Talent Management
Maintaining America’s Operational Advantage
EXECUTIVE SUMMARY

In February 2015, BENS was approached by the Chief of Naval Operations Admiral Jon Greenert to assist with the Navy’s efforts to assess and adjust its human resources enterprise. Our ensuing collaboration consisted of 14 separate engagements with Navy counterparts, which involved over 40 Members and Friends of BENS—including 13 Board Members—and resulted in 21 actionable recommendations for improvement to the Navy’s talent management processes.

The private sector has been evolving its talent management practices at a near revolutionary rate and many lessons learned are of value to the Navy. In this, BENS leadership and Members perceived both an opportunity and necessity to serve as a valuable partner in support of the Navy’s reform efforts. The Navy’s effort was spearheaded by the Chief of Naval Personnel, Vice Admiral Bill Moran, while the Member Champions were Tosh Barron and Raphael Benaroya. Our ultimate success was the result of doing what BENS does best—connecting Members with our government partners, and we were fortunate to have such a great team established. In addition to offering 21 actionable recommendations, our members also provided 11 examples of best-in-practice performance evaluation models.

The Navy and wider Department of Defense are subsequently moving out on a number of reforms, many of which directly relate to a BENS suggestion. For example, through the course of our engagements our Members have recommended a move away from a lock-step tenure based system. By eventually recommending a legislative modification to the current up-or-out system of promotion, the Department seeks to do just that. Similarly, our Members have encouraged the establishment of systems of decision inclusion that would allow servicemembers to have greater agency over their own careers. Once again, the Department appears to be following our advice by encouraging innovative approaches to the way individual servicemembers participate in the assignments process (both physical and virtual), as well as promoting greater imagination regarding what a “correct” career path looks like.

Leading and realizing change as bold as that proposed is difficult, and while the formal project will be placed into maintenance mode for 2016, BENS’ work with the Navy may continue along two fronts. First, we are poised to provide advice and counsel to senior leaders within both the Navy and Office of the Undersecretary of Defense for Personnel and Readiness in order to assist with implementation. Second, with our Members we will do what is appropriate to influence external conditions necessary for the most prudent of the suggestions to be adopted.
INTRODUCTION

The Motivation

Effective talent management practices are key to organizational success. Without an appropriately motivated, dedicated, and capable workforce, it is unlikely that an organization will obtain the objectives set for itself. Organizational objectives often adjust over time and characteristics of the talent pool prove largely generational. So the ways in which talent is selected, trained, educated, and rewarded should be modified to meet the needs of both the organization and individual.

The U.S. Military faces unique and pressing talent management challenges beginning with those associated with initial entry—or the Recruit, Screen, Assess, and Select (RSAS) process—whereby according to a well-reported study by Mission: Readiness, more than 70 percent of 17- to 24-year olds in the U.S. cannot serve in the military, primarily because they are too poorly educated, too overweight, or have a serious criminal record. Once joined, the cognitive demands on the individual warfighter have grown in the context of modern battle and technological advances. This places a strain on the ability of Services to appropriately recruit, train, and educate their members.

Issues such as military compensation and entitlement reforms are being examined; however, these examinations have had the tendency to focus on affordability, sustainability, and civilian parity. Data from such reviews can be extrapolated in a limited fashion to areas of workforce recruitment and retention, but do not lend themselves to answering the dual questions of 1) are the Services getting the best people they need at all ranks and levels of seniority, and 2) what practices can be implemented to best optimize the available workforce?

Talent is a competitive advantage. Shortage results in operational risk and maintaining the status quo has a cost. Different generational demographics have different experiences requiring adaptation of personnel policies to maximize both the attraction and the retention of high quality individuals. To remain competitive, it has been suggested the Services review private sector best practices and consider how these processes may better inform their approach to recruiting, training and career management processes.

Future trends in the labor marketplace, technologies, and generational expectations point towards a possible strategic talent deficit, especially amongst those with the propensity for military service.
Future trends in the labor marketplace, technologies, and generational expectations point towards a possible strategic talent deficit, especially amongst those with the propensity for military service. The Navy is modernizing its personnel and learning systems in order to better attract talented Americans to serve, help more reach their fullest potential, and inspire the best to stay by means of a latticework of options. Envisioning greater choice, flexibility, decentralized authority, and transparency, the Navy finds that its talent management goals are inhibited by a predictable external and internal resistance to change.

