

**NOT FOR PUBLICATION
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SENATE ARMED SERVICES COMMITTEE**

**STATEMENT OF
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CHIEF OF NAVAL PERSONNEL
AND
DEPUTY CHIEF OF NAVAL OPERATIONS
(MANPOWER, PERSONNEL, TRAINING & EDUCATION)
BEFORE THE
SUBCOMMITTEE ON PERSONNEL
OF THE
SENATE ARMED SERVICES COMMITTEE
ON
PERSONNEL POSTURE
APRIL 27, 2022**

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INTRODUCTION

Chairwoman Gillibrand, Ranking Member Tillis, and distinguished Members of the Personnel Subcommittee, thank you for the opportunity to appear before you today to discuss 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 (CNO) 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 our personnel programs and policies to help attract, develop, and manage the most talented and diverse workforce possible.

ATTRACTING TALENT

MyNavy HR is dedicated to attracting the best talent our nation has to offer. We have improved the efficiency of our recruiting organization through realignment, transformation, workforce improvements, and policy changes. Our digital Forged by the Sea marketing and advertising campaign targets diverse high quality recruits, whose online media consumption has continued to increase. However, as COVID-19 transitions from a pandemic to endemic, we are beginning to witness an increased competition for talent. In March 2022, the unemployment rate dropped to 3.6 percent while wages continue to grow. 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. The COVID-19 recession had strikingly different economic effects from other U.S. recessions with marked differences in depth, duration, types of sectors and workers affected as well as the policy response. While lessons learned from the endemic are ongoing, we are mindful that insights gleaned from previous recessions may not shed light on our current recruiting and retention environment. We consistently monitor economic conditions and reassess the important role they play 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 to entry and improving the diversity of our Navy. We are reshaping efforts to better address underrepresented groups, refining strategies to drill down to generational interests and behavior, and leveraging a whole-person concept in all recruiting and accessions efforts. For Fiscal Year (FY) 2021, MyNavy HR achieved 100 percent 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). COVID-19 continued to affect our recruiters' ability to leverage in-person events, reduced access to high school students and in-person traffic to recruiting stations. As a result, national advertising remains critical to the mission for awareness and lead generation. MyNavy HR deployed a cloud-based enterprise Customer Relationship Management (eCRM) Mobile Application and augmented digital tools to assist recruiters with virtually engaging future Sailors and potential applicants. In addition to digital initiatives, MyNavy HR continued to leverage enlistment bonuses and other virtual tools.

The recruiting environment remains challenging to meet the FY22 AC and RC enlisted accession mission of 33,400 and 7,400, respectively. Youth propensity to serve in the military declined from 13 percent in 2018 to nine percent in 2021. Youth eligibility for service also remains low, with two percent of the target market being high academic quality, propensed to serve, and both medically and legally eligible to serve without a waiver. Competition for this talent has resulted in MyNavy HR contracting applicants into the Delayed Entry Program at a slower rate than shipping future Sailors to Recruit Training Command (RTC).

To improve the contract rate and better enable our recruiters, we are working towards expanding the eligible market and enhancing Navy's competitiveness. E-Talent Teams were established to engage the market virtually; driving interest in Navy careers while generating leads for recruiters to engage. The eCRM system continues to be updated, which will save recruiters time by minimizing their administrative workload, allowing them to focus on engaging with potential applicants. Additionally, MyNavy HR recently expanded waivers for tattoos, age restrictions, and Armed Forces Qualification Test score requirements. We also raised the enlistment bonus ceiling to \$50,000 and we are providing \$25,000 to all Future Sailors that ship before July 2022. Our marketing and advertising strategy continues to focus on the digital recruiting environment, highlighting real, authentic stories from actual Sailors addressing the barriers, concerns and key motivators to joining.

