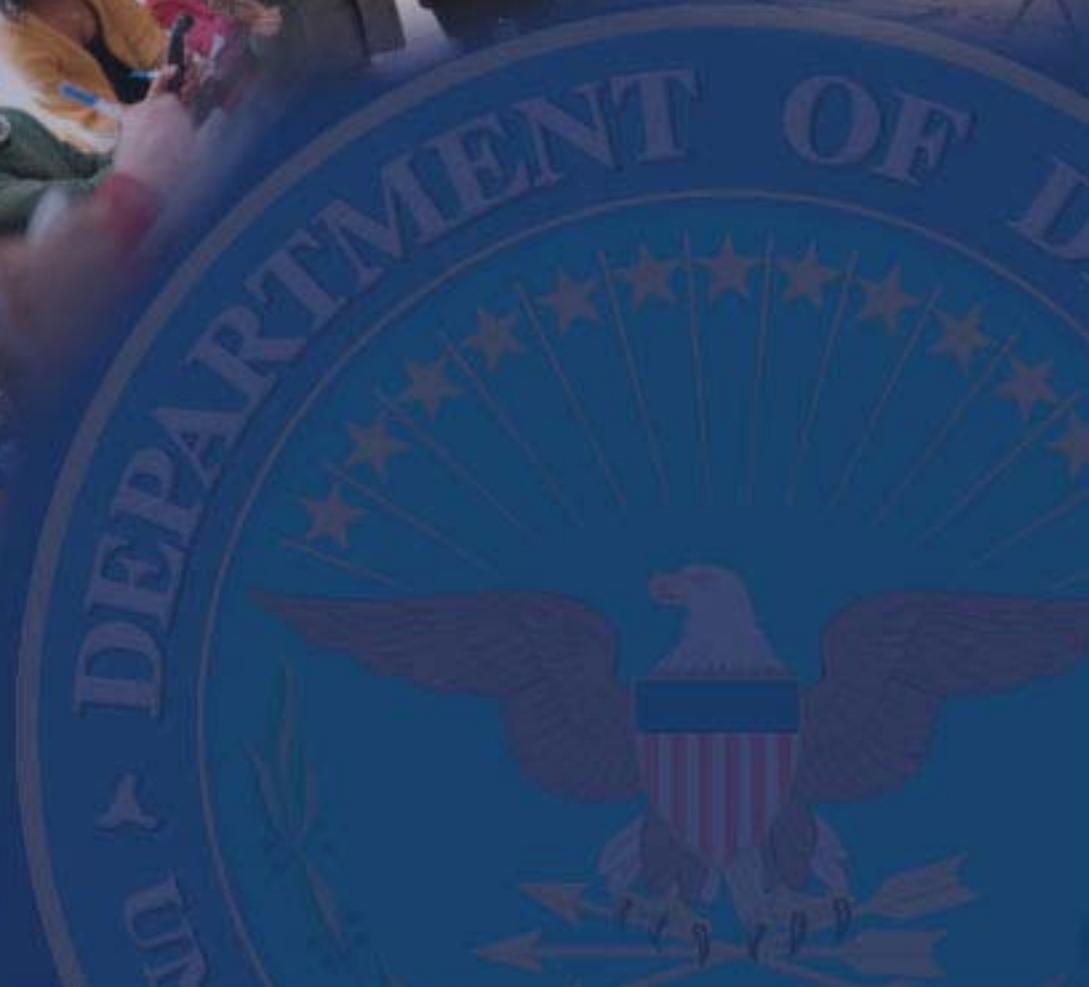


DEPARTMENT OF DEFENSE

Civilian Human Capital Management Report FY 2009

“Sustaining a Capable, Agile, and Decisive Civilian Workforce”





“ The U.S. Department of Defense is the largest organization in the world. It executes a budget more than twice that of the world's largest corporation, has more personnel than the populations of a third of the world's countries, and provides medical care for as many patients as the largest health management organization. The size and complexity of the Department's business operations and the rapid pace of change in the business environment, set against the backdrop of two major campaigns and worldwide economic uncertainty, make it imperative that we create more agile, responsive, and efficient business operations.

