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**STATEMENT OF
VICE ADMIRAL RICHARD J. CHEESEMAN JR., U.S. NAVY
CHIEF OF NAVAL PERSONNEL
AND
DEPUTY CHIEF OF NAVAL OPERATIONS
(PERSONNEL, MANPOWER, & TRAINING)
BEFORE THE
HOUSE ARMED SERVICES COMMITTEE
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ON
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Strategic Design Vision: Mission-Focused Sailors

Chairman Banks, Ranking Member Kim, and distinguished Members of the Military Personnel Subcommittee, thank you for the opportunity to discuss the Navy's most important asset – our people. As stated in the 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 foundation 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, manage and retain the most talented and diverse workforce possible.

It is no secret that our country is in a challenging strategic environment that requires us to recruit and train the Nation's finest in order to maintain our warfighting edge over our peer competitors. Within that environment, the MyNavy HR Enterprise must balance the needs of our people with the mission requirements, funding, and the modernized talent management system to sustain it all. The Enterprise is developing more efficient processes and modernizing our technology to gain data transparency and improve effectiveness to empower our Commanding Officers and Triads to best utilize our human weapon system to achieve optimum warfighting readiness. This modernization will enable us to provide greater flexibility and choice to our Sailors as they progress through their careers and allow the Navy to make the best-informed decisions when it comes to our service members and their role in building and maintaining the most combat-effective Navy in the world. While we definitely have areas where we need to improve and do so with a sense of purpose and often urgency, the desired end state of the vision is to create mission-focused Sailors.

Here are the guiding principles for MyNavy HR:

- **Our Mission:** Personnel Readiness
- **Our Foundation:**
 - Steady, effective recruitment and training
 - An inclusive Navy culture that supports adaptive and resilient Sailors and families
 - Sailor-informed, transparent, data driven talent management
- **Our Pillars to success or Our Enablers:**
 - Advance Navy Culture
 - Deliver Billet-Based Advancement
 - Deliver Ready-Relevant Learning
 - Deliver Modern HR Services
 - Deliver Modern IT Solutions

Through our foundation and pillars, we will meet our vision of mission-focused Sailors who are part of the broader Navy team.

Advance Navy Culture

In order to fight and win, we must have properly trained Sailors, but more importantly, a culture that adapts, meeting our Sailors where they are, and enabling them to excel. Using the CNO's concept of "Get Real, Get Better" (GRGB) we've been able to refine the MyNavy HR Culture of

Excellence. ‘Culture’ is the summation of our values, mindset, behaviors, and practices; it explains how we do what we do. Our culture is rock solid but the Navy always strives to get better through honest self-assessment.

Like no other time since the Cold War, our Navy faces the possibility of a peer competitor war at sea. To better prepare for combat, we must move quickly to leverage the best from our people, our leaders and our Teams to close the gap between the Navy’s best and worst performers. The Navy will define desired cultural characteristics; set standards and measures for how we develop great people, leaders, and teams; then train, reinforce, incentivize, reward, and measure our cultural standard. To bring this to life, we will create an Integrated Culture Framework (ICF) and supporting Playbook that simplifies, streamlines, and aligns existing terms, programs, and policies, providing leaders with an executable plan to develop great people, leaders and teams. The ICF will align GRGB; Culture of Excellence (COE); Diversity, Equity, Inclusion and Accessibility (DEIA); Total Sailor Fitness (TSF); Warrior Toughness; Expanded Operational Stress Control (E-OSC); and Integrated Primary Prevention. Though we work in the profession of arms and accept the hazards that come with defending our country, all Sailors deserve respect and dignity, and should feel safe when they come to work. All leaders in the Navy are focused on creating a culture intolerant of sexual assault and are actively executing and evaluating a prevention plan of action.

Delivering Billet-Based Advancement

Closing the gaps in sea duty assignments is a priority and a key pillar to achieving the vision of a mission-focused Sailor and MyNavy HR continues to use all levers to fill critical billets. One identified cause of gaps at sea is a systemic misalignment between the Navy’s enlisted advancement and personnel distribution processes. Annually, the Navy advances thousands of Sailors but does not immediately move those Sailors into positions that match their new paygrade due to impacts to consolidating commands. For example, nearly 4,000 (10 percent) of E-7 to E-9 Sailors are in billets below their current paygrade as of September 2022. We expect billet-based advancements (BBAs) will better align advancement and billet requirements and incentivize Sailors who fill these critical billets. In BBA, Sailors apply for billets through an interactive Detailing Marketplace, giving Sailors more control over their careers while balancing geographic stability with advancement opportunity.

I anticipate that BBA will ultimately become the standard mechanism for all enlisted Sailors through journeyman and supervisory paybands (E5-E9) to attain the next higher paygrade. We have already instituted the Advance-to-Position and Command Advance-to-Position programs, the Senior Enlisted Advance-to- Position (SEA2P) pilot, and the Senior Enlisted Marketplace. We are rolling these out in phases, targeting critical sea-intensive ratings initially, and working to get the skeleton in place across every community and then scaling it up to apply Navy-wide. These programs have all shown strong performance and have been applauded by Sailors in the fleet. This transformation of Navy’s enlisted advancement and distribution processes into a robust, billet-based marketplace will decrease gaps in critical billets and increase Fleet readiness by ensuring the right Sailor, with the right skills, is in the right billet to meet the mission.

