

UNITED STATES COAST GUARD



HUMAN CAPITAL STRATEGY

MANAGE DEVELOP SUPPORT

JANUARY 2016

WASHINGTON, D.C.



THE COMMANDANT OF THE UNITED STATES COAST GUARD



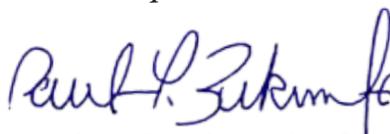
It is my pleasure to present the Coast Guard *Human Capital Strategy*. The U.S. Coast Guard excels as a multi-mission, maritime service providing for the safety, security, and stewardship of the Nation's waters. Excellence in mission execution relies on the Coast Guard's greatest strength – our workforce. The demands of our operations require a resilient, capable workforce that draws upon the broad range of skills, talents, and experiences found in the American population. We must build and maintain a proficient, diverse, and adaptable workforce to respond to changing technology, an increasingly complex operating environment, and dynamic partnerships. We must prepare effective leaders who are locally based, nationally deployed, and globally connected. Every member of our Service must be responsible for cultivating a culture of respect and fostering a positive workplace climate to sustain mission excellence.

Increasingly, significant challenges in Coast Guard human capital management have been introduced through new strategic priorities, the need for technical and perishable skills, fiscal constraints, and changing workforce demographics. Our practices and foundational principles have not appreciably changed for many decades. Now is the time to develop and deploy new and innovative human capital management approaches to access, develop, sustain, and retain the Coast Guard workforce needed for complex, global missions.

The *Human Capital Strategy* sets a 10-year course to ensure that our functions and processes – including requirements, resource allocation, training, and human resource systems – work together to ensure a thriving and effective workforce prepared for the complexities of tomorrow. The *Human Capital Strategy* underscores the critical nature of unit-level leadership in developing the workforce of tomorrow. It also defines efforts critical to the resiliency and safety of our people. It ensures our processes deliver talented individuals, with the necessary training and performance support tools, ready to execute the mission.

The Coast Guard's core values of **honor**, **respect**, and **devotion to duty** are ingrained in every member of our workforce. As this *Strategy* is implemented, we will ensure that we have the workforce critical for our *Service to Nation*, priorities that uphold our *Duty to People*, and focus that strengthens our *Commitment to Excellence*.

Semper Paratus.



