



CHIEF OF NAVAL PERSONNEL
DEPUTY CHIEF OF NAVAL OPERATIONS
(MANPOWER, PERSONNEL, TRAINING AND EDUCATION)
(CNP/N1)

GUIDANCE 2007
YEAR OF EXECUTION

THE MPTE CHALLENGE

Our world is constantly changing. The post-9/11 security environment has extended Navy missions to include both traditional and non-traditional operations. In addition to our enduring naval missions, we are responding to multifaceted security challenges related to the Global War on Terror (GWOT) while providing humanitarian assistance around the globe. We find ourselves working with familiar allies, former adversaries, and an expanding set of global partners.

Today, Navy must sustain its core capabilities and readiness while at the same time build the future naval Fleet and develop a Navy workforce that can operate, fight and lead in a variety of challenging environments. The goal is to ensure naval power and influence can be applied on or from the sea, across the littorals, and ashore, wherever and whenever required.

Our challenge is to develop a more capable and versatile workforce that meets the rapidly expanding requirements posed by the Nation's evolving maritime strategy. This workforce is, and must continue to be, a diverse Navy Total Force, collectively possessing the wide array of knowledge, skills and abilities required to deliver critical warfighting capability to the Joint force.

Meeting our challenge requires a profound change in the way we do business. The manpower, personnel, training and education (MPTE) policies of the past will not deliver the workforce of the future. Strategies that were effective during the Cold War, when we had a robust labor market, will not sustain us during this long war when there is a shrinking talent pool and decreased propensity to join the military.

Our Basic Pay Table that was first conceived in 1922 and an officer personnel management system codified in the late 1970's are obstacles to guiding today's military into the future. Our current military retirement compensation principles were essentially established in 1870 based on a voluntary retirement of officers at 30 years of service and fixed retirement pay at 75 percent of the officer's base pay.

Major demographic shifts, reflecting an influx of new immigrants and growth in minority populations, will require that we focus on the talent resident in the diversity of our

population and how we gain access to that talent. To the degree that we represent our nation, we are a far stronger, more relevant Navy Total Force.

A stronger economy, with low unemployment and positive economic growth, is creating greatly increased competition for the best talent in our nation. Recruiting the Navy Total Force will become even more challenging with slower overall population growth and an aging workforce.

The dynamics of retention have shifted from long-term commitments to a new generation, most of whom expect to change employers, jobs and careers several times in their working life, and are clearly motivated differently than previous generations. They have more choices than ever before, and are more technologically savvy. They expect innovative and flexible compensation policies, a commitment to continuing education, and professional development opportunities.

I am very confident we will meet the many challenges we face. Drawing upon our successes of last year - a year of learning and planning - and in alignment with CNO Guidance for 2007 (CNOG-07), I have drafted this year's guidance with a **focus on execution**. To meet our challenge in 2007, we must follow through – rapidly execute – on the plans, decisions, policies and strategies we conceived in 2006. To that end, my guidance for 2007 reinforces our vision, mission, and guiding principles, clarifies our priorities, and sets forth our 2007 focus areas.

VISION

In 2006, we developed the MPTE Strategic Vision. This vision sets the course along which Navy's Total Force management will evolve over the next 10 years. The MPTE Strategic Vision and accompanying Reference Book are available on the Navy Personnel Command website at <https://www.npc.navy.mil>.

Our vision is a Navy manpower, personnel, training and education system that targets and attracts the right talent, then trains, develops, equips and motivates these men and women throughout a career of Navy service. It is a system that supports the manpower needs of the warfighter and the professional development needs of the individual, while fostering a spirit of teamwork that allows all members of the Navy Total Force to achieve their highest potential and to defend our nation *with honor, courage and commitment*.

Our vision defines six strategic goals that, when achieved, will deliver our vision and enable us to be responsive and effective in the future.



Our six strategic goals are:

- *An Effective Total Force.* Our Total Force – active and reserve military, civilians, and contractors – will be viewed as one, integrated team that supports required warfighting capability.
- *Capability-driven.* Navy workforce requirements will be based on current and future joint warfighting needs.
- *Competency-based.* Navy work and workforce will be defined by knowledge, skills, and abilities that enable mission accomplishment.
- *Competitive in the marketplace.* Revised and updated policies and practices will deliver necessary and comprehensive pay and compensation structures.
- *Diverse.* Our culture of inclusion will encourage and enable all Sailors and civilians to reach their full professional and personal potential.
- *Agile and cost efficient.* We will deliver additional capability from a smaller, yet increasingly talented, educated and integrated workforce.