”

William J. Lynne III, Deputy Secretary of Defense,
Transmittal Letter for the 2009 DoD Strategic Management Plan,
July 31, 2009



Section II: Executive Summary

OVERVIEW

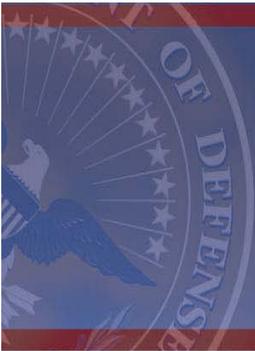
The 2009 Department of Defense (DoD) Strategic Management Plan enables the Department's leadership to enhance productivity by focusing resources on the key levers that drive success for each of the five top-level priorities for business operations. Business priority four – Enhance the Civilian Workforce – recognizes the challenges associated with the more than 700,000 civilian DoD employees that serve in a wide variety of critical positions worldwide, to include many deployed to Iraq and Afghanistan. The civilian workforce, representing 28 percent of the Department's total strength, plays a pivotal role in maintaining and supporting the operational capability of the military force. The goals and measures associated with this priority focus on sustaining and improving the quality and competence of the Department's civilian workforce, and support the objectives of decisiveness, integration, and agility that were established in the DoD Human Capital Strategy (HCS).

Attainment of the goals and objectives of the Strategic Management Plan and the overarching DoD HCS is accomplished through implementation of the DoD Civilian Human Capital Strategic Plan (CHCSP). In order to ensure continued alignment with and support for the current DoD environment, the CHCSP was reviewed; multi-year goals revalidated; and objectives refreshed in April 2009. The strenuous review process included an environmental scan to determine the impact of current and future mission requirements on civilian workforce requirements; revalidation of links to the Office of the Under Secretary of Defense for Personnel and Readiness (OUSD (P&R)) Strategic Plan; and confirmation of continued alignment to and support for overarching goals of both the Administration and the Department. The environmental scan revealed several challenges including identifying, recruiting, filling and retaining positions resulting from in-sourcing and implementation of the American Recovery and Reinvestment Act (ARRA) of 2009; and continued support for our all volunteer force, deployed civilians, and the newly established Civilian Expeditionary Workforce (CEW) that is heavily engaged in the contingency operations of Iraq and Afghanistan.

Adjustments to the CHCSP included modifications to the objectives as required, and the addition of success indicators for each of the goals. Information provided in the 2008 HCMR, along with results of the DoD Civilian Human Capital Accountability System (CHCAS) reviews and Office of Personnel Management (OPM) Human Capital Assessment and Accountability Framework (HCAAF) indices, served as inputs to the development of the success indicators and supporting metrics. These indicators will facilitate measurement of progress toward meeting our human capital goals. Reporting will occur on an annual basis and be included in future editions



of our Human Capital Management Report (HCMR). Results of the 2009 CHCSP refresh are shown in Figures II-1 thru II-4 on the following pages.



Appendix C: Good News Stories





Department of the Navy's Consolidated Benefit Center Results in HR Process Improvements

In 2005, the Department of Navy (DON) consolidated all benefits processing in one location by establishing the DON Civilian Benefits Center (CBC) at the Human Resources Service Center (HRSC) East, Portsmouth, VA. A competency based approach was utilized with the goal to provide a consistent level of service to all customers, ensure optimal resourcing of benefits operations, leverage the ability to balance workload through centralized control, improve program quality, and eventually reduce staffing levels to realize savings in labor expenditures.

The successful establishment of the DON CBC continues to have DON-wide impact. Four years since implementation, the evidence shows processes have been streamlined and employees are getting retirement estimates and annuities faster. Satisfaction with these services is high as evidenced by scores on internal as well as corporate surveys.

Key Statistics

- ★ Ninety-eight percent of retirement estimates are completed within 30 days (average is 10 days). **Exceeds standard of 85 percent.**
- ★ Ninety-nine percent of customers rate service as highly satisfactory or better (77 percent outstanding, 22 percent highly satisfactory). **Exceeds industry standard of 80 percent.**
- ★ Ninety-four percent of retirement packages are sent to the Office Personnel Management (OPM) within 30 days. **Exceeds OPM standard of 80 percent.**
- ★ The CBC consistently receives the highest satisfaction rating of all functional areas on DON Customer Engagement Surveys.

