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From: Commander, Naval Surface Forces  
To: Chief of Naval Operations

Subj: IMPROVING PERSONNEL MANAGEMENT AND FLEET READINESS

Encl: (1) Contributors to Fleet Personnel Readiness Challenges  
(2) Current Personnel Management Initiatives

1. Background. The Surface Force continues to encounter a persistent shortage of properly trained and experienced Sailors both Afloat and Ashore. Despite significant funding investments in Training and Manpower accounts across the Navy, these shortfalls, as measured against the requirement, have shown little improvement, particularly when taking the experience and training of the workforce into account.

While we have increased the number of Sailors available to man the Fleet, we have made little progress in the achieving the number of Sailors with the correct training, qualifications and experience. The number one limiting factor in achieving acceptable levels of readiness is having the correct number of "properly trained" Sailors. If we cannot reverse this trend, the Surface Force's readiness to conduct prompt and sustained combat operations will be diminished.

**If we continue to invest in the latest and greatest equipment and the most capable weapon systems without making an equivalent investment in our workforce, we will move further away from being a ready force.**

I will continue to support initiatives highlighted in this paper to reduce and subsequently remove reactionary personnel actions, i.e. rip-to-fill actions such as TEMADD assists, diverts, crossdecks, and OPHOLDS that have a negative impact not only on Sailor/Family quality of life, but safety, unit integrity, and ultimately unit readiness.

2. Discussion. The Surface Force requires the Navy to change the way we produce, train and manage the career path of our workforce, particularly our enlisted Sailors. In order to meet this challenge, the Navy must:

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a. Invest in knowledge management systems that allow us to easily, effectively and most importantly, actively manage our work force's careers. Every rating should have a set career path with clearly defined and integrated schools, qualifications, and experiences that are required to advance.

b. Develop better ways to deliver tactical and technical training. Specifically, we need to develop realistic computer simulation to deliver individual and team technical and tactical training. The ability to realistically practice and train to your individual rating whether in the shipyards or while transiting on deployment will go a long way to improving the "quality of service" for our Sailors.

c. Invest in technology that better integrates and uses the various databases and sensors we embed in our ship systems. Virtual Reality Training and augmented reality technologies have great promise in delivering infinitely better trained Sailors and reducing the admin burden and improving maintenance and configuration control.

d. Invest in shore duty assignments that enhance the professional development of our Sailors. For the Surface Community these billets include Afloat Training Group (ATG), Regional Maintenance Center (RMC), and Center for Surface Combat Systems (CSCS) and should at a minimum contribute to building the technical and tactical skills while ashore and awaiting your next operational tour.

e. Shift our focus beyond the FYDP and explore long term solutions to our personnel challenges.

f. Become Sea Centric. Every Sailor, officer and enlisted, who does not spend at least 50% of their first 20 year career in an operational Sea duty job, or its equivalent, should have their tasks and duties performed by civil servants or government contractors. Too many Sailors in the Navy spend too little time going to sea or directly supporting operational assignments.

3. Optimized Fleet Response Plan (O-FRP). The Manning initiatives that have already been proposed to align personnel readiness with the O-FRP, moving us in the direction of a sea-centric force, will not be effective if we do not have the correct number of properly trained and experienced Sailors. O-FRP execution and sustainability rest squarely and heavily on

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whether the Navy can produce the Sailors that are **required** (vs what we can afford) with the correct skills and experiences at the right time. If we cannot improve substantially over the current system, we will not achieve the goals of O-FRP.

4. Specific Recommendations. My recommendations are broken down into two groups: Immediate Actions and Follow-On Actions. The first group consists of initiatives that are already in place that will help support O-FRP and overall fleet manning. The second group is recommended initiatives that correct systems or practices that are obsolete or so ingrained in the manpower psyche that they will take time and significant additional resources and funds to fix.

a. Immediate Actions

(1) Buy 100 percent of manpower requirements derived from the ROC/POE and man to the requirement to achieve/sustain mission readiness standards instead of manning to what we can afford.

(2) Continue the phased implementation of Billet Based Distribution (BBD) by the summer of 2015. BBD will distribute sea-centric enlisted ratings in the same manner officers are currently distributed. It will refine the Sailor assignment process to maximize skills, qualifications, NECs, and experience to better match positions and include transparency. This translates into increased readiness for the Force and will enable active management of career paths to ensure experience and qualification growth in rate.

(3) Buy the "Friction". Unfunded overages in the individuals' accounts (Transients, Patients, Prisoners, and Holdees - TPPH), Student Accounts, LIMDU, and pregnancies result in individuals unavailable for normal distribution, which are a tax on billets the fleet pays for. This manning deficit, coupled with enlisted under-execution of end strength due to over-execution of officer end strength, creates significant "fit" and "fill" challenges in the fleet, impacting unity integrity and overall ship readiness.

(4) Increase the number of billets in ATGs, RMCs, and CSCS detachments, as well as other commands offering enriching shore tours to not only improve Sea Shore Flow (SSF), but offer

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a place where Sailors can maintain or enhance their skills and gain further experience.