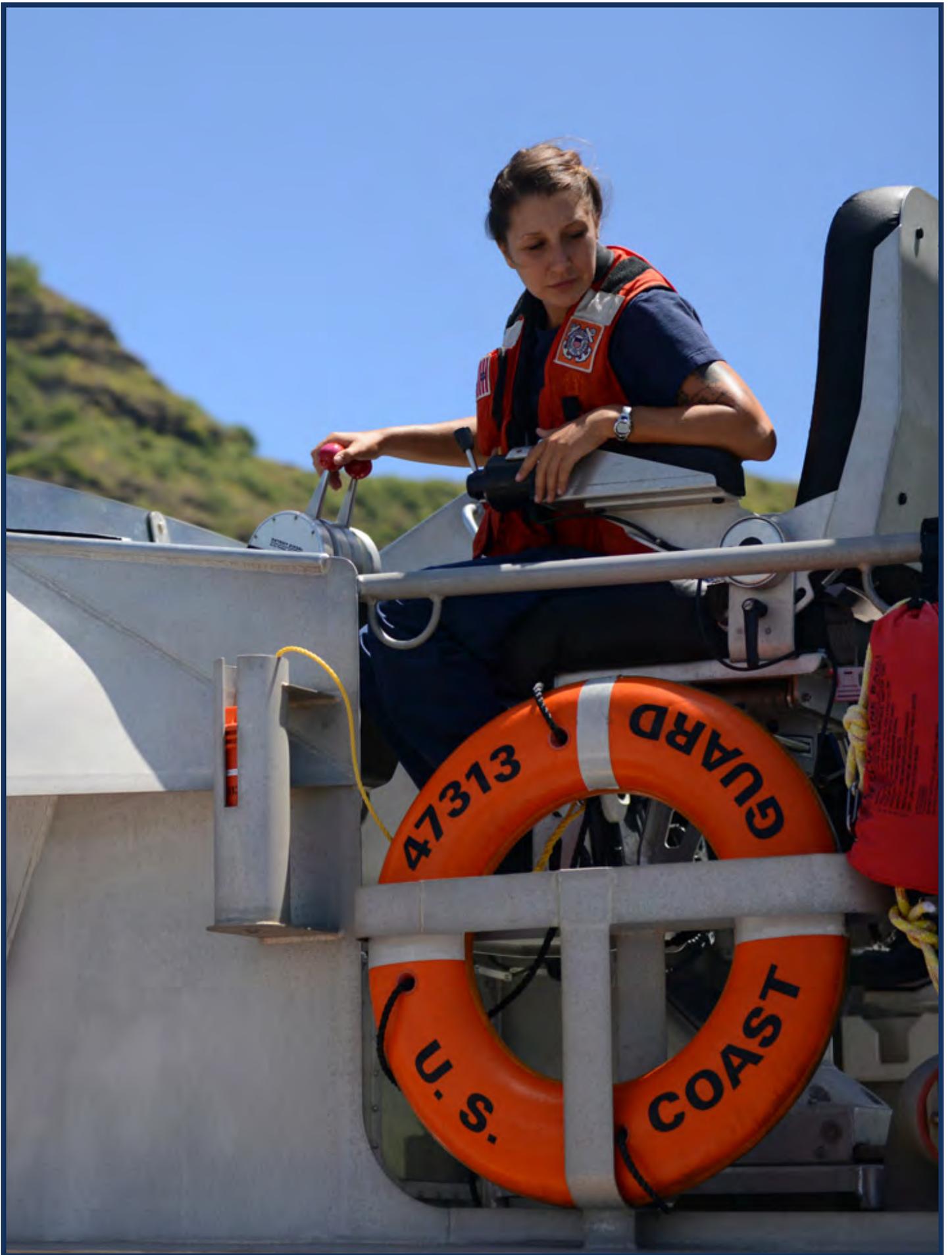
Admiral Paul F. Zukunft
Commandant

THE U.S. COAST GUARD'S
HUMAN CAPITAL VISION:

*Providing an agile, flexible, and adaptive
Human Capital System that ensures
a thriving, proficient, and effective
workforce for complex, global missions*

Table of Contents

I.	Introduction	2
II.	Executive Summary	4
III.	Workforce Composition, Authorities, and Capabilities	8
IV.	Current Environment	10
V.	Strategic Priority 1: <i>Meet MISSION Needs</i>	16
VI.	Strategic Priority 2: <i>Meet SERVICE Needs</i>	18
VII.	Strategic Priority 3: <i>Meet PEOPLE Needs</i>	24
VIII.	Ensuring Long-term Success	28
IX.	Conclusion	32
	Appendix	34





I.

Introduction

For more than two centuries, the U.S. Coast Guard has performed increasingly complex missions in the most challenging marine environments. We protect those on the sea, protect the Nation from threats delivered by the sea, and protect the sea itself. Across the Coast Guard’s diverse mission set, on all our platforms and in every location, it is our people who get the job done.

Grounded in the Coast Guard’s core values of honor, respect, and devotion to duty, more than 90,000 talented men and women perform and support Coast Guard missions day and night, at home and abroad. This *Human Capital Strategy* provides our people – the high-performing, motivated cadre of professionals – a system to develop the necessary leadership, expertise, and commitment for mission accomplishment.

Our missions, and support for those missions, drive our human capital requirements. The Coast Guard’s *Western Hemisphere Strategy* (September 2014), *Arctic Strategy* (May 2013), *Cyber Strategy* (June 2015), and *Energy Action Plan* make clear that the scope of operations is changing and increasing, and the Service must continue to adjust to meet new requirements. To meet these changing mission demands, this *Human Capital Strategy* charts an ambitious course for evolving our competencies, qualifications, career paths, staffing and deployment capabilities, workplace climates, incentives, support systems, training programs, professional development, and leadership.

As missions evolve, the Coast Guard must also address externally driven workforce challenges. An increasingly competitive labor market, generational and demographic changes, and new personnel approaches across the Federal Government are changing the landscape. The cost of human capital is also driving the demand for new and innovative human capital management approaches. Human capital, in the form of military and civilian pay and allowances, consumes approximately 63 percent of the Coast Guard operating base. Our human capital system* must be agile, flexible, adaptive, and efficient to successfully attract, access, develop, retain, and reward a talented, diverse, and inclusive workforce.