Best Practices/Benchmarking

- ★ OPM adopted DON's Death and Disability processing model as a best practice in 2009.
- ★ In 2008, the DON CBC designed and piloted a program with the support of the Defense Finance and Accounting Service and OPM to consolidate the SF2806 and the retirement application and send the packages directly to OPM. As a result, annuitants are receiving their full checks approximately 30 days faster. This streamlined process has been highly touted by DFAS and OPM.
- ★ Demonstrating both a commitment to operating in a joint environment and dedication to the highest standards of customer service, in 2008 the CBC began providing benefits services to over 5,000 Civilian Mariners employed with the Military Sealift Command and also to the Tricare Management Agency - employees not normally serviced by the CBC.

The DON Civilian Benefits Center, HRSC East is a model program that is serving to inspire other components and agencies.



Department of the Navy Expands Alternate Dispute Resolution

The DON offers Workplace ADR services to all its civilian employees. Using mediation as the primary method of practice, other services include facilitation of NSPS Reconsideration requests and management/employee concerns when conduct and performance issues arise. The DON supports using ADR at the lowest organizational level and earliest stages of a significant workplace concern. The use of ADR is expected at all stages of EEO cases, Administrative Grievances and as designated in collective bargaining agreements. Workplace concerns cover various issues such as: communication, reasonable accommodation, telework, classification and significant peer to peer disputes. To provide well-trained practitioners, DON has implemented a Mediator Certification Program. To participate in mediation, civilian employees as well as supervisors may use the "NEED A DON MEDIATOR" website feature to obtain services.

FY 2009 EEO and Workplace cases were resolved or not pursued 70 percent of the time. The average time to resolution is 25 days. Eight out of 10 participants reported that mediation helped them become better aware of the other party's concerns. Participants stated they would recommend mediation to others 89 percent of the time. Statistics to date show 100 percent of those responding to assessments believed their Department of the Navy mediator was professional.

The Workplace ADR Program was a proud recipient of the OPM Director's Award for Outstanding ADR Programs. It is one of the most recognized Workplace ADR Programs in the Federal government. Funded by the Office of General Counsel's ADR Program and implemented through the Office of Civilian Human Resources, the Workplace ADR Program manages the DON Mediator Certification Program and sets the criteria for a four tier certification process. Tier I and II require a minimum of 20 hours of basic mediation training and 16 hours of advanced mediation training with an emphasis on role play. Currently DON provides a 40 hour course that exceeds the standard. Tier III is a pass/fail screening and evaluation of each mediator candidate's demonstrated knowledge, skill and ability in the use of the DON Mediation Model. A two day refresher is provided to the candidates prior to their Tier III appointments. Tier IV is a minimum of 3 mentored mediations conducting real cases. All phases of the certification provide intense feedback to enable the growth and development of the mediators seeking certification.

HRSCs and Human Resource Offices (HROs) collaborate to provide ADR services such as training, convening and assigning DON Certified Mediators to cases. ADRTracker is used to track cases, schedule ADR services, provide documents used for mediation, maintain mediator home pages and generate real time statistics used for the Annual DoD ADR Report. HROs are eligible to earn annual recognition for having a local ADR system in place by meeting four criteria. The four criteria are sufficient staff with training in ADR convening; promotion of conflict management techniques; use of best practices in facilitative mediation; and tracking and reporting of ADR events.



DFAS supports Mission Critical Occupations with specialized Professional Development, “Leaders in Motion”

The DFAS Leaders in Motion (LIM) Program is designed for the following occupational series (both DoD and government-wide): 510, 511, 501, 560, 201, 2210, 343, and 1102. The program consists of four, six-month rotations, with the first rotation in operations - field level accounting for accountants or entitlements area for financial analysts. The second to fourth rotations are based on the associate’s choice coupled with Agencies needs. Examples include Financial Statements, BRAC site, Military Pay, Vendor Pay, Systems, Disbursing, SBM, With a Customer, and Internal Review. Some disciplines (e.g., IT associates) may have fewer rotations.