Officer Recruiting

Our commissioning programs through the United States Naval Academy (USNA), Naval Reserve Officers Training Corps (NROTC), and Officer Candidate School (OCS) continue to be popular. In FY21, MyNavy HR attained 99 percent of the AC (2,492 of 2,524) and 71 percent (941 of 1,319) of the RC officer mission. The primary challenge for the FY22 AC and RC officer mission of 2,468 and 1,350, respectively, is today's incredibly competitive labor market. To mitigate this challenge and improve opportunities for diverse officer candidates, MyNavy HR implemented a number of major initiatives:

- Junior Officer Diversity Outreach program partners with Unrestricted Line Officers (URLs) to share their Navy experiences with college students within underrepresented communities throughout the country.
- Baccalaureate Degree Completion Program provides financial incentives to college students to complete baccalaureate degree requirements and attend OCS to earn a commission.
- URL In-Service Procurement Program provides an officer commission pathway for active-duty enlisted personnel who meet eligibility criteria.

Additionally, the NROTC Preparatory Program (NPP) continues 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 continued to expand the program with 113 midshipmen candidates enrolled.

Finally, we established Broadened Opportunity for Officer Selection and Training (BOOST) 2.0, which uses available seats at the Naval Academy Preparatory School (NAPS) 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 began in AY 2021-2022 consisting of 10 candidates with seven on track to graduate. For AY 2022-2023 will select an additional 10 additional candidates to attend NAPS.

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. This career long learning continuum begins during initial accession training.

Accession Training

Accessions training is the first step of transforming civilians into highly skilled, operational, and combat-ready warfighters, while providing the tools and opportunities for continuous learning and development. Upon complete removal of Restriction of Movement operations in December 2021, RTC shifted from an eight to ten week Basic Military Training (BMT). The 10-week BMT provides additional Recruit Division Commander training time for focus on reps-and-sets in core competencies; extended time for recruits to prepare for the official Physical Fitness Assessment; and the addition of the 4th Phase/Sailor for Life curriculum, resulting in higher quality and better trained Sailors to the Fleet. When fully implemented, the 10-week BMT allows for increased focus on firefighting, damage control, and Auxiliary Security Force qualifications, fully preparing Sailors for duty in the Fleet on day one. MyNavy HR graduated the first training group of over 800 Sailors under the 10-week BMT on March 18, 2022.

Navy continues to instill toughness and resiliency in our Sailors through Warrior Toughness (WT), an evidence-based, holistic, individualized human performance skillset that strengthens the mental, physical, and spiritual toughness with a particular emphasis on the

pursuit of peak performance. This skillset is tested throughout the recruit's time in BMT, where they are able to cultivate success in a diverse environment, and push themselves to reach new levels of physical, mental, and spiritual toughness. At the end of the training, recruits harness tools developed through the WT transformation as they connect what they have learned at RTC to historical naval events and prepare to contribute to the mental, physical, and spiritual toughness of the Fleet. In addition to the WT curriculum, all enlisted Sailors complete Level 0 Familiarization firefighting training at RTC and are required to complete Level I Basic Ships and Submarines firefighting training before reporting to their first sea duty assignment. Sailors trained in firefighting and damage control on day one is a force multiplier for the warfighting effort and better prepares the Navy to prevent loss of ships or submarines due to fire and damage.

Navy Virtual Training Environments

Across the career continuum of training, Navy employs a variety of live, virtual, and constructive training environments to provide realistic training in a safe, non-operational environment. A good example of this during the accession phase is the Conning Officer Virtual Environment (COVE). COVE are ship-handling simulators utilized at OCS and NROTC units that are preloaded with standardized curricula that aligns with the officer Professional Core Competencies curriculum to ensure each student develops the basic essential skills needed to maneuver a United States Navy Warship. The detailed scenarios embedded into each unit reinforce the students' seamanship, navigation, and plotting skills.