Much of the talk of the national security community in January of 2015 surrounded the impending release of the Congressionally-mandated Military Compensation and Retirement Modernization Commission’s (MCRMC) findings. That discussion, in turn, centered on a question of the types and amounts of benefits required to recruit and retain personnel in sufficient numbers to sustain the All Volunteer Force (AVF). In that conversation, as is the case in most discussions regarding talent management principles, the purpose of efforts is misidentified. Department of Defense benefits packages and talent management practices are not about maintaining end strength—they are intended to ensure the most capable workforce is on hand to win wars.

At an event earlier this year, both Deputy Secretary of Defense Bob Work and Supreme Allied Commander Transformation, General Jean-Paul Paloméros, emphasized the importance of talent management as NATO militaries evolve. While discussing the Defense Innovation Initiative and so-called Third Offset Strategy, both of these influential individuals stressed the imperative of quality leadership development programs in an environment in which the technological edge of member states over potential adversaries is slowly eroding. With all material things being equal, the quality warfighter becomes a true critical requirement for battlefield victory.

Evolved and improved talent management practices within the uniformed services, of which leadership development is but a single component, are prudent war-winning actions. To see them as less can be perceived as being disingenuous at best and, at worst, counterproductive.
DISCUSSION

After initial meetings between executive leadership within the Navy and BENS Members, the following process was designed and subsequently executed:

**PROJECT MISSION:** BENS and the Chief of Naval Personnel partner to set external conditions for the Navy—and subsequently other Services—to enact meaningful reform to their talent management practices consistent with the lessons learned from private enterprise.

**PROJECT SCHEME:** The project was accomplished in a federated manner with centralized leadership and support from BENS (Members and staff respectively), as well as the Navy. Participants and partners were afforded the opportunity to team within one or more task groups for the purpose of identifying limiting structures, behaviors, and cultures. Each task group began with a roundtable discussion between BENS Members and Navy partners to define expectation and detailed way ahead. The project took place over four phases:

- **Phase I: Scope**
  - Task Group 1: Structures
    - Roundtable: 23 Jun
  - Task Group 2: Behaviors
    - Roundtable: 25 Jun
  - Task Group 3: Cultures
    - Roundtable: 1 Jul

- **Phase II: Analysis**
  - Leadership & Staff Support
  - O/A 1 Aug

- **Phase III: Wargame**
  - O/A 15 Sep

- **Phase IV: Assess**
  - O/A 1 Nov
Task Group Responsibilities

Each individual Task Group was assigned supporting intermediate objectives as follows:

**Task Group 1:** Disrupt Limiting Structures

**Purpose:** To empower the individual Sailor, and the Service, through better IT and cutting-edge data applications. BENS and the Navy will:

- Examine current IT systems and practices (software) and make recommendations with the objective of 1) better measure the quality of the workforce, and 2) better match individual talents with stated requirements of positions.

- Red-cell current IT modernization effort and make recommendations for change with the objective of better managing pay and personnel transactions, planning, and forecasting.

**Phase I: Scope**

(O/A 1 Feb-O/A 1 Aug). This phase was comprised of those activities designed toward BENS Members and Navy partners coming to agreement on the nature of the problem and ways in which BENS Members could support individually or collectively. The desired endstate of this phase was for each group to have agreed upon the intermediate tasks, assigned responsibility for completion, and have generally agreed to a collaborative task group method.

**Phase II: Analysis**

(O/A 1 Aug-O/A 15 Sep). BENS Members and Navy partners used this period of time to develop and conduct engagements and activities to deliver upon the tasks agreed upon in the previous phase. The desired endstate of this phase was for each group to prepare for consideration content-relevant findings and recommendations.

**Phase III: Wargame**

(O/A 15 Sep-O/A 1 Nov). During this phase, BENS Members and Navy partners tested the findings and recommendations developed. Assessments and materials developed were shared with a wider audience (internal and external to the Navy) to determine efficacy and applicability. The desired endstate for this phase was to have developed a number of refined, actionable suggestions for Navy consideration.

**Phase IV: Assess**

(O/A 1 Nov-TBD). Following the wargaming phase, a period of assessment has commenced during which BENS Members and Navy partners will determine adjustments to the approach and necessary, appropriate continuing actions (if any). The desired endstate for this phase is to have reached a basic decision regarding the continuation of the project and, if it is to continue in some form, what is to be accomplished going forward.
Examine the potential of an improved, authoritative data environment and make recommendations designed toward improved assessment of individual potential.

**Task Group 2: Disrupt Limiting Behaviors**

Purpose: To build the business case for the institutional and individual adoption of flexible career paths. BENS and the Navy will:

- From business experience, identify “high-payoff” career alternatives that not only better match the expectations of the millennial generation, but better meet the needs of an evolved organization that allows for individual forgiveness.