The above programs will reduce gaps at sea in the supervisory and journeyman ranks across the fleet. In the near term, there is an impending bow wave of apprentice level gaps we’re going to see in the fleet while we navigate a difficult recruiting environment. Our fleet is predominantly made up of apprentice-level Sailors, so even while we make progress, we will see an increased

number of gaps at sea. In the long term, we will have a healthier, more efficient, advancement system.

In the short term, I am attacking recruiting with everything I have at my disposal. Right now, a growing percentage of those serving in the Navy have a close relative who also served (or is currently serving). Those who are most familiar with the military are most likely to serve and this does play out in recruiting where many recruits do have a family connection. I am retaining personnel wherever possible and increasing the number of recruiters at all of my locations. I am reviewing currently stringent policies which would have automatically removed recruits from contention. There is also a shrinking pool of people who have familial ties to the services. We're pulling all feasible and legitimate recruiting levers to ensure we maintain a healthy force structure.

Deliver Ready Relevant Learning

Simultaneously, our focus remains on how we recruit, train, and educate the best that our Nation has to offer by developing our Navy's Sailors into skilled combat-ready warfighters who are both disciplined and tough. With recruiting challenges and the competition for talent, Ready Relevant Learning (RRL) plays a vital role and becomes increasingly important.

RRL is a holistic approach on how the Navy trains Sailors. Specifically, RRL changes (1) when we provide training, (2) how we deliver it, and (3) how we keep it as relevant as possible to the real-world needs of the Fleet. These changes require sustained focus across three lines of effort:

- Career-Long Learning Continuum (CLLC): Similar to the officer community career paths, every Navy career will have a detailed learning roadmap with training requirements tightly linked to real Fleet needs, and inclusion of technical, professional and leadership content.
- Modern delivery at point of need: Multiple delivery methods leveraged at various locations that increase training effectiveness, information architecture that increases Sailor access, and performance support available anytime from anywhere.
- Integrated content development: Faster delivery of the most relevant content to the Fleet, and increased operational agility in a rapidly changing world.

At its core, RRL is about creating more proficient and technically capable Sailors as they head to operational fleet units.

Provide Modern HR Service Delivery

This is the core of our initiatives over the next several years. We are developing Sailors and working to get them to the right places but we have to support them and their families too. MyNavy Career Center (MNCC) is working hard to provide a modern HR Service Delivery solution, with 24/7 contact support, to resolve personnel and compensation issues at increased speed, improved accuracy and reduced cost. We are building a product that delivers for the majority of our families so that we can focus on those fewer families who encounter unique challenges. There have been some unexpected challenges to accomplishing our goal due to a slower than anticipated transition out of legacy IT systems, premature manpower reductions across the personnel and pay network, lack of standardization across the Personnel Support

Detachment (PSD) network, and inconsistent Command Pay and Personnel Administrator (CPPA) training and performance.

To get after providing timely and accurate Sailor pay and entitlements, we established MNCC as a one-star Flag Officer command in September 2021. In this construct, NPC's Pay and Personnel Management Department (PERS-2), Human Resources Service Center (HRSC), and Navy Pay and Personnel Support Center (NPPSC) now report to one organization to better serve Sailors and their families and to achieve more efficient and effective HR service delivery. Since its formation, MNCC has realigned the legacy PSD model from 27 locations into six Transaction Service Centers (TSC), one Travel Processing Center, and 13 Regional Support Centers to standardize processes, improve efficiency, accuracy, and training, and reduce errors. The establishment of MNCC and the realignment of the old PSDs into the TSCs has shown success. Transaction timelines are improving and meeting the Department of Defense (DOD) timeliness standards. MNCC is completing all Travel Pay within 30 days of receiving the transaction and completing all DD-214s prior to the member's end of active obligated service (EAOS). MNCC is working toward lowering these processing times even further to better meet Sailors' needs. We delivered individual commands the increased visibility and transparency of monthly pay and entitlements for every Sailor with two near real-time, unit-level dashboards. MNCC coordinated with the Defense Finance Accounting Service to develop the enhanced Unit Commanders Financial Report, providing commands with a monthly snapshot of each Sailors' monthly pay and entitlements. The CPPA dashboard increases transparency of transactions and allows command leaders and CPPAs to view individual CPPA performance metrics at the unit level. Additionally, we have rolled out the MyPCS Travel Voucher, a fully automated and electronic travel voucher for Sailors available on personal and government mobile devices and personal computers.

MNCC has also partnered with United States Fleet Forces and United States Pacific Fleet on several "Get Real, Get Better" lines of effort including implementation of a CPPA qualification card and the use of augment teams of fleet CPPAs to assist with personnel and pay transaction processing in the TSCs. This partnership has the dual effect of eliminating backlogs and providing targeted proficiency training and access for CPPAs. We owe it our Sailors to get this right so everyone can focus on warfighting readiness.