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 determining and validating the current "what" and "when" of existing accession-level training, into 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 rating-specific training and leadership timelines. It also functions as an analytical tool to assess the master task list for each community's ratings, to help identify training gaps. Continuums are complete for four ratings: Yeoman (YN), Yeoman Submarine (YNS), Retail Services Specialist (RS), and Quartermaster (QM). Continuums for 10 ratings are currently in development: Operations Specialist (OS), Aviation Maintenance Administrationman (AZ), Personnel Specialist (PS), Logistics Specialist (LS), Logistics Specialist Submarine (LSS), Aircrew Survival Equipmentman (PR), Sonar Technician Surface (STG), Aviation Boatswain's Mate Launching and Recovery (ABE), Aviation Boatswain's Mate Fuels (ABF), and Aviation Boatswain's Mate Aircraft Handling (ABH).

Work on the Training Assessment Process is ongoing, solidifying the Fleet's role in both defining learning and performance requirements and validating analyses. The Type Commanders (TYCOM), 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.

Eight ratings are in modernized delivery as of FY21: Intelligence Specialist (IS), OS, QM, RS, PS, YN, YNS, and AZ. Additionally, 31 ratings are in the content conversion process with another nine ratings entering content conversion in FY22.

Education

Education has long been one of the key strengths of the naval profession and continues to be of critical importance for our future. As we stand on the horizon of employing a Fleet with new operating concepts and evolving capabilities, we need Sailors with diverse backgrounds, experiences, critical thinking skills, and the mental agility to operate across the spectrum of change that lies ahead. To accomplish this, we continue to leverage the United States Naval Community College (USNCC) and our voluntary education programs such as Tuition Assistance (TA) and the Navy College Program for Afloat College Education.

Navy successfully completed the first USNCC 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 FY22 National Defense Authorization Act (NDAA), and in collaboration with 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 is underway and will continue through FY23 with expanded enrollment for up to 3,000 active duty enlisted Sailors, Marines, and Coast Guardsmen. USNCC recently had 126 students successfully complete the first direct-taught Naval Studies Certificate course, Naval Ethics and Leadership. Upon completion of the Naval Studies Certificate program, these students will continue in one of 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 10,000 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 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 long-term 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 URL 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 our most talented officers are given the opportunity to take this educational pause to mature their strategic thinking skills.

Leader Development Continuum

Continuous world-class leader development at all levels is one of Navy's strategic advantages. The Naval Leadership and Ethics Center (NLEC) continues to support and build upon the Navy Leader Development Framework version 3.0 by offering leader development classes from E-4 to O-6. Key topics include self-awareness, ethical foundations, ethical decision-making, unconscious bias in decision-making, and emotional survival/toughness. Recently, Navy integrated senior enlisted leaders who are not assigned to a Command Master Chief billet as participants in the Senior Leader Course. This 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 continues to grow rapidly and receives extremely positive feedback. 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, Navy 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 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. Navy continues 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, which they discuss the cognitive biases that may come into play during each scenario and practice techniques to mitigate these biases. In addition, the tenets of WT were 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 one's 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. Additionally, NLEC has developed a bias mitigation tool designed to give learners a “nudge” toward more reflective thinking when making decisions. Furthermore, Navy is implementing Independent Review Commission (IRC) 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 is a communication tool that builds and sustains a coaching culture within the Navy. Coaching is a communication skill rooted in the core 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. We are implementing MyNavy Coaching through a peer-to-peer coaching approach and a renewed focus on Mid-term Counseling.

CULTURE OF EXCELLENCE (COE)

As we attract and develop the nation’s best talent, we must also continue to promote a culture of respect and resiliency for our Sailors to thrive in the face of personal and professional adversity. 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.** RRL 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 (DEI).** Navy actively includes Sailors from all backgrounds and perspectives and harnesses the creative power of diversity and inclusive leadership, in accelerating Navy’s warfighting advantage, lethality, and operational readiness.
- **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.