The ultimate goal of the Coast Guard’s *Human Capital Strategy* is providing the right people, with the right competencies and experience, to the right place, at the right time in order to accomplish Coast Guard missions, while continually developing our workforce through superb leadership. To achieve this, we will focus on the following priorities:

- ***Meet MISSION Needs***
- ***Meet SERVICE Needs***
- ***Meet PEOPLE Needs***

This *Strategy* is informed by research and guidance from the President, Department of Homeland Security (DHS), Office of Management and Budget (OMB), and Department of Defense (DOD). It applies to all elements of the Coast Guard’s multi-sector workforce: active duty and Reserve military, civil service, and our volunteers in the Auxiliary.





II.

Executive Summary

Many organizations assert that people are their most important resource, but for the U.S. Coast Guard, this part of our culture is the key to the Service's success. Our cutters, boats, aircraft, facilities, and supporting systems do not accomplish the Coast Guard's missions – people do. Coast Guard people serve the American public every day. Developing and maintaining our most important resource, human capital*, requires a comprehensive strategy.

Simply stated, human capital is our people and everything that they bring to the Coast Guard – their knowledge, skills, and abilities; expertise and experience; and motivation, commitment, and leadership. Their continual development requires positive, reinforcing environments.

The U.S. Coast Guard's human capital vision has two dimensions that must work together. The stewards of the workforce must provide an agile, flexible, and adaptive Human Capital System. Coast Guard people must thrive and be proficient to meet increasingly complex missions, and to effectively serve the Nation. To achieve these ends, the Coast Guard's *Human Capital Strategy* emphasizes the following three strategic priorities:

Meet MISSION Needs: Coast Guard mission requirements set the demand for human capital. Requirements determine the size, shape, structure, and eventual cost of the workforce. To meet mission needs, we must ensure the Coast Guard has a force that can meet steady-state demands while simultaneously maintaining surge capacity for major incidents. Program managers are primarily responsible for workforce requirements. In both operations and mission support, they must define the workforce that they need to perform or support Coast Guard missions and advocate for their priorities in the resource process. Planning will also allow human performance* experts to design the training and performance support* systems for current and future needs. Appropriate competency* and specialty frameworks are also critical to meeting mission demands. Finally, we must bring oversight and attention to achieving and maintaining proficiency* to accomplish Coast Guard missions. Doing so will ensure a solid foundation for the future workforce and leaders required to meet tomorrow's challenges.

Meet SERVICE Needs: Rooted in leadership, the foundation of Coast Guard effectiveness is the climate and performance of each unit. In partnership with human resource (HR) professionals, every supervisor and leader must take responsibility for developing the people in their charge. We must foster positive, cohesive, inclusive, and respectful workplace environments that value each element of the Coast Guard workforce – active duty, Reserve, civil service, and Auxiliary – augmented by our support contractors. Recruiting, retaining, and rewarding excellence are essential to meet the Service's needs. We must value the importance of merit to reward positive performance and address areas that need improvement – at all levels. Finally, building the efficiency and effectiveness of our human resource system is essential. While we have taken many actions to advance our procedures and processes, ample opportunities exist to refine service delivery.

* Denotes first use of term in this strategy; term defined in the Appendix.



Meet PEOPLE Needs: By cultivating the resiliency of our members and their families and nurturing the professional development of our Coast Guard workforce, we can optimize each person's contributions to the Service. We will meet the needs of our people by providing a life cycle of support that enhances personal resiliency. Morale, well-being, and recreation (MWR) programs; employee assistance services; religious support services; work-life arrangements; and other support services all contribute to this process. Keeping our people safe and healthy is essential to meeting their personal needs, as well as Service needs; readiness of our personnel for duty depends on quality health care for them and their families. At the same time, all have a personal responsibility for safeguarding themselves, their families, and fellow workers from harm. Within a respectful environment that supports freedom of religion, faith has been shown to foster strength, character, and resiliency. For our people to keep pace in today's rapidly changing environment, we must invest in career-long professional development and learning by providing opportunities that are relevant and rewarding, and ensure that the workforce can meet mission needs. Finally, we need to leverage incentive structures for tomorrow to motivate our employees to stay committed to the organization by compensating them adequately for the work that they perform and providing the appropriate level of developmental opportunities.

