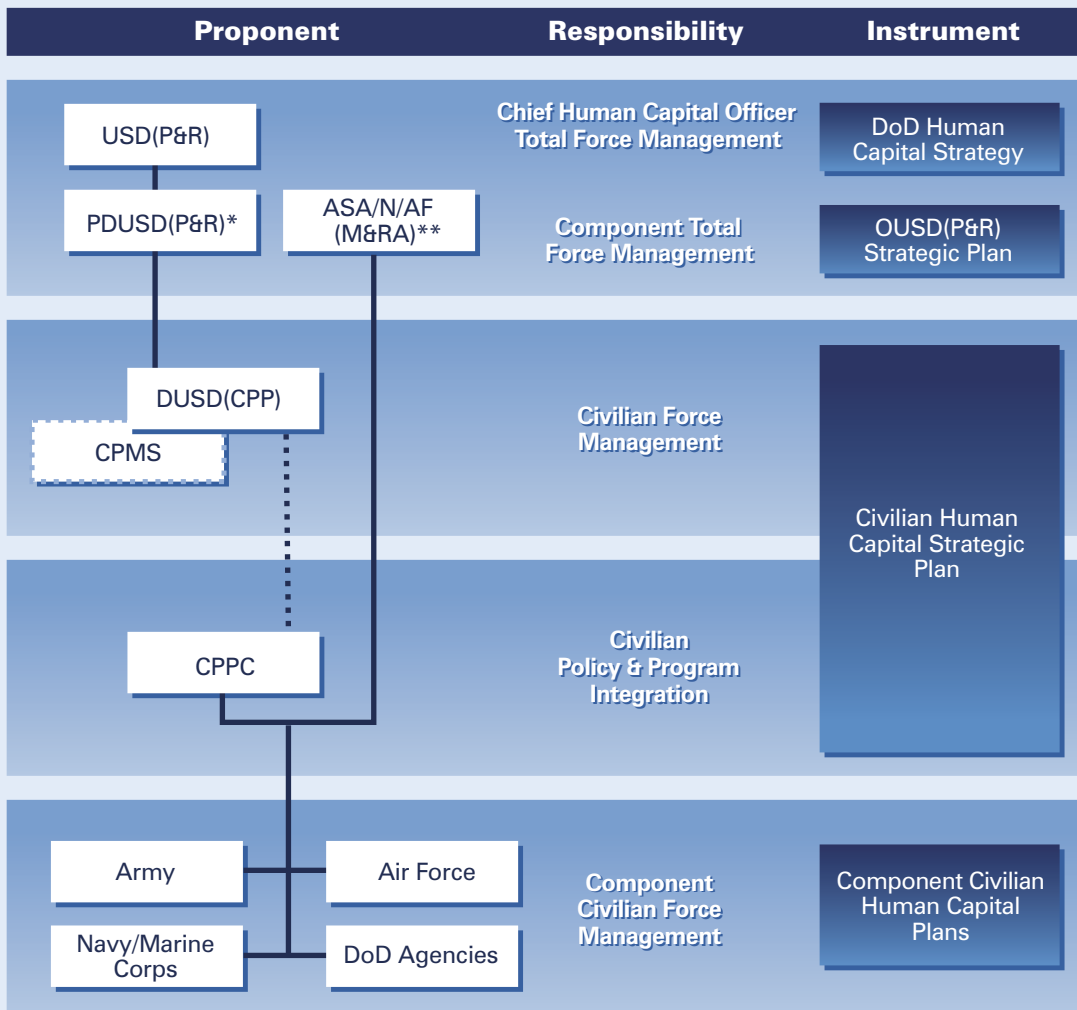
⁶ HCS, March 2006, p. 5.



Appendix B

Joint Roles and Responsibilities

Figure B1 shows how the Civilian Human Capital Strategic Plan (CHCSP) will align with the Department of Defense (DoD) Human Capital Strategy (HCS), as implemented through the Office of the Under Secretary of Defense for Personnel and Readiness (OUSD(P&R)) Strategic Plan for Fiscal Years (FYs) 2006-2011 (April 2006), and how the component human capital plans will align with the CHCSP. Figure B1 also indicates ownership for these strategic processes and documents.



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Figure B1. Aligning Human Capital Strategies.

Chief Human Capital Officer. The Under Secretary of Defense for Personnel and Readiness (USD(P&R)) serves as the Chief Human Capital Officer (CHCO) in support of strategic management of human capital for the Department. The CHCO is responsible for developing policies, plans, and programs to ensure the readiness of the force as well as the efficient and effective support of peacetime operations and contingency planning and preparedness. The OUSD(P&R) Strategic Plan (April 2006) implements the Department's HCS, the foundation for the CHCSP.

Deputy Under Secretary of Defense for Civilian Personnel Policy. The Deputy Under Secretary of Defense for Civilian Personnel Policy (DUSD(CPP)) is charged with providing corporate level leadership in civilian human resources (HR) and serves as the focal point for civilian HR policy for the Department. The DUSD(CPP) effectively, efficiently, and humanely develops, manages, and is accountable for HR strategies, plans, policies, and programs for the civilian workforce. The DUSD(CPP) is charged with management, implementation oversight, and senior coordination of the CHCSP.