Sexual Assault Prevention and Response (SAPR) & Sexual Harassment

Navy's SAPR program continues to focus on increasing reporting and decreasing prevalence of sexual assault through primary prevention, refined response capabilities, treating victims with compassion, providing quality care, and addressing the barriers uniquely associated with male reporting of sexual assault. We continue to leverage metrics-based data to better understand where and why assaults occur, provide a more robust analytic capability, and ensure research-informed approaches to prevention programs and policies. We recently embarked on the third phase of the Department of Defense-mandated Prevention Plan of Action, a comprehensive approach to understanding the current environment, determining the scope of the problem, and assessing organizational factors that drive prevention. We are also incorporating recommendations from the IRC on Sexual Assault in the Military, using strategically phased activities to systemically improve prevention, climate and culture, victim care and support, and accountability related to sexual assault, sexual harassment, and other harmful behaviors. This includes addressing gaps in leader training to develop inclusive cultures that foster healthy command climates, completing a SAPR Workforce Study to ensure unfettered support to sexual assault victims, including long-term phasing out of reliance on collateral duty-dual-hatted victim advocates and Sexual Assault Response Coordinators, and phased hiring and integration of a primary prevention workforce that will mobilize needed personnel with the knowledge and skills for effectively driving primary prevention strategies throughout the Fleet.

Suicide Prevention

The Navy suicide rate has decreased from 22.1 in 2019, to 19.3 in 2020. While it is too early to determine whether suicide rates will increase or decrease for Calendar Year 2021, suicide prevention is not about numbers. Every life lost to suicide is one too many. Suicide prevention is an all-hands, community effort that starts with a commitment to total, holistic Sailor wellness, including physical and psychological health, a sense of purpose, and a strong support network. Encouraging commands to foster environments where Sailors can excel, advance, and ask for help is the first step in preventing suicide.

The entire Navy community must actively uphold a culture that views seeking help as a sign of strength, fosters resilience, takes action to prevent stress illness, strengthens protective factors, recognizes risk factors and warning signs early, and proactively intervenes when a Sailor is experiencing increased stress or a psychological health crisis. We actively address the interpersonal problems associated with suicide through updated policies, programs, campaigns, and training. Key initiatives include:

- Expanding the embedded Mental Health Program, Navy increased the percentage of embedded Mental Health providers in operational units from 25 percent in 2019 to 36 percent in 2021;

- Increasing deck-plate leadership through Expanded Operational Stress Control (E-OSC) training led by Command Resilience Teams;
- Continuing to offer the Sailor Assistance and Intercept for Life program that provides rapid assistance, ongoing risk management, care coordination, and reintegration assistance for service members identified with a suicide ideation or a suicide attempt;
- Providing tailored Gatekeeper training to the key communities who tend to interact more often with Sailors who are at a heightened risk for suicide; and
- Providing gun locks to Sailors and family members as part of our ongoing lethal means safety efforts. Gun locks have been proven effective towards reduction of suicides by delaying individual's access to a firearm when they are at risk.

Navy's COE Integrated Primary Prevention strategy focuses on building toughness and resilience in Sailors, their families, civilians, and Navy Commands. Primary Prevention is implemented through the Cultural Champion Network and aims to promote healthy relationships and decision making by enhancing protective factors such as Signature Behaviors and preventing counter-productive or destructive behaviors. Additionally, Navy has rolled out the new E-OSC program, a peer-to-peer program that expands on previous OSC efforts using evidence-based resilience techniques to teach Sailors how to persevere, adapt, and grow through the challenges they face. Navy has engaged industry experts to develop surveys to gain insight into the levels of trust and connectedness Navy-wide and unit specific data. These factors are proven to help in the reduction of destructive behaviors, assisting in the overall goal of increased performance, and readiness in the Fleet.