MISSION

The Navy's mission in support of the National Defense Strategy is to organize, train, maintain, and equip combat-ready naval forces capable of winning the GWOT and any other armed conflict; deterring aggression by would-be foes; preserving freedom of the seas, and promoting peace and security.

Our mission in support of Navy is to anticipate warfighting needs, identify associated personnel capabilities, and recruit, develop, manage and apply those capabilities in an agile, cost-effective manner.

This is the traditional MPTE mission, but with a focus on proactively addressing the changing warfighting environment and balancing workforce requirements within increasingly constrained fiscal reality. The foundation of the MPTE mission has not changed. We always had, and will continue to have, responsibility for recruiting, developing, managing and supporting the Navy workforce – but now it is a Navy Total Force including active and reserve military, civilians and, eventually, contractors.

We will, over time, change how our fundamental mission is executed. Our expanded definition of a Navy Total Force, ever-changing warfighting operations, a shrinking talent pool and competitive marketplace, increased financial constraints, and advances in technology all demand MPTE change, and provide the opportunities for innovation and continued improvement.

GUIDING PRINCIPLES

CNO Guidance for 2006 (CNOG-06) lays out ten principles to guide Navy and inform our actions everyday. These guiding principles are reiterated in CNOG-07 and include:

- Warfighting Focus
- Dedication to People
- Naval Teamwork
- Jointness
- Leadership
- Accountability and Integrity
- Alignment
- Risk Management
- Commitment to Change
- Effects-Based Thinking

In addition to the above, all members of the MPTE Domain should embrace, apply and promote the following in our daily activities:

- ***Emphasize Our Common Goals.*** Embrace this guidance and our strategic vision as a view of the desired future state of the MPTE Domain. Share it with your colleagues and subordinates. Set clear performance goals and objectives that are linked to the vision, mission, and strategy of our domain. Place value on *working cooperatively toward common goals* to which all team members feel mutually accountable. Share and continually reiterate our core values, guiding principles and vision to *create a sense of common identity* across the MPTE Domain.
- ***Collaborate, Coordinate and Communicate.*** Create a *culture of communication, coordination and collaboration* that facilitates reaching agreement on critical issues and reiterates our common goals. Consensus is not the mandatory outcome; rather, the goal is for all voices to be heard, considered and respected. Focus on developing and presenting a *shared view of the battlespace*. Once decisions are made, rally behind them and support their execution.
- ***Take Ownership.*** Take personal and professional responsibility for executing your authorities. *Be accountable* – to your boss, to your colleagues, to your subordinates, to yourself. Empower the individuals in your organization with the authority, initiative and ability to manage their own work. *Make your mark within our domain* and the Navy.
- ***Create an Environment of Growth.*** Create a *culture of inclusion* that encourages and enables all team members to reach their full professional and personal potential. *It is a leadership responsibility to invest in the development of your team.* View failures as learning opportunities and encourage positive risk taking. Increase the flexibility of your organization and improve its ability to understand, accept and respond to change.

PRIORITIES AND FOCUS AREAS

CNOG-06 defined three priorities for Navy. CNOG-07 reinforces these priorities and identifies three focus areas – one under each priority – that will be emphasized in 2007. As we build the Navy of the future and prepare our people to answer the challenges of our dynamic, dangerous world, the MPTE Domain must support these priorities and focus areas, with special emphasis on taking ownership of CNO's priority to Develop 21st Century Leaders.

In 2007 the MPTE Domain will: improve our Navy Total Force readiness by focusing on Sailor readiness and family preparedness; size, shape and stabilize our force by focusing on Navy as a sea-centric force; and implement our strategies for the future by focusing on developing policies that bring forth the promise of our people, ensuring full development of their personal and professional capabilities.



- *Improve Total Force Readiness... Sailor Readiness and Family Preparedness*

We are a maritime nation. Throughout American history, naval forces have played a key role in fighting wars, defending freedom of the seas, and providing a formidable deterrent to aggression. Our Navy is the world's preeminent sea power. We must always be ready and able - anytime, anywhere.

Sustaining combat readiness – Fleet readiness – now and in the future, starts with our Sailors and their families. We are committed to ensuring that Sailors are

physically, mentally and professionally prepared to fulfill their missions, and that their families are prepared for the challenges associated with lengthy separations.