Deliver and Sustain Modern HR IT Solutions

This concept touches every other pillar – Advancing Culture, BBA, RRL, and HR service delivery – as all require modern IT systems. Moving forward, our IT Transformation team is laser-focused on modernizing our processes, removing barriers, fixing glitches, and delivering world-class technology. We want to emulate other Fortune 500 companies in creating user-friendly tools for our consumers, and we are configuring best of breed commercial software offerings to provide improved capability to our constituents. We have developed a cloud-based submission and case management system (Enterprise Customer Relationship Management (eCRM)) to replace the antiquated Transaction Online Processing System (TOPS). This will allow the MNCC team and the Fleet to process and transparently monitor personnel and pay issues more efficiently (eCRM TOPS replacement).

Our strategic objective has not changed – Fix Sailor Pay, Self Service, make the HR experience less cumbersome, improve our time to resolve issues, and get training content to the Sailor no matter where they are at any time.

There are five IT lines of effort that support MyNavy HR digital transformation efforts which include:

- MyNavy Portal: User-common interface. Provides Sailors a single place where they can have self-service access to personnel and career resources through Common Access Card (CAC)-free Multi-factor authentication.
- Navy Personnel & Pay (NP2): Holistic Force Management system. An integrated personnel and pay solution that will unite Active and Reserve component personnel and pay systems, and will enable adaptable solutions (AC/RC), timely pay, increased auditability and enhanced user experience for Sailors, the HR workforce, and Navy leadership.
- Authoritative Data Environment (ADE): Data is the Integrator. We need data to make decisions and all our transformation systems need data. This foundational capability enables data integration across the MyNavy HR All Access Lines of Effort (LOEs). An important by product of the data integration is to share/expose data outside of the MyNavy HR functional domain, e.g. to the Jupiter/ADVANA, DoD, etc.
- Learning Stack (LS): RRL Engine/Transactional Systems. This is where all the processing and enhanced user experience happens to search for training, register for training and access modernized training at the point of need, etc.
- Enterprise Customer Relation Management (eCRM): Recruiting and Support. Case management tool that provides tiered service delivery response, offering 24/7 self-service options, call center availability, shared services, and HR Case tracking support to recruits, Sailors, and their families.

Flag Officer Reductions

In the past year, Navy reduced more than eight percent of its Flag Officer billets in support of the Space Force and as required by the FY2017 National Defense Authorization Act (NDAA). These cuts were disproportionate as they were applied in equal numbers to the Army and Air Force with the Navy starting at a much lower number from which to cut. These cuts come at a high cost to maintaining operational readiness, impeding Navy's efforts in an already challenging operational environment, and in direct conflict with the demands of strategic naval competition 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 jobs reduced development opportunities for junior warfighter flag officers and limited the enterprise expertise that can only be gained outside of warfighting billets, in areas such as financial management, strategic plans and policy, strategic warfare, and operations analysis. This expertise is realized primarily in junior flag officer staff jobs; removing these staff jobs, as billet cuts have required us to eliminate development opportunities used to groom one and two-Stars for future positions as three and four-stars.

The reduced number of Flag Officer billets has resulted in shifting critical work to other Flag Officers and Senior Executives increasing demands on those Flag Officers and Senior Executives by double and triple hatting of positions. At present, nearly one third of the Navy's remaining

149 Flag Officer billets are double or triple hatted with some positions having more than a dozen direct reports. Rather than streamlining processes, the reductions have increased direct reports and multi-hatted positions impeding those processes.

End State: Achieving the Mission of Personnel Readiness

Our Sailors remain the Navy's most important weapon system. We must continue to evaluate and improve our capabilities to achieve our mission of attracting, developing, and managing the talent to ensure our advantage at sea while providing exceptional service to military and veteran families, caregivers, and survivors. The Secretary of the Navy and the Chief of Naval Operations have established enduring priorities that center on empowering our People and developing a seasoned team of naval warriors. Within MyNavy HR, we will achieve this 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 modernize Sailor experience by transforming our legacy personnel and pay systems, bringing MyNavy HR into the 21st Century and providing exceptional service to our Sailors and their families.

MyNavy HR's vision is to create Mission-Focused Sailors through these pillars. Our goal is to have Sailor-informed, transparent, data-driven talent management through a billet-based advancement system that reduces gaps at sea and provides increased Sailor choice and flexibility. We intend to provide agile, focused training delivered when and where it is needed. MyNavy HR requires an inclusive culture that supports adaptive, resilient Sailors and families. We will deliver modern HR services that include 24/7 support for Sailor and families through a single portal; accurate, auditable and timely personnel and pay actions to Sailors and leaders. Finally, to accomplish all of this, we will have a modern, sustainable IT infrastructure that enables HR operations, process changes, and seamlessly integrates efforts and increases accuracy and efficiency across the MyNavy HR enterprise.

The bottom line is that the United States Navy has the best people. As we have always done in the past, our people will step up and rise to the occasion – whether in war or peace. The MyNavy HR team's purpose is to get the basics right for the Sailor and their families, so they can be the mission-focused Sailors that our Navy and Nation deserve. On behalf of the men and women of the United States Navy and their families, thank you for your sustained commitment and unwavering support.