Ensuring Long-term Success. Seven foundational principles support our three strategic priorities and guide the management of the Coast Guard’s workforce; they are critical to the success of this *Strategy*. These priorities and principles include:

- ***Meet MISSION Needs:***
 - **Efficiency and Proficiency:** We will execute our responsibilities as wisely and efficiently as possible, sustaining personnel and unit readiness in support of achieving operational goals and missions.
 - **Requirements and Data-based Decisions:** Our human resource system* will be responsive to the funded demand for personnel reflected in the Personnel Allowance List* (PAL).
- ***Meet SERVICE Needs:***
 - **Diversity and Inclusion:** We will attract, access, develop, and retain a respectful, diverse, and inclusive workforce that reflects the richness of our society.
 - **Equity and Opportunity:** We will make human resource decisions in a fair and equitable manner, and always consider how we can create opportunities for professional growth in all segments of our workforce.
- ***Meet PEOPLE Needs:***
 - **Predictability:** We will strive to operate on the basis of stable and predictable opportunities that enable people to make better decisions in managing their careers.
 - **Professional Growth:** We will value and support career aspirations and upward mobility for all military and civil servants of our workforce.
 - **Safety and Wellness:** We will ensure that essential support services are provided for members, employees, and their families to build workforce resiliency.

With the guidance of these foundational principles, the Coast Guard will move into the next decade aggressively pursuing our three strategic priorities. Their achievement is the responsibility of all Coast Guard program managers, supervisors, and leaders in partnership with the Coast Guard’s HR professionals. The Assistant Commandant for Human Resources (CG-1) and Force Readiness Command (FORCECOM), assisted by other workforce professionals, including the Civil Rights Directorate and Rating Force Master Chiefs, will coordinate and track efforts to ensure we are implementing those plans that meet mission needs, meet service needs, and meet our people needs!





III.

Workforce Composition, Authorities, and Capabilities

The Coast Guard workforce consists of active and Reserve military members and civil service employees, augmented by volunteers (the Coast Guard Auxiliary), and contractors. They are located in more than 185 locations both within and outside the United States. This multi-sector force includes approximately:

- **6,714 active duty commissioned officers (including Permanent Commissioned Teaching Staff, Band, and Reserve Program Administrators);**
- **1,725 active duty warrant officers;**
- **32,428 active duty enlisted men and women;**
- **7,200 officers and enlisted reservists;**
- **8,511 civil service employees;**
- **1,360 civilian non-appropriated funds* (NAF) employees;**
- **30,057 uniformed volunteer members in the Coast Guard Auxiliary; and**
- **4,200 contract personnel with access to Coast Guard facilities and networks.**

The full-time Coast Guard workforce of nearly 50,000 personnel is predominately military. Title 10 and Title 14 of the U.S. Code specify that the Coast Guard is at all times a military service and a branch of the Armed Forces of the United States. Military discipline and training are critical to the Coast Guard’s national defense duties. Maritime security requires a breadth of expertise and skills—seamanship, diplomacy, legal and law enforcement expertise, and combat readiness. Military organizational structure and discipline serve the Coast Guard well in both war and peacetime duties, such as search-and-rescue operations and other large-scale response efforts. The Coast Guard is unique in that it offers this combination of law enforcement and military capabilities, together with the legal authorities to carry them out.

Each workforce component has unique characteristics, capabilities, and experience that ultimately result in mission performance. The civil service component performs inherently governmental activities and provides continuity where needed. Two other components augment the Coast Guard workforce and fill critical roles. The Coast Guard Auxiliary consists of volunteers who provide temporary, full-time and part-time work for augmentation and contingency response. Contractors provide specialized skills that are “commercial activities” (neither inherently governmental nor military-essential) in support of Coast Guard operations.





IV.

Current Environment

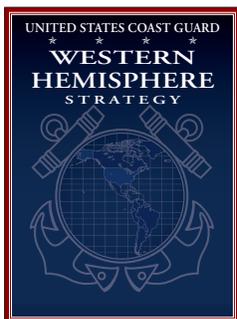
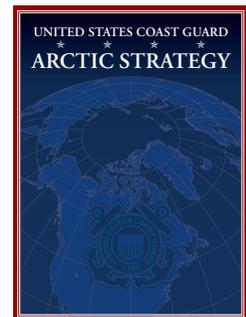
Throughout its dynamic operating environment and across its missions, the Coast Guard depends on its greatest strength—its workforce. Changing mission areas and increased demand in the maritime sector must be met through changing emphases in the workforce. Labor markets, the demographics of the United States, and approaches to human capital management are changing at the same time as our missions change and transform. To thrive in the future, the Coast Guard’s workforce and its approaches to human capital management must also continue to evolve and advance.