To improve Navy Total Force readiness, we will:

- continue to enhance predictability and stability for Individual Augmentees (IAs) and their families;
- provide support to disabled and injured Sailors;
- develop a coherent general military training program;
- address recruiting and retention in GWOT-stressed communities that have experienced increased operational tempo;
- continue developing the Navy's Language, Regional Expertise and Cultural (LREC) programs, including expansion of the Foreign Area Officer (FAO) community, and
- emphasize targeted efforts in fitness and physical preparedness.

Size, Shape and Stabilize the Force... Sea-Centric Force

For several years, our focus was on sizing the force – ensuring we had the right number of billets, and *filling* every billet with a Sailor. Today, we have expanded our focus to include shaping and stabilizing the force – ensuring we have the right *fit* between the knowledge, skills and abilities required by a billet and those possessed by the Sailor filling that billet, and ensuring we can easily adjust either based on changes in warfighting requirements.

The goal of sizing the force is to determine the right *number of billets* required to meet current and future warfighting requirements. The goal of shaping the force is to ensure we have the right *type of individual* available in our workforce to fill those billets. The goal of stabilizing the force is to have a personnel management system that can proactively respond to changes in warfighting requirements.

To size, shape and stabilize the force, we will:

- “exit the glideslope” at a Navy end strength of approximately 322K active duty and 68K reserve duty to support 313 ships and 3,800 aircraft by FY13;
- use all force-shaping tools at our disposal to develop the workforce we need, and
- mature a capability-based personnel management system that is proactive, agile and cost-efficient.

Implement Our Strategies for the Future... Strategy for Our People

Sailors, civilians and contractors who will respond to uncertain future missions are entering the workforce and Navy today. What we do today – the decisions we

make – will dictate our situation tomorrow, and determine what we are capable of in the future.

Once we appropriately size, shape and stabilize the force, we will have to sustain it. In 2006, we defined a number of strategies and action plans to transform the Navy Total Force and to inform, guide and ensure our decisions enable us to sustain the ready, stable Navy workforce we need in the future.

To implement our strategies for the future, we will:

- complete the Strategy for Our People;
- implement Phase III of the Diversity Campaign Plan;
- begin testing and evaluation of Interactive Detailing as the first deliverable of Spiral One Sea Warrior;
- develop a Navy education and training strategy;
- better prepare and position the Navy to support Joint missions, and
- continue integrating our active and reserve military force.

EXECUTION – OBJECTIVES AND TASKING

To support the Navy's priorities and focus areas called out in CNOG-06 and CNOG-07, and to support the MPTE Domain's associated priorities and focus areas, we will achieve a clear set of objectives in 2007. In the near future, CNO, DNS and CFFC will provide detailed assignment of tasking in support of CNOG-07. Upon receipt of this additional guidance, I will provide further direction so each component of the MPTE organization has specific objectives and tasking to be achieved this calendar year.

Execution requires your engagement. I have provided the overarching vision, goals, and priorities for the MPTE Domain. Now, senior and mid-level leadership need to understand where and how current efforts fit in, adjust them accordingly to align to this guidance and communicate with your teams about it. Every MPTE team member, regardless of position, must engage and align their efforts with this guidance.

Execution demands that we constantly gauge the right metrics and dynamically regulate our resource allocation for success. To keep up with the ever-changing environment, we must identify and monitor forward-leaning indicators to anticipate future trends. Our execution and progress will be accurately measured and our strategy implemented according to plan.

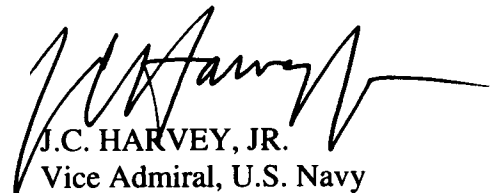
CONCLUSION

The United States Navy has a proud heritage of accomplishing its maritime core missions. This past year, our Navy Total Force not only lived up to, but surpassed, this standard. The MPTE Domain delivered the force that was needed, where it was needed, when it was needed. We did our job, and we did it well.

The challenge before us is the uncertain world. We do not know which missions Navy will be called upon to perform in the future. The nation needs a strong Navy – with unmatched capability, global reach, persistence presence, agility and unequalled lethality. We must be proactive, flexible and open to change.

Our Navy's Total Force must be ready today and in the future to respond whenever, wherever we are called upon to do so. That is our heritage, that is our tradition and that is exactly what we will do.

"It is not the strongest of the species that survive, nor the most intelligent, but the ones most responsive to change."
Charles Darwin



J.C. HARVEY, JR.
Vice Admiral, U.S. Navy