The following training is ongoing throughout the program:

- ★ Coaching/mentoring
- ★ Training classes
- ★ Special/challenging projects
- ★ Site/customer visits
- ★ Annual leadership development/networking conferences with peers
- ★ Leadership opportunities
- ★ Monthly professional association meetings encouraged
- ★ Monthly meetings with senior managers and peers
- ★ Regular topical briefings with “hot” Agency topics
- ★ Emphasis on Project Mgmt

In FY 2007, two concentrations were added to the LIM - General Management and Business Analyst. Assessment occurs at month 23 to determine area of concentration.

At the end of FY 2009, the internal retention rate for the program was 74 percent. Looking at retention from the enterprise perspective (including those that moved to other areas within DoD due to BRAC), the retention rate increased to 90 percent.



DISA recognized for BRAC Information Portal

The Defense Information Systems Agency (DISA) was selected for the "Best Government Web Site Award," 2009, by the Web Marketing Association.

As a result of the 2005 Base Realignment and Closure Commission (BRAC) recommendation, DISA will be relocating its headquarters from Arlington, VA to Ft. Meade, MD by September 2011. With over 4,300 employees affected, most of whom live within Northern Virginia; the DISA workforce faced some major decisions over the past year. To assist its employees in their decision-making process, DISA launched the BRAC Information Portal in October 2008. The BRAC Information Portal represents the agency's efforts to provide staff, their families, and new neighbors and partners with a comprehensive online resource to feed decision making processes and provide real-time updates on various BRAC initiatives. Beyond delivering information, the site also incorporates interactive elements to encourage collaboration among staff members. The "Message Boards" are hosted on DKO, a defense community knowledge management portal, and offer staff the capability to discuss various topics; including neighborhoods of interest, real estate services, and commuting.

Prior to the launch of the BRAC Information Portal, when DISA staff needed BRAC information, they used an intranet site that functioned as a document repository. Usage of the site was low, it was difficult to navigate, and it provided limited information. The BRAC Information Portal represents a dramatic improvement. The content is organized in a user-centered manner, written in plain English, and is routinely updated. Furthermore, employees are provided interactive capabilities so they can collaborate on issues surrounding the relocation.

From a qualitative perspective, the site has been well received by all audiences. The feedback received over the past year has been overwhelmingly positive. Furthermore, the Web Marketing Association recognized the portal as the "Best Government Web Site of 2009" and it won a "Gold Screen Award" from the National Association of Government Communicators (NAGC). Both awards recognized the design, content, usability, and innovative nature of the site.

From a quantitative perspective, the site has averaged 650 unique visitors a week over the past six months, which is a 27 percent increase over the first six months. Visitors are spending, on average, 18 minutes on the site; from which we can infer that they are not just browsing the site - they are consuming the information provided and using it to feed their decision making process. Finally, the site is reaching a diverse audience. A majority of the visitors are coming from the DISA domain, northern Virginia Internet Service Providers, and from various commercial enterprises; from which we can surmise that we are reaching our target audiences (staff, their families, and our new neighbors and partners).



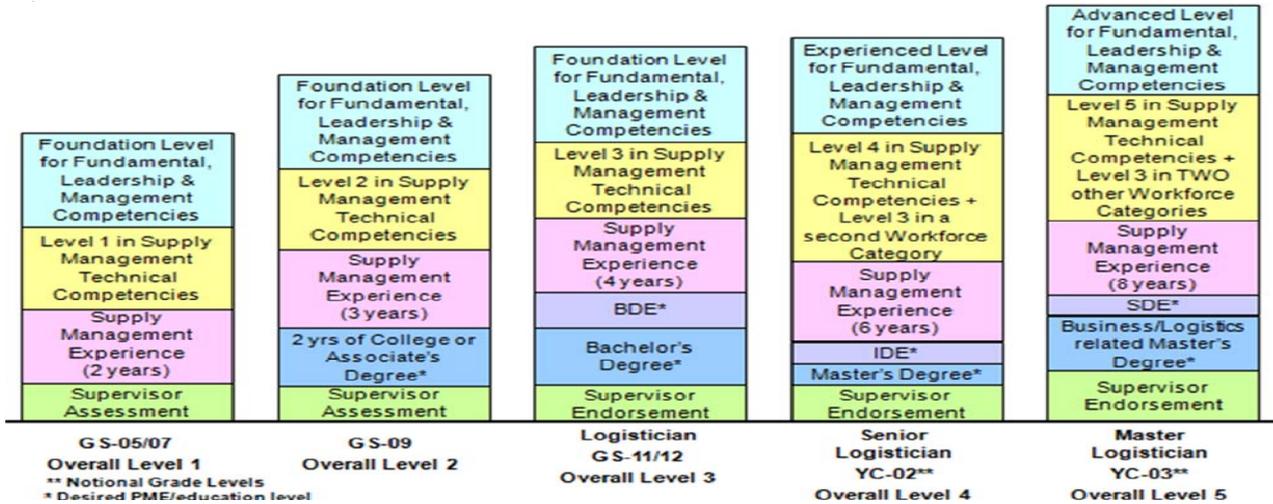
Air Force Global Logistics Center (AFGLSC) Rolls Out Competency-based Certification Program