(5) Resolve the manpower challenges of the CG's identified for potential decommissioning. If they are retained for full operations or SLEP, we must buy the manpower back. If they are decommissioned, return the NMP back to the fleet sooner rather than later.

b. Follow-On Actions

(1) Revamp the SSF model to provide more frequent but shorter sea tours (for example a 3-2-3 model). This is a seemingly radical change, but one that is absolutely necessary for the ratings that require extensive technical skills and for those Sailors in sea-intensive ratings to stay Navy. More frequent and shorter sea tours would be more enticing and lead to more proficiency, experience, competence, professionalism and retention in the Surface Force. Every Sailors first shore tour should be rate centric and improve their technical and/or tactical expertise.

(2) Measure manpower readiness against the true requirement (derived from the ROC/POE) vice what the Navy can afford.

(3) Address and solve the differences between how Navy manpower managers assess the readiness of fleet manning. For example, one perspective shows an excess of CPOs on ships, making it appear that all is well with the senior enlisted leadership in the fleet. But, it is readily apparent to all that these CPOs are not aligned to the proper billet and the proper ship, whether through promotions creating overages on some ships and underage on others, EAOS and PRD challenges creating gaps, etc.

(4) Revise policies that are preventing the proper placement of personnel when and where we need them, and ensure policies are flexible to adjust with economy and Navy mission.

(5) Synchronize and consolidate the numerous personnel systems and databases (NSIPS, R-ADMIN, FLTMPS, etc.) into one common picture for all fleet users to align force demand signals and decision making.

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(6) Transition away from using fit/fill for determining personnel readiness. This metric was initially intended to measure how the distribution system is working. However it cannot be used to give a proper indication of readiness, i.e. no measureable impact of a plus or minus percentage point to any specific mission area. DRRS-N PFOM is more associated with personnel readiness, but it is not flexible or adaptable in the assessment of personnel readiness. We need a system with advanced decision support capabilities that can focus on marginal readiness, prioritized deficiencies, and projected readiness. Projected readiness will allow us to develop a picture of future readiness based on resources and time; something we have not had up to now. We are hoping that BBD will be able to provide these capabilities.

(7) Reward Sea Duty and Deployments. Sea centricity is existential. In future compensation reform deliberations reward sea duty and operational deployments with an increasing percentage of retirement pay over the baseline.

5. Conclusion. The success of the Surface Force relies on our people and, in today's resource-constrained environment, it is important they remain our top priority. We need to invest our time, energy, and resources in them accordingly. My objective is to have a viable, sea-centric manpower pool of Sailors who are trained, proficient, and confident, possessing the required qualifications and experience levels that ships need, and who arrive at their ships before the Basic Phase of O-FRP. These Sailors must be confident in the knowledge that they will have stability in their career paths and will be distributed to ships based on required billets at the optimal time. I appreciate your consideration and support for these important manning and manpower actions.

  
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## Contributors to Fleet Personnel Readiness Challenges

1. End Strength Reductions. End strength dropped a decade ago from approximately 380K to approximately 320K, but with high(er) OPTEMPO. Distributable inventory was also affected by the following:

- Inability to fund friction; i.e. paying for Sailors who are in Transient/Patient/ Prisoner/ Holdee (TPPH) status (overage of ~2.5K), Students (overage of approx. 5K), LIMDU personnel (overage of ~2.5K), and pregnant status (~3K) who count against those that should be assigned to ships. This equates to ~13K Sailors per month over this past year.
- Reduction in force/right sizing initiatives, such as Optimal Manning (OM), Perform to Serve (PTS), Enlisted Retention Board (ERB), Top 6 Roll-down, etc.
- Change in Afloat Work Week Productivity Availability Factor (PAF), otherwise known as the Navy Standard Work Week, from 67 to 70 hours (loss of ~5,800 manpower requirements)
- Reduction in Make-Ready, Put Away (MRPA) from 30% to 15% (loss of ~two manpower requirements per ship)
- Productivity Allowances dropped from 20% to 2 - 8%
- Shift of ~550 Personnel Specialist (PS) billets from the fleet to "Pay and Personnel Afloat" (PAPA Det), now PSD Afloat, leaving the same workload on the ship. Their loss creates challenges as they contributed to routine ship maintenance, watch-standing, repair locker/GQ assignments, general shipboard duties, etc. (For example, three of five PS' on DDG transferred to PSD Afloat.)

2. Antiquated Personnel Systems. The personnel system currently uses multiple legacy computers systems that do not synchronize, and require redundant manual input. The systems are not user friendly and create room for errors, all of which negatively impact Sailor career development, as well as ship readiness.

- Decades old Enlisted Distribution Verification Report (EDVR)/Officer Distribution Control Report (ODCR) procedures

- Aged personnel and pay systems
- Antiquated detailing/distribution systems
- Bandwidth/Connectivity challenges impeding personnel/pay systems communication with supporting shore providers, i.e. PSD, NPC, etc.