Changing Mission Demands

The Coast Guard has developed a series of regional and functional strategies to address these evolving maritime challenges and threats. The *Western Hemisphere Strategy*, *Arctic Strategy*, *Cyber Strategy*, and the *Energy Action Plan* explain how the Coast Guard will adapt to perform its missions and safeguard the Nation’s commerce and infrastructure in these rapidly changing operating domains. In keeping with the Coast Guard’s long-standing ability to meet new mission demands, the implementation of these strategies will require continuous evaluation of overall human capital requirements.

Arctic

The *Coast Guard’s Arctic Strategy* (May 2013) provides goals of improved awareness, modernized governance, and broadened partnerships in order to ensure safe, secure, and environmentally responsible maritime activity in the Arctic. Human capital implications include ensuring competency and proficiency in the unique Arctic environment. This requires regular analysis to determine the competencies needed and human capital requirements for both operations and support/logistics.

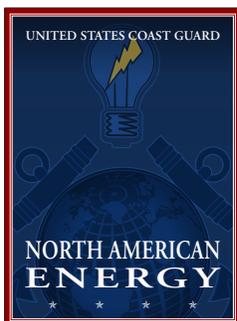
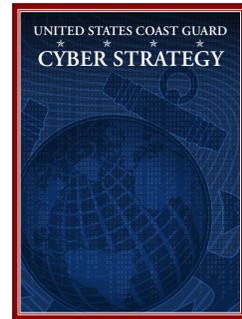


Western Hemisphere

The *Western Hemisphere Strategy* (September 2014) provides goals to confront challenges in this prominent geographic theater of operations. Its three priorities are combating transnational organized crime networks, securing borders, and safeguarding commerce. Human capital implications include fulfilling the demand for foreign language competencies, supporting surge staffing or deployable unit needs, delivering the specialized training needed to operate our capital assets, and increasing partnership abilities to enable cooperation with other nations and the interagency under the DHS Southern Border and Approaches Campaign Plan, DOD Joint Interagency Task Forces, and DHS Joint Task Forces.

Cyber

The Cyber Strategy (June 2015) provides goals to strengthen the cyber security of the Nation's maritime domain and continue to develop a robust internal cyber security capability. Its three priorities are defending cyberspace, enabling operations, and protecting infrastructure. Objectives include defending the Coast Guard's cyber terrain against all threats, including building a culture of security in cyberspace; maximizing cyberspace operational capabilities to facilitate mission execution; and protecting the maritime transportation system infrastructure. Human capital implications include developing new competencies, qualifications, and performance support; fulfilling personnel staffing requirements and analyzing the relationships between career fields; and ensuring viable career progression required to sustain proficiency.



North American Energy

The *Energy Action Plan* provides goals to ensure the maritime safety, security, and stewardship of increased American energy production and its transport. The plan focuses on three key capabilities: incident prevention, preparedness, and response. The way in which the Coast Guard performs its maritime safety and inspection functions must adjust in response to changing North American energy markets. The Coast Guard must have the flexibility to nimbly shift proficient inspectors as energy markets fluctuate. Increased domestic energy production will create a larger demand for all services on the waterways to include safety and law enforcement as well as the expanded inspections role. Human capital implications include properly staffing marine inspection units, maintaining marine inspector proficiency and the expertise needed to improve regulatory frameworks, and increasing flexibility in marine inspector assignments and position locations, while ensuring adequate career progression opportunities.