One of the leading strategic goals of the Air Force Global Logistics Center (AFLGSC) is to develop a professional, certified Supply Management (SM) workforce. To meet that challenge, the AFLGSC Workforce Strategy Team (WST) has developed a competency-based AFGLSC SM Certificate Program inclusive of education, training, experience, and assessment requirements. The SM Certificate Program is poised to cultivate a leading AFGLSC SM workforce in accordance with DoD and industry best practices. This program not only offers a premier certification opportunity to individual employees, but also provides a career development roadmap to guide them from Journeyman to Senior Executive Service (SES). In June 2009, the WST initiated a pilot for the SM Certificate Program to test the process and make the appropriate adjustments prior to deployment.

The program is made up of Technical, Fundamental, and Leadership and Management competencies. The Technical competencies are defined at Levels one through five, and the Fundamental and Leadership and Management competencies are defined at the Foundation, Experienced, and Advanced levels. Currently, the training required to establish a foundation level of understanding for all of these competencies is included in the Supply Chain Management (SCM) Training Templates. The SCM Training Templates have been formatted to align training requirements directly to the three sections: Technical, Fundamental, and Leadership and Management. Completing these training requirements fulfills one of the requirements necessary to achieve certification. Additionally, the completion of a checklist or a written documentation tool is required to demonstrate an individual's competencies. Supervisor approval and/or supervisor endorsement to a panel are also required for certification. Desired levels of education and Professional Military Education (PME) have been identified, but are not a requirement for certification.



The following illustration shows the certification level requirements for the AFGLSC SM Certificate Program.



In order for employees to become certified at an applicable level in the AFGSLC SM Certificate Program, they must follow the process to apply for certification. Depending on the certification level the employee intends to apply for, the employee’s supervisor or a leadership-appointed panel will review an employee’s qualifications and determine the certification level.

Employees need to periodically review their career briefs to ensure all experience, training, and education levels are accurate and up to date. The career brief, Training Scheduling System (TSS), or Education and Training Management System (ETMS) will be used to validate prior training. Applicants are encouraged to work with their Workforce Development Office to validate and input any missing training or experience requirements.



U.S. Army Research, Development and Engineering Command, (ARDEC) recognized in International Benchmarking Study for work in Strategic Workforce Planning

U.S. Army Armament Research, Development, and Engineering Center (ARDEC) was one of six Best-Practice (BP) organizations selected for participation in a consortium benchmarking study sponsored by the American Productivity and Quality Center (APQC) – an internationally recognized non-profit organization having the leadership position in providing expertise in benchmarking. APQC is the nation’s largest repository of best practices, and a Malcom Baldrige Award creator and sponsor.

The scope of the research in the benchmarking study, “*Strategic Work Force Planning: Anticipating and Filling Talent Gaps*,” published in March 2009, included:

- ★ Identifying talent gaps;
- ★ Implementing the corresponding analytics required for effective workforce planning; and
- ★ Leveraging strategies to increase the effectiveness of organizations’ existing workforces.