3. Sea Shore Flow (SSF) Imbalance. SSF imbalance was created by either an insufficient inventory in a rating or having enough inventory, but in the wrong place, i.e. majority ashore and not filling critical/essential billets at sea. Challenges to balance include:

- **Sea-intensive rating tours are too long**, impeding a Sailor from pursuing personal educational goals, stressing family quality of life, creating burnout, and mostly below average reenlistment rates.
- Lack of a clear and effective Sailor career development plan for many ratings. Little active management of the plan in any rating.
- Lack of enriching shore tours/billets contributes to the loss of proficiency/experience, impacts career development, upward mobility, and increased job dissatisfaction.
- Inability to move Sailors from street to fleet efficiently and in a timely manner.
- Rip to fill manning actions to fill current ~8K fit gaps at sea, ~500 at CPO level, thus impacting PRD/EAOS management.
- Defense budget, accession planning, under execution of end strength.
- Underfunding of Student Individuals' Account (Student IA).
- Timing and/or lack of schools, specifically in fleet concentration areas.
- Supply and demand challenges, i.e. recurring changes in the billets authorized (BA) due to hull modifications/upgrades, etc.
- Retention/attrition challenges, especially in sea intensive ratings.

- Stove pipe challenges, which include lack of coordinated planning of new platforms, technology, etc. by various stakeholders/resource sponsors without planning for manpower (estimating), training, NTSPs, etc.
- Economic changes and associated challenges with competition for resources and talent.

4. Inadequate Training. The majority of our schools are using out of date curriculum and training devices and do not deliver the skilled Sailors required by the Fleet. Bottom line the school system is ineffective in the delivery of training to the Fleet. Specific examples include:

- PEOs delivery new equipment/system without proper Fleet training in place (NTSPs) and with no accountability to provide the training.
- ATG is chronically undermanned.
- Inadequate use of simulation for individual and team training.

5. Maintenance and Modernization. Regional Maintenance Centers (RMC) lack the requisite numbers of trained and experienced Sailors and civilians to both plan and execute availabilities. The result is cost and schedule overruns which invariable eat into the ships training time.

6. Variance. Unconstrained equipment and software variance have made the difficult task of producing expert technicians and tacticians nearly impossible.

7. Administrative Distractions. Our workforce spends an inordinate amount of time in non-productive administrative programs. The 3-M system is the prime example, the amount of time "administering" the program, far exceeds the time spent actually doing maintenance. This continues to be a huge dissatisfier for the Surface Fleet.

## Current Personnel Management Initiatives

### 1. Navy/Fleet Initiatives

- End Strength Increase.
- Top Six Roll Up/Realignment. Mitigated previous Top Six Roll Down impact on NECs, as well as fit/fill requirements.
- Readiness Kill Chain (RKC). Adopted the RKC construct that has mapped and assessed the processes from policy and requirements to deck plate execution by which the Navy delivers Surface Force wholeness across each of the readiness pillars including the Personnel Pillar (P-Pillar). Under this construct, personnel issues requiring action will now fall under the P-Pillar led by Commander, Navy Personnel Command with SWE/TYCOM N1 action officers.

### 2. Type Commander Initiatives

- Surface Force Readiness Manual (SFRM). Directive that provides specific exit criteria (personnel targets) to meet at each phase of FRTP with waiver process.
- Optimal Manning (OM) Restoration. ~2,100 billets returned to the fleet, now working manning solutions (re-filling gaps that were created)
- Sailor Career Development. Collaborating with Detailers and Career Managers, we established optimal assignment paths for three key afloat leadership positions - Combat Systems Maintenance Manager (CSMM), Engineering Department LCPO (Top Snipe), and 3M Coordinators (3MC). These assignment paths have been incorporated into applicable Enlisted Community Manager (ECM) career paths. Further, to foster these career paths, NPC developed Top Snipe and CSMM "tracking NECs" to keep track of individual Sailors that have completed qualifying assignments to designated commands and are deemed suitable for selection as either a Top Snipe or CSMM. Lastly, we identified the Top Snipe on each ship by coding the requisite billet as Engineering Department Leading Chief Petty Officers.
- PS billet restoration. Ceased the transfer of PS billets to PSD Afloat when ships move from PRECOM to a commissioned status. Working with PERS 2, the new Pay and Personnel Administrative Support System (PASS) program manager, we

are working to ensure we have the right billet requirements ashore and afloat to support proper personnel management.

### 3. Combined Navy/Type Commander Initiatives

- Afloat Work Week Productivity Availability Factor (PAF). NAVMAC is coordinating a study which could result in restoration of manpower requirements lost by the fleet when it moved to a 70 hour workweek.
- Make Ready Put Away (MRPA) increase. Through fleet prompting, MRPA increased from 15% back to 30%, which when fully implemented may generate approximately two more billets back on ships to support preventative maintenance.
- Sea/Shore Flow (SSF) balancing. Working with OPNAV N12 SSF modeling to identify a workable balancing solution.
- Enriching Shore Tours. Increased the number of billets ashore for enriching shore tours, i.e., ATG, RMC, etc.
- Enhanced communications. Improved collaboration/communication among stakeholders/resource sponsors involving Navy Training System Plan (NTSP) reviews, Manpower Estimate Reviews (MER), Program Objective Memorandum (POM) planning, etc.