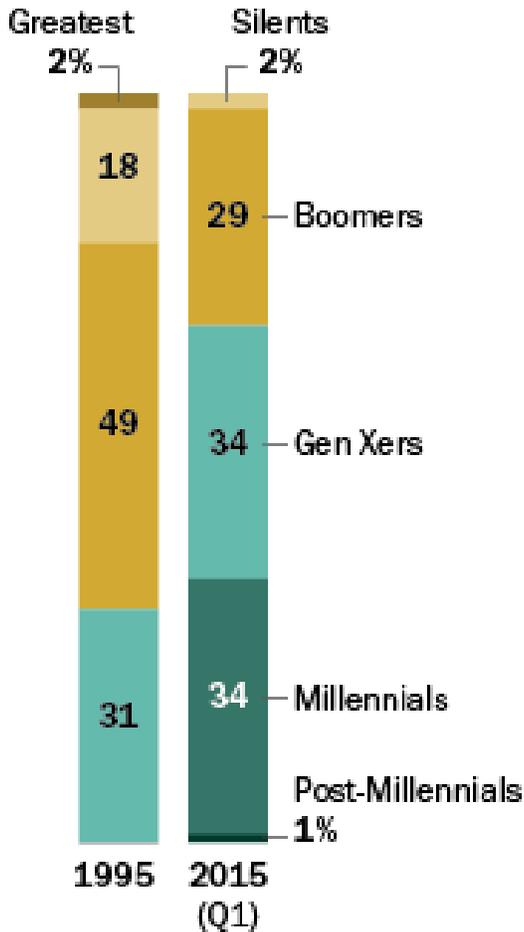
Labor Market

As mission requirements are changing to meet risks in today's global environment, talent pools for human capital are changing, as well. A 2014 survey showed that less than seven percent of 19-year-olds would "definitely" or "probably" affiliate with the military. When combined with military entry criteria, only 1 in 30 have the qualifications (physical, educational, and other) combined with a propensity to serve. The competition for this talent will continue to be significant.

Active duty military recruiting focuses on entry-level men and women, while Reserve recruiting and civil service hiring largely focuses on those with work experience. Generational changes are affecting applicant pools for all parts of the labor market. The "millennial" generation is becoming the largest labor force. Many are technologically connected and innovative, and have invested in their own education. The millennial generation is also more racially and ethnically diverse than any other generation in the post-WWII era, and it is imperative that the Coast Guard access the richness of talent across the society it serves. While current research shows that they stay with their employers longer than "generation X," the long-term changes in generational outlook and employment behavior are still unclear.

Labor Force Composition by Generation

% of the labor force



Note: Shares are based on the annual average in 1995 and the first quarter average in 2015. Due to data limitations, Greatest generation not identified in 2015 and Silent generation is overestimated in 2015. Source: Pew Research Center tabulations of monthly 1995 and 2015 Current Population Surveys, Integrated Public Use Microdata Series (IPUMS)

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The average Coast Guard military member is in their early thirties; part of the millennial generation, while the average civilian employee is in their early fifties (generation X/baby boomer). Generational change also has impact on the workplace, as leaders must consider the differences between these generational outlooks.

Changing Workforce Environment

The Coast Guard’s workforce environment is also shifting as approaches for personnel management evolve at the DOD, OMB, and DHS. In 2015, the DOD Under Secretary for Personnel and Readiness published a draft Force of the Future report, which outlines how the DOD must evolve its personnel system to keep pace with increasing demands and the private sector. Congress has approved a new blended military retirement plan that will go into effect 1 January 2018 and DOD is also considering other changes to military force management policies, some of which would require associated legislative changes. As one of the Nation’s five Armed Forces, the Coast Guard aims for parity with the DOD and must carefully evaluate the changing DOD policies for applicability to our Service.

The OMB recently noted multiple efforts underway to address Federal workforce challenges. These include expanding mission-focused, data-driven personnel management systems, creating a culture of excellence and engagement to enable performance, hiring the best talent from all segments of society, increasing family-friendly workplace policies, closing skill gaps, and informing our work with diverse perspectives.

The *Department of Homeland Security 2014-2018 Strategic Plan* includes goals linked to maturing and strengthening DHS. A top priority is to “Recruit, hire, retain, and develop a highly qualified, diverse, effective, mission-focused, and resilient workforce.” The Department has also issued a *Human Capital Strategic Plan 2015-2019*. Its four goals include: (1) *providing human capital strategies to successfully achieve the DHS mission and mitigate*

risks; (2) acquiring a highly qualified and diverse workforce; (3) fostering a departmental culture of excellence through inclusion and engagement; and (4) achieving HR operational excellence.

The Coast Guard remains vigilant in attending to new workforce challenges. To address rapidly changing mission sets, we must ensure coordinated effort between program and workforce managers within the human resource (HR) system. In addition, the HR system must continue to monitor and respond to the enhancements implemented by DOD, OMB, DHS, and the Congress.