- Examine legacy means by which the Navy develops and assesses leadership attributes of the individual Sailor and, applying the concept of decision inclusion, illustrate the positive potential of an empowered workforce able to largely curate their own careers.

**Task Group 3: Disrupt Limiting Cultures**

Purpose: To motivate change through awareness and influence. BENS and the Navy will:

- Identify impediments—law, policy, and practice—to proposed implementation and make specific recommendations to overcome.

- Examine the current organizational culture and make recommendations for the achievement of greater diversity.

- Create and execute a communications plan designed to educate internal and external audiences of the value of innovative talent management practices in the context of the Third Offset Strategy.

**The Suggestions**

**DISRUPTING LIMITING STRUCTURES:** Project participants and Navy partners were in quick agreement regarding the need for a comprehensive structural overhaul for the purposes of improving the mechanisms by which talent management practices are conducted. It was suggested and accepted that the current data points used to evaluate talent and performance are unnecessarily limited. The means by which the individual Sailor is afforded the opportunity to influence their own career is similarly limited. Communication tends to be infrequent, inconsistent, and conducted in an environment of limited awareness.

BENS Members subsequently suggested the need for information technology systems and interfaces that capture and analyze data available, as well as the creation of a communications framework that supports a collaborative—as opposed to an often adversarial—approach to talent management.
DISRUPTING LIMITING BEHAVIORS: The Navy creates world-class leaders, but there is always room for improvement. Through the course of our engagements it was found that the early identification of talent could be improved, as well as the way in which individuals are evaluated over the entire course of their sea service career.

The Navy has accepted the suggestions of BENS Members to encourage behaviors that cultivate talent once it is identified in the junior ranks. For example, by allowing promising Sailors to assume positions of increased responsibility on an interim basis to encourage and assess superior performance. Similarly, there is value to providing young top performers with access to senior service leaders who, in turn, can provide mentorship and sponsorship.

The way in which performance evaluations are conducted for all Sailors, regardless of tenure, has been suggested as an area for improvement. Evaluations are ill-suited for the talent age that 1) are based upon universal qualities regardless of functional responsibility, 2) are infrequent, or 3) are inflated or overly positive. The Navy is subsequently examining industry best practice to determine where specific modification to the current performance evaluation system is appropriate.

DISRUPTING LIMITING CULTURES: Significant change is hard and often generational. To be accomplished, however, anachronistic cultural attributes demand modification. BENS Members identified and suggested a more focused emphasis on the traits it values in individual Sailors, encouraged dedicated efforts to take advantage of the full talent pool available and set the conditions for successful change.

Suggestions include creating individualized evaluation criteria based upon job assignment knowing that some professional traits are more valuable than others depending on billet. The submarine community provides a model in this regard as it evaluates supplemental material important to their occupational field, in addition to the Service standard reflected in the baseline fitness report. The example of industry also led to suggestions designed to assist the Navy achieve its goals of increased diversity. Transparency and flexibility not only promotes diversity, but also represent organizational qualities necessary to achieve substantive cultural change.
CONCLUSION

The Potential Way Ahead

The following proposal has been offered as a potential way ahead in the relationship between BENS and the Navy with regards to talent management:

ISSUE: The Navy has embarked on an ambitious effort to modernize its personnel management enterprise to be more consistent with modern demands. Proposed reforms to practice, policy, and law are significant in both scope and scale. In undertaking such a bold and subsequently large endeavor, concern exists regarding the establishment of an adequate governance structure.

PROPOSAL: BENS stands ready to provide an integral component of the Navy’s wider talent management reform governance structure. BENS proposes to do this by sponsoring an Advisory Council consisting of Members for the purpose of providing external counsel and assisting with the prioritization of efforts. The vision of the Council is as a chartered, standing body that meets periodically, in person, and on an agreed upon timetable with the Chief of Naval Personnel and his senior staff.

TIMELINE: Proposed 6 months from mutually agreed to start date:
  – Month 1: Form expert panel and develop assessment plan.
  – Month 2: Conduct discovery; hold initial meeting with Panel and senior Navy leadership.
  – Quarterly thereafter: Hold meetings in Washington, DC to review progress or otherwise provide specific counsel as requested by the Chief of Naval Personnel.