Effects-based DEI

Two years ago, the CNO created Task Force One Navy to analyze and evaluate issues that detract from Navy readiness, such as racism, sexism, and other structural and interpersonal biases. The report recommendations have been incorporated into an enduring framework under the COE DEI Initiatives. To date, of the original 56 recommendations, 27 have been implemented, 27 are in progress, and two have been cancelled. These implemented recommendations resulted in:

- Increasing advertising funding for underrepresented communities from 20 to 25 percent.
- Coordinating 16 TYCOM adjunct outreach events per year with underrepresented communities.
- Ensuring 50 percent of nominative packages submitted are from diverse candidates.
- Awarding 32 NROTC side-load scholarships to diverse applicants.
- Sending eight RSs to the Paul Mitchell School to improve ability to cut and style the hair of diverse Sailors in the Fleet.
- Implementing Naval Horizon virtual essay contest for high school students to strengthen outreach to K-12 STEM students, leading to 12,000+ YouTube views and 617 applicants.
- Conducting a rigorous study of Non-Judicial Punishment (NJP) data to statistically determine if discrimination is present in NJP proceedings.
- Partnering with several civilian DEI counterparts to share DEI best practices, to include a Necessary Conversations Guide and a Bias Mitigation Tool.

- Re-establishing the Office of Women's Policy to focus on areas of recruitment and retention of servicewomen, which includes liaising with key stakeholders to include Affinity Groups and the Defense Advisory Committee on Women in the Services.

These efforts ensure the Navy becomes more inclusive as it becomes more diverse. Indeed, recent survey data shows these initiatives are improving the Navy's measures of inclusion. The percentage of Health of the Force survey respondents agreeing:

- "Navy has authentic commitment to inclusion" increased from 47 percent in 2019 to 52 percent in 2021.
- "Racism is NOT a problem in the Navy" increased from 28 percent in 2020 to 38 percent in 2021. This metric improved across all races by five percent or more.
- "Sailors who report sexual harassment and/or discrimination do not have to worry about retaliation" has increased from 42 percent in 2020 to 62 percent in 2021.

Assessing diversity trends over the past 15 years, we can confidently say these efforts and measurements will become increasingly important into the future as the Navy will become more demographically diverse. Over the past 15 years:

- In the officer community, racial diversity has increased from 16.7 percent to 23 percent of the population, gender diversity has increased from 14.8 percent to 20.6 percent, and ethnic diversity has increased from 5.4 percent to 8.9 percent. Junior enlisted Sailors are more likely to serve under a Division Officer who is female or diverse than serve under a white male officer (47.3 percent of junior Surface Warfare Officer are white, non-Hispanic male).
- In the enlisted community, racial diversity has increased from 37 percent to 40 percent of the population, gender diversity has increased from 14.8 percent to 20.7 percent, and ethnic diversity has increased from 14 percent to 18.3 percent.

While diversity metrics tend to focus on race, gender, and ethnicity, Navy leaders always emphasize that it is also about where we are from, different experiences and career paths, educational backgrounds, and how we approach and solve problems. Leveraging all areas of diversity in an inclusive manner is key to making sure that our Navy Sailors and teams can out think, outperform, and out fight any adversary.

Supporting our Families

Navy families are an integral part of our Navy team and a vital contributor to mission success. MyNavy HR and our Fleet and Family Support Centers (FFSC) are committed to delivering better services and support that are dedicated to the health and well-being of our families. We have worked diligently to ensure our families are provided service delivery options that are immediately accessible, whether in person, virtual or remote locations to include:

- Providing relevant, up-to-date services that keep families informed;
- Providing a service delivery model that meets families where they are;

- Implementing improvements to the Exceptional Family Member Program (EFMP) and establishing a single EFMP headquarters office at Navy Personnel Command (NPC). The model includes co-locating program leads from all four EFMP components at NPC (Policy, Assignments, Family Support, and Identification, Enrollment and Disenrollment) and consolidating staffing to better meet our families' needs;
- Providing special education attorney support to our Exceptional Family Member (EFM) Sailors and families. To date, over 515 EFMs have received support covering the legal aspects of special education, resources, the FFSC Toolkit, and Individual Education Plan support;
- Reimbursing spouse licensure fees incurred due to a permanent change of station (PCS) move for spouses with an average payment of \$399;
- Releasing and updating the MyNavy Family mobile application with input from spouses to identify, consolidate, and standardize information available into one authoritative source. This past year we provided updated information on economic food insecurity.