Human Capital Governance

The workforce operates within an overall human capital system that includes mission and performance planning, the resource system*, and the HR system. Figure 1 provides a simplified view of the system. The “billet” lane shows the high-level processes that place a position on the personnel allowance list. The “person” lane, largely controlled by the HR system, shows the high-level processes that match and assign a person to a billet. Human capital governance and processes contain numerous complexities and feedback loops (not shown in figure 1 for clarity). For example, the tasks performed by the workforce and the equipment that people use are strong inputs for Coast Guard-wide performance planning, long-term requirements generation, and standards and curricula designed to build proficiency.



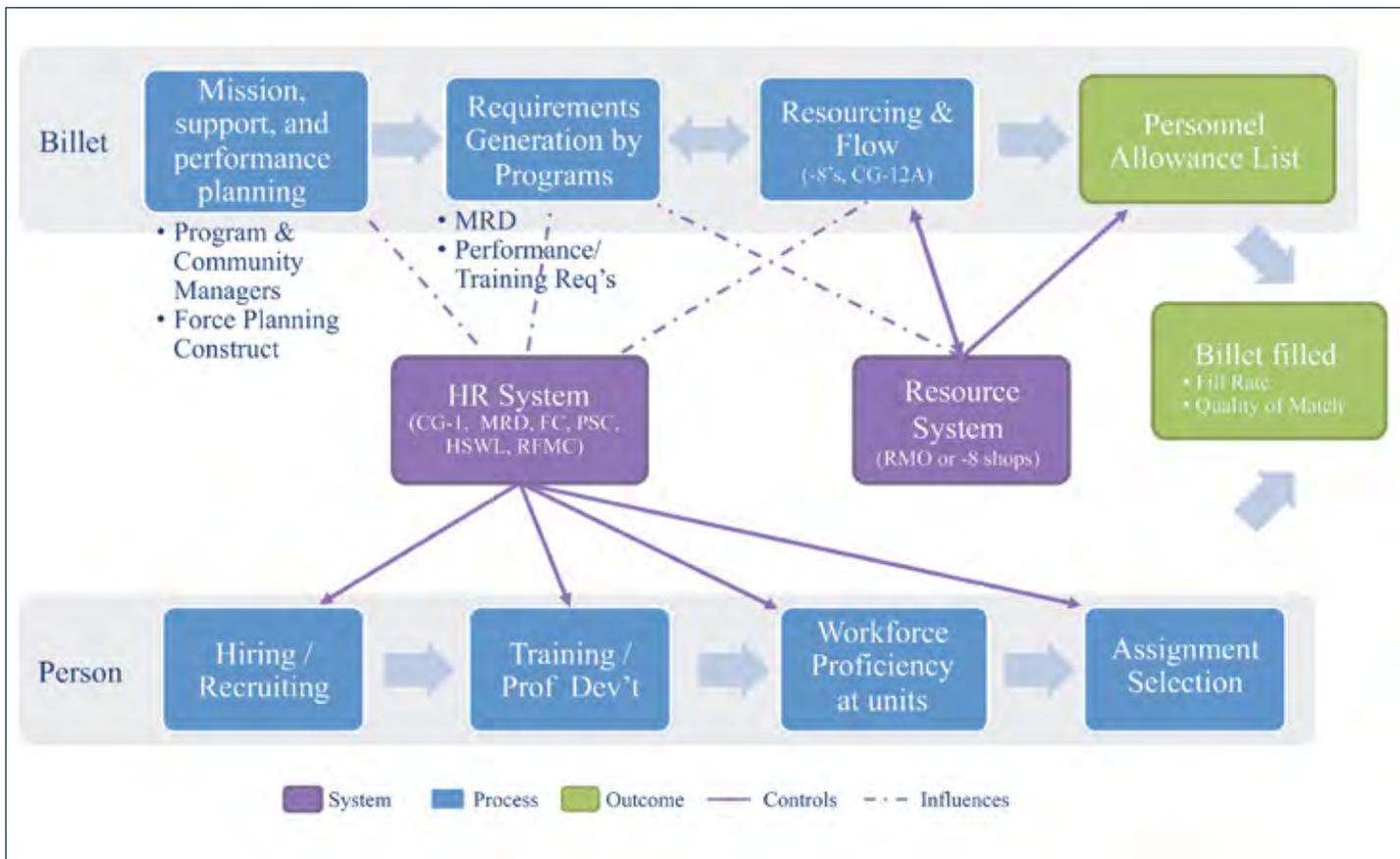


Figure 1. The Coast Guard Human Capital System

The overall demand for people is specified in the personnel allowance list. The PAL is a listing, by unit, of the Coast Guard workers allocated (billets) at a location. Positions on the PAL are based on workload and available funding, optimally with the workload analyzed in partnership between the unit's program manager at Headquarters and the Manpower Requirements Determination (MRD) experts. Resource Management Offices* (RMO or -8 shops) throughout the Coast Guard are also involved, since each position represents a portion of the Coast Guard's overall pay, benefits, and developmental costs. These expenses total 63 percent of the Coast Guard's operating budget.