Civilian Personnel Management Service. As an extension of the Office of the DUSD(CPP), the Civilian Personnel Management Service (CPMS) facilitates the development of policy, guidance, and programs for all aspects of civilian personnel management for the Department. CPMS also provides HR support, information, technical advice, assistance, and related research, coordinates across components, and supports strategic human capital management within the Department. CPMS leads selected CHCSP efforts, coordinates CHCSP initiatives with components and with the Office of Personnel Management (OPM), and collects and reports information on CHCSP status and measurement.

Civilian Personnel Policy Council. The Civilian Personnel Policy Council (CPPC) is chaired by the DUSD(CPP). Its membership consists of senior leaders of the Components' civilian human capital community. It is the responsibility of the CPPC to ensure that the CHCSP codifies a meaningful commitment to the delivery of a DoD-wide civilian human capital strategy (outlined in CHCSP goals and objectives). It is also the responsibility of the CPPC to ensure that the CHCSP is supported by a well-considered Implementation Plan that outlines actions, timelines, and measures to which all are committed to achieving. The Implementation Plan is likewise supported by an accountability system that ensures ongoing monitoring of measures and assessment of accomplishments and merit system compliance.

Finally, the CPPC will ensure that component civilian human capital plans are aligned with the goals and objectives of the DoD CHCSP and will promote sharing of knowledge, information, and resources across organization lines in a results-oriented, cost-effective manner. It is the vision of the CPPC, as shown in figure B2, that the DoD civilian workforce uphold the National Military Strategy principles by developing world class enterprise leaders and by building a mission-ready workforce and a results-oriented performance culture.





Figure B2. CPPC Vision for the Civilian Workforce.

Leaders, Managers, and Supervisors. Leaders, managers, and supervisors disseminate goals for the CHCSP and promote a shared vision of what is expected and what needs to be accomplished with continuous status and feedback. They develop work plans that cascade throughout their organizations that ultimately reflect the goals of the CHCSP.


Employees. Employees develop a clear understanding of the overall CHCSP goals and focus on the specific role each individual plays to help achieve these goals through application of their individual work plans.

HR Community. The HR community is crucial to ensuring the implementation of CHCSP goals, in order to support and realize the Department’s mission. Acting as change agents, HR specialists constitute an aggressive leadership team, providing products and services that lead to increased customer satisfaction and strong mission performance. By measuring progress against the CHCSP goals, the HR community devises or revises human capital policies, programs, services, and initiatives to result in a stronger leadership corps, a mission-ready workforce, and organizations and systems that promote exceptional performance.



Appendix C

Building a Case for a Consolidated Civilian Human Capital Strategic Plan



In addition to the evolving requirements of a Department-wide Human Capital Strategy (HCS), the Department of Defense (DoD) civilian human capital management community faces additional pressures to conduct consolidated human capital planning and management for the civilian workforce. These pressures come from several key stakeholders:

1. In 2002, the President's Management Agenda (PMA) identified the Strategic Management of Human Capital as one of the five government-wide initiatives. In the same year, the Office of Management and Budget (OMB), the Office of Personnel Management (OPM), and the Government Accountability Office (GAO) consolidated human capital guidance into one framework—the Human Capital Assessment and Accountability Framework (HCAAF).
2. In support of the PMA, the Chief Human Capital Officers Act of 2002 (CHCO Act) establishes CHCOs to advise and assist leadership in carrying out the responsibilities for selecting, developing, and managing a high-quality, productive workforce.
3. In September 2005, HCAAF was revised to more clearly define five human capital management systems and a set of government-wide required outcome metrics to be included in Federal Departments' strategic human capital plans. HCAAF also includes a requirement for an OPM-approved human capital accountability system to support the achievement of goals defined in the strategic human capital plans.
4. In Fiscal Year (FY) 2006, HCAAF and its supporting Practitioners' Guide will be referenced in proposed regulations. The required outcome metrics will influence the PMA scorecard issued by OMB.

5. Section 1122 of the FY 2006 National Defense Authorization Act (signed into Public Law 109-163 on January 6, 2006) requires the Secretary of Defense to develop and submit to the Committees on Armed Services of the Senate and House of Representatives a strategic human capital plan to shape and improve the civilian employee workforce. The plan must include an assessment of the critical skills and competencies needed by the civilian employee workforce to support current and future national security requirements, projected trends in the workforce based on expected losses due to retirement and other attrition, and a detailed plan of action for developing and reshaping the civilian workforce to address current and projected gaps in critical skills and competencies. Section 1122 also requires DoD to provide annual updates from 2007 to 2010 that include assessments, using results-oriented performance measures, to document DoD's progress.

Combined, the internal focus on the DoD HCS and the external stakeholder requirements for consolidated reporting create a powerful impetus for the civilian human capital community, in partnership with the Department's senior leaders, to establish the goals, objectives, and metrics defined in its Civilian Human Capital Strategic Plan (CHCSP). The CHCSP will provide the high-level structure to the implementation of the HCS with regard to the civilian workforce.