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 a growth to a sustainment profile, while continuing to prioritize filling sea duty billets and retaining 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 Authorizations 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 RTC, 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 TYCOMs, 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 under-manning in operational units. For ratings under DMAP, Command Advancement to Position (CA2P) replaces MAP advancement opportunities, allowing 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 commenced 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 have shifted our focus towards developing capabilities linking reenlistment and extension decisions with assignments and efforts to 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). 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.

Building upon the retention gains of the last few years, Navy remains committed to retaining the right talent and experience in the right pay grades and ratings. We remain mindful of current economic conditions and the potential impact on our ability to retain Sailors. Competition for talent remains high, with continued challenges in the high-demand and low-density communities of nuclear, information warfare, and special warfare. The nuclear community in particular 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 path to improve alignment between the sea/shore rotation and Zone B SRB eligibility requirements.

Overall, 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.

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. MyNavy HR continues to utilize the expanded authorities of the Defense Officer Personnel Management Act provided by Congress 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 eleven Captains for continuation to fill shortages in the Defense/Naval Attaché, Acquisition Corps and Judge Advocate General Corps communities. Additionally, we have conducted six Professional Flight Instructor (PFI) boards, yielding 53 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). 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. Currently, Reserve Cyber Warfare (CW) and Information Professional (IP) Direct Commission Officers have been accessed through this authority.

Out of 58 candidates reviewed for constructive service credit, 34 candidates were commissioned (9 CW (6 LTs and 3 LTJGs) and 25 IP (3 LTs and 22 LTJGs)).

The MyNavy HR Talent Management Task Force is currently in the testing phase of the development and implementation of the Navy Command Leadership Assessment and Selection Program (NCLASP). 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. 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 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.

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. 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.

Naval Special Warfare (NSW) has implemented NCLASP at the O4-O6 and senior enlisted level, and three additional Navy communities are participating in NCLASP pilots to include the Explosive Ordnance Disposal community, Submarine Force, and Surface Forces, with a pilot for the aviation community that is currently in the early planning stages for June 2022. 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 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 TYCOM while maintaining the gold standards of personnel selection science.

It is essential that we place our best talent in 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 decision makers 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. This will reduce 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 and Flag Officer Reductions

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 Officer, submarine officers, and NSW 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 FY22 NDAA. 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. By the end of 2022, Navy will have reduced more than nine percent of flag officer billets. These disproportionate cuts come at a high cost to maintaining operational readiness, impede Navy's efforts in an already challenging operational environment, and run counter to the demands of the long-term strategic competition the nation faces, which require more rather than less senior uniformed leadership and expertise in the dominant physical domain of concern, the maritime domain.

To the detriment of the Navy enterprise and the Joint Force, the reduction of one and two star Navy staff positions reduces development opportunities for junior warfighter flag officers and limits the enterprise expertise they can only gain outside of warfighting billets, in areas such as financial management, strategic plans and policy, strategic warfare, and operations analysis. This expertise is gained primarily in junior flag officer staff positions. Removing these eliminates development opportunities used to groom one and two star admirals for future positions as three and four star admirals.

The reduced number of flag officer billets has resulted in shifting work to other flag officers and Senior Executives, increasing demands on executive bandwidth and expanding span of control while forcing the double and triple hatting of positions. At present, nearly one third of the Navy's remaining 149 flag officer billets will be double or triple hatted with some positions having more than a dozen direct reports.

MAINTAINING OPERATIONAL READINESS

MyNavy HR continues to focus our energy on ensuring the Fleet is properly manned. All of our efforts to attract, develop, and manage our Sailors are to build a Navy that can fight and win in long-term strategic competition.

End Strength

Navy's AC personnel requirements are driven by platform investments and support capabilities that support the National Defense Strategy and maintain our warfighting advantage to defend our nation for decades to come. We concluded FY21 with 347,677 end strength, and are working to achieve the FY22 authorized end strength of 346,920. The President's FY23 budget request fully funds sustainment of Navy's required end strength of 346,300, which is essential to provide the Fleet with the capabilities to engage in any long-term strategic competition that threatens our security and way of life, support our ability to focus on readiness, capabilities, capacity, and our Sailors. Navy's strength comes from the efforts of the 346,300 Active and 57,700 Reserve Sailors and their families. This request reflects sustainment in military personnel requirements driven by Navy's force structure along with enabling and support required capabilities.