ARDEC’s strategic workforce planning highlights included:

- ★ Seeking candidates who have science, technology, engineering, and math (STEM) knowledge and skills, and once hired, receiving additional training through ARDEC’s on-site Armament University
- ★ Linking employees to human capital information through ARDEC’s human capital learning portal. Its purpose is to help employees fill knowledge gaps, ramp up quickly, and leverage existing partnerships and research.
- ★ Leaders showing support through face time – simple and effective.
- ★ Using work force analytics software technology from the U.S. Army Career Acquisition Program Management Information System database and other data collection vehicles
- ★ Measuring the effectiveness of the workforce using the ARDEC Talent Maturity Audit and the Talent Leadership Assessment, that uncovers what the organization’s leaders really know about human capital and talent management. Benchmarking and external assessments such as the Baldrige criteria and Capability Maturity Model integration are additional tools used to evaluate ARDEC’s human capital management efforts. Internal metrics often come from Lean Six Sigma projects, which have measures built into them.



The Department of the Navy (DON) Conducts Research and Assessment of Work/Life Programs

The DON recognizes that Work/Life Programs for civilian employees provide a very high return on investment that adds significant value to the DON as evidenced by research and assessment of Work/Life programs. On employee satisfaction surveys, employees continually identify work place flexibility and work/life programs and wellness programs as the most important part of selecting a job, rating it higher than compensation. Evaluating, integrating, and improving work/life programs are an important strategy in improving recruitment and retention. Other return on investment value for work/life and wellness programs includes reduced employee health care costs, reduced employee absenteeism and leaves usage, reduced turnover costs, reduced recruitment costs, reduces training costs, organizational knowledge retention, and increased employee productivity and fitness for duty. In FY 2009, the DON Office of Civilian Human Resources (OCHR) Work/Life Program increased its efforts to determine if they have kept pace with changes in the workforce, to increase employee satisfaction and wellness, and to assist in recruiting the best talent.

DON civilian Work/Life noteworthy program initiatives include:

- ★ Implementing 16 telework demo projects in major and sub commands with mission essential and hard to recruit occupations; working in conjunction with the only and award-winning active duty telework program to increase the recruitment pool beyond local areas; support pandemic flu and emergency preparedness; and increase employee job satisfaction. DON preceded the demo projects with a large educational campaign to educate supervisors and managers on telework eligibility and the application process.
- ★ Evaluated all civilian mental health programs offered through the employee assistance programs (EAPs) to examine program coverage, cost effectiveness, and uniform application, and developed an action plan to centralize the EAP services to improve program quality and costs through volume purchasing.
- ★ Improved program and visibility by consolidating DON resources, including on line training and marketing tools into a “one stop shop” to find services and information quickly and easily.

By offering civilian employees a broad range of services, and by opening up active duty programs to civilian employees, OCHR has coordinated with other DON organizations to offer a holistic approach to wellness. Services include, but are not limited to, vaccinations; some medical screening; free gym memberships; access to all military recreational activities, restaurants, and lodging; health fairs; extensive health and safety programs; fitness classes; fitness and health coaching; food labeling; healthy vending options; and allowing exercise during duty time. It should be noted that the DON holistic approach to employee wellness was in place prior to this administration’s 2009 Wellness Initiative for Federal Employees.



DISA Telework is proving an effective tool for the Department's Base Realignment and Closure (BRAC) commands

Telework is proving an effective tool for the Department's BRAC commands. As an example, in 2008, the DISA Director issued a policy increasing the number of days employees could telework from two days to three days per week, totaling six days per pay period. The expansion of the program, array of support tools available to managers and employees that facilitate work in a virtual environment, and visible leadership backing for telework provides DISA the support needed to retain and recruit a highly skilled workforce under BRAC. With 76 percent of the DISA workforce living in the Northern Virginia area, a solid strategy was needed for the retention of an experienced, well qualified workforce transitioning to the Fort Meade location. It was determined that the expansion of the telework program would serve as an excellent tool for both recruitment and retention.

In a 2009 survey of DISA employees, 58 percent of those who responded to the survey reported that they would accept a transfer to Fort Meade as compared to 29 percent who reported willingness to accept a transfer in 2005. Seventy-five percent of DISA employees reported that the option to telework effects their decision to continue to work with DISA. The telework program serves as an excellent tool for both recruitment and retention at the agency.