Appendix D

Proposed Measures

The following tables provide examples of measures that may be used to assess progress toward and achievement of each of the Civilian Human Capital Strategic Plan (CHCSP) goals, in support of the Quadrennial Defense Review (QDR) Report priorities. In developing its Civilian Human Capital Accountability System (CHCAS), the Department of Defense (DoD) will systematically evaluate these proposed measures to determine if they will be accurate, effective, and cost beneficial indicators of success. Accordingly, some of the measures noted below may be eliminated and others added.

Noted in **bold blue font** are measures consistent with the Office of Personnel Management (OPM) government-wide Required Outcome Measures

Goal 1 Tracking Measures (Quarterly Reporting)	Goal 1 Outcome Measures (Annual Reporting)
<ul style="list-style-type: none"> ■ Attrition/quit rates (leaving DoD) ■ Internal transfer rates (within DoD) ■ Retention beyond retirement eligibility ■ Time to hire ■ Current workforce Race and National Origin (RNO) data ■ New-hire RNO data <p>Future Measures</p> <ul style="list-style-type: none"> ■ Training taken; dollars invested, number of courses, number of hours 	<ul style="list-style-type: none"> ■ Acceptable rate of attrition (within a predefined range) ■ Acceptable rate of internal movement (within a predefined range) ■ Acceptable level of retention (within a predefined range) ■ Decrease in fill time for leadership positions (attainment of predetermined target) ■ Improvement in RNO posture of leadership cadre ■ Employee perception survey score [attainment of predetermined score for specified portions of the survey instrument(s)] <p>Future Measures</p> <ul style="list-style-type: none"> ■ Correlation between training and promotions/appraisals/awards ■ Competency gaps assessed ■ Competency gaps closed

Goal 2 Tracking Measures (Quarterly Reporting)

- Attrition/quit rates (leaving DoD)
- Internal transfer rates (within DoD)
- Turnover of new hires (6-12 months)
- Retention beyond retirement eligibility
- Time to hire
- Current workforce RNO data
- New-hire RNO data
- Use of Recruitment, Retention, and Relocation (3Rs); correlation with retention
- Proportion of workforce participating in alternate work schedules, telecommuting, job-sharing opportunities

Future Measures

- Training taken; dollars invested, number of courses, number of hours

Goal 2 Outcome Measures (Annual Reporting)

- Acceptable rate of attrition (within a predefined range)
- Acceptable rate of internal movement (within a predefined range)
- Acceptable level of new-hire turnover (within a predefined range)
- Acceptable level of retention beyond retirement eligibility (within a predefined range)
- Decrease in fill time (attainment of predetermined target)
- Improvement in RNO posture of workforce
- **Positive trend in employee perception survey scores [for specified portions of the survey instrument(s)]**
- Correlation between use of 3Rs and retention
- Positive trend in workforce participation in flexible work schedules
- Acceptable percentage of workforce participating in telecommuting program (predetermined range)
- Positive trend in workforce participation in job-sharing

Future Measures

- Correlation between training and performance ratings, promotions, and awards
- Correlation between training and retention
- Competency gaps assessed
- **Competency gaps closed**



Goal 3 Tracking Measures (Quarterly Reporting)

- Proportion of workforce receiving annual performance ratings

NSPS Related Measures

- Proportion of employees and managers completing National Security Personnel System (NSPS) training [Human Resources (HR); Labor Relations (LR); performance management; Specific, Measurable, Achievable, Realistic, Timely (SMART); etc.]

Goal 3 Outcome Measures (Annual Reporting)

- Acceptable percentage of workforce receiving annual performance rating (predetermined percentage)
- Acceptable percentage of budget expended for performance awards (within predetermined range)
- **Correlation between pay and performance rating**
- **Correlation between awards and performance rating**
- **Correlation between total compensation and performance rating**
- **Positive trend in employee perception survey scores [for specified portions of the survey instrument(s)]**

NSPS Related Measures

- Percentage of workforce completing appropriate NSPS training (as specified for leaders, managers, supervisors, and employees)
- Acceptable level of funds expended on pay pool pay outs
- **Correlation between annual performance rating and salary (NSPS)**

Future Measures

- Trends in employee discrimination complaints and other grievances

Goal 4 Tracking Measures (Quarterly Reporting)

- On-board number of HR professionals
- Attrition/quit rates for HR workforce (leaving DoD)
- Turnover of new HR hires (6-12 months)
- Retention beyond retirement eligibility for HR workforce

Future Measures

- Training taken; dollars invested, number of courses, number of hours

Goal 4 Outcome Measures (Annual Reporting)

- Attainment of desirable staffing ratio (within predetermined range)
- Acceptable rate of attrition for the HR workforce (within a predefined range)
- Acceptable level of new-hire turnover for the HR workforce (within a predefined range)
- Acceptable level of retention beyond retirement eligibility for the HR workforce (within a predefined range)
- Customer satisfaction survey results (scores are in predetermined acceptable range)

Future Measures

- Correlation between training and performance ratings, promotions, and awards
- Correlation between training and retention
- Competency gaps assessed
- **Competency gaps closed**







Department of Defense