Fleet Manning

The number of Sailors on operational sea duty in FY22 is at the highest level since 2014, and since 2017 Navy has 10,000 more Sailors at sea for all sea duty units. Additionally, we grew our accessions from ~31,000 in FY16 to a peak of ~40,000 in FY20 to man operational platforms, improving unit readiness and lethality. Since March 2020, Navy funded ~7,600 additional sea billets and has placed ~5,200 more Sailors in sea billets. Despite decreasing Force Structure, Navy will continue to fund more at-sea requirements to increase manning at sea.

As we continue to optimize our workforce and address shortfalls in the future, Navy is maximizing our talent and preserving flexibility and Sailor choice by transforming the Navy enlisted advancement and distribution systems into a market-driven, billet-based talent management system. Specifically:

- Increased enlistment bonuses for new accessions to combat a challenging recruiting environment and streamlined training pipelines to deliver a greater percentage of our recruits to sea duty faster. As of March 4, 2022, 22,342 Sailors are in the accession/student pipelines. We continue to closely monitor their progress to the Fleet, and Navy has gained significant efficiencies in our supply chain by reducing overall initial training attrition from 19 percent in FY18 to 11 percent in FY21, increasing our ability to send more trained and ready Sailors to the Fleet faster.
- Expanded the SRB program targeting retention in critical skills and paygrades as required.
- Implemented sea duty incentive pays and DMAP to better align sea duty tour lengths with the billet base and available sailors and increased use of High Year Tenure waivers to retain Sailors who would otherwise be forced to separate if they chose to accept a sea duty assignment.
- Expanded A2P opportunities across the force with focus on filling on high priority and sea intensive billets.
- Implemented senior enlisted optimization to manually correct misalignments by taking Sailor and Navy needs into account to reassign E7-E9 Sailors to billets commensurate

with their rank to ensure the most experienced Sailors are aligned to billets that need their training, leadership, and experience based on real-time fleet priorities.

We will continue to experience shortfalls in Fleet manning as we implement new force management levers to address some of the systemic issues in our current closed-loop military manpower and personnel system, but we remain committed to investing in manpower and implementing policies to improve and sustain fleet readiness.

Reserve Activations

In partnership with the Chief of Navy Reserve, we are aligning Navy's reserve activation processes with national strategic priorities and the Navy's force design. We use our RC for critical roles based on the member's reserve billet and tailored training rather than as Individual Augmentees (IA). We developed the adaptive mobilization construct to accelerate delivery of decisive capability to the fight. Adaptive Mobilization increases reserve mobilization throughput by distributing activation processes across Navy Reserve Activities. Aligning reserve mobilizations to Navy's force design rather than IA requirements, improving activation processing efficiency, and increasing the standing mobilization readiness of our forces will contribute to more effective strategic deterrence in competition and a more lethal Navy in conflict.

MYNAVY HR SERVICE DELIVERY

After attracting, developing, and managing our talent to man the Fleet, we must provide Sailors and their families with better human resources services delivery. Our 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, the MyNavy HR MNCC was established as a one-star command, 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 at the Human Resources Service Center (HRSC) 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 (NP2)

Development of the NP2 system, an auditable, cloud-hosted software suite, enabling Treasury-Direct Disbursement and a single pay source for all Sailors, remains one of 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 (NES) and Officer Personnel Information System (OPINS), gave us real time information on where workarounds, 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 issues impacting Sailors in the days after the systems transitioned. Leveraging the lessons learned, 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. In February, MyPCS travel voucher started being utilized to submit PCS travel claims.

CONCLUSION

The Secretary of the Navy and the CNO 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. On behalf of the men and women of the United States Navy and their families, thank you for your sustained commitment and unwavering support.