DISTINCT BENS NICHE: BENS Members have extensive managerial experience in matters associated with human resource capitalization and change management that could be applied to the Navy’s efforts. The establishment of an Advisory Council is a natural follow-on to our collaboration on the topic throughout 2015.
## APPENDIX A: Implementation Status of BENS Recommendations

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<th>Disrupting Limiting Structures</th>
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<td><strong>Data</strong></td>
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| The issue has been acknowledged and implementation is underway.  
  Take a greater look into Sailors and Officers’ cognitive abilities and behaviors that suggest talent rather than simply evaluating based on skills and accomplishments in order to more accurately determine a Sailor's strengths, weaknesses, and where he or she is best suited.  
  Reform the system so it has the ability to measure the performance of a team in order to triangulate in on a more objective outcome using predictive analysis. |
| **Comms**                     |
| The issue is under consideration and implementation is pending.  
  Establish a communication system between the Navy and Sailors in order to inform Sailors when they will begin to see changes in the processes and on My Navy Portal, as well as how the changes will come into effect.  
  Create a minimum viable consensus, determined by understanding and agreeing upon what the Navy wants to hear from Sailors and what Sailors want to hear from the Navy. This will better allow the Navy to understand the capabilities of the data, what they can ask/answer of the data, and what they want to do with those answers in order to gain buy-in from leaders and commanders. |

### KEY

- **Green**: The issue has been acknowledged and implementation is underway.
- **Yellow**: The issue is under consideration and implementation is pending.
- **Red**: The issue has been acknowledged but there is no movement toward implementation.
### Disrupting Limiting Behaviors

#### Systems & Interfaces
Use modern technologies to apply predictive analytics in several critical, high priority areas to demonstrate their impact and usability in this environment for rapid, measurable wins to gain buy-in.

#### Identifying Talent
Implement a program that gives Sailors interim positions of more responsibility with varying degrees of empowerment in order to give them the opportunity to stand out amongst their peers without threat of being penalized in the promotion process, and to determine if they are ready for more responsibility.

Identify top performers early on and give them access to senior leaders to advocate for them in order to foster their talent, put their talent to greater use, and increase retention through their career progression.

#### Performance Evaluations
Reform performance evaluations so they are more developmental than promotion based in order to help Sailors improve, as well as prevent overly positive and vague evaluations.

### Disrupting Limiting Cultures

#### Valued Traits
Give top performers recognition from leaders 2-3 levels up in order to create a sense of loyalty between the Navy and that Sailor. This has the added benefit of allowing senior leaders to gain a firsthand appreciation for the perspective of young leadership.

Implement personality or psychological assessments at different stages of Sailors’ careers in order to predict who in an organization is likely to leave or be cut. Such assessments could allow the Navy to identify individuals’ strengths and weaknesses over a period of time, and thus they can provide more effective mentorship and understanding of where talent lies.

Create different standards of evaluation for different jobs in order to more effectively determine talent in specific areas and determine on-the-job performance.

Consider short-term incentives such as fast tracking top talent in order to increase retention and performance.
### Diversity

- Complete surveys of first level managers in order to see who is retaining the most Sailors and who is driving Sailors away.
- Implement initiatives to increase transparency between first level manager and centralized authority in order to better predict whether an individual will stay in the Navy.
- Increase initiatives and programs that would help Sailors pursue alternate careers outside of the Navy if they were to decide to leave at any point later in their career in order to breed loyalty and ultimately increase retention.

### Change Management

- Take a closer look at what is going on in the economy in order to determine if there is a correlation between it and retention.
- Evaluate substance versus symbolic objectives for the 16 initiatives in order to better determine which will most effectively gain buy-in.
APPENDIX B:
The Engagements

There were a total of 14 engagements conducted over the course of the project in addition to hours of one-on-one counsel. The separate and distinct engagements were:

20 February 2015. Initial Executive Session; Washington, DC
13 March 2015. Staff Coordination Session; Washington, DC
17 April 2015. Follow-On Executive Teleconference
19 May 2015. Hoover Institution Roundtable; Palo Alto, CA
26 May 2015. General Schwartz—Vice Admiral Moran Meeting; Arlington, VA
23 June 2015. Task Group 1 (Structures) Roundtable; Washington, DC
25 June 2015. Task Group 2 (Behaviors) Roundtable; Washington, DC
26 June 2015. Undersecretary of Defense (Personnel & Readiness) Office Call; Arlington, VA
1 July 2015. Task Group 3 (Cultures) Roundtable; Washington, DC
25 August 2015. USAA Information Technology Site Visit; San Antonio, TX
27 August 2015. 1st Marine Division Roundtable; Camp Pendleton, CA
29 October 2015. USAA Performance Evaluation/Talent Management Site Visit; San Antonio, TX
29 October 2015. Navy Personnel Command Site Visit; Millington, TN