In addition to the quantity and type of personnel, training and performance support needs are analyzed by Human Performance Technology (HPT) experts in FORCECOM. Based on mission requirements, doctrine, and policy, HPT experts provide tools to support performance, training design, and instructional standards, and recommend ways to close policy gaps – all geared to meet mission requirements.

The HR system controls many of the processes that lead to the assignment (for military) or the hiring (for civil servants) of an individual to a billet. Military members are recruited and trained by centralized units; however, their proficiency and professional development are overseen by their supervisors. In this way, their growth is strongly influenced by their local supervisor and chain of command. Military members are assigned to specific positions by the Personnel Service Center as guided by Headquarters policy, while civil servants are selected for positions by selecting officials, based on skills, knowledge, and abilities, with guidance from the Office of Personnel Management classification standards and the Civilian Personnel Office. Like military, their growth is heavily influenced by their supervisor.





V.

Strategic Priority 1: *Meet MISSION Needs*

Our human capital framework depends on a listing of funded requirements. Program managers and the resource system have a major role in controlling this requirement set, with the HR system taking an essential role. Requirements set the demand for people with the right knowledge, skills, and abilities in the right locations to perform Coast Guard missions. The aggregate of these unit-level requirements determines the actual size, shape, structure, and eventual cost of the workforce.

The following objectives for this strategic priority will strengthen the Coast Guard's ability to use informed analysis – linked to mission requirements – to ensure its workforce has the capability and capacity to execute missions for the Nation it serves.

Objective 1.1. Alignment between the force planning construct and human capital planning.

The *Commandant's Strategic Intent* calls for an overall force that can meet steady-state demands while simultaneously maintaining surge capacity for major incidents. These incidents include hurricanes, mass migration, pollution, and other major surge operations. The force planning construct will use scenarios to model and simulate the Coast Guard's ability to respond to simultaneous missions to inform the development of the force structures and personnel strength required.

The force planning construct is designed to anticipate human capital, workforce, equipment, assets, and training requirements as well as the right mix and location of each. It considers both contingencies and steady-state mission efforts, using prioritized potential incidents and events to which the Coast Guard would be required to respond. In addition, the construct defines and manages risk, based in part on today's uncertain resource environment. As a set of high-order requirements, this construct will determine the overall force size and required capabilities for missions. Human capital planners must be able to translate these capabilities into the competencies required for the workforce.

Objective 1.2. Responsive human capital requirements systems and processes.

Program (mission) planners in both operations and mission support must define their requirements and advocate for their priorities in the resource process. Human capital planners must help by defining how to specify those requirements in a way that can be sustained by the HR system. Planners must also assess how performance tools, such as training; tactics, techniques, and procedures (TTP); and other aids, can assist in reaching the desired objectives. When an adjustment to personnel strength or competencies is necessary, the MRD process is the

primary tool used by planners to define the human capital required to accomplish the mission. In both today's steady-state missions and in future mission areas, human capital planners partner with program managers to determine: the work, competencies, training, and experience required; a unit's overall workload and the appropriate personnel to meet the mission; and, for major acquisitions or mission shifts, the workforce pyramid and relationships necessary to sustain the required skills and competencies. These complex factors are analyzed based on the mission requirements of the organization, rating, or initiative and are based on a stated level or standard of performance.

Under the leadership of the HR Capabilities Staff (CG-1B), MRD provides a summary of the number and characteristics of workers needed to accomplish each requirement. FORCECOM develops the needed training and analyzes the relationship with other factors influencing human performance. The HR system provides these results to mission planners and program managers who can assess inherent risk, if funding levels demand alternative approaches.

Objective 1.3. Appropriate competency/specialty frameworks.

The Service's Human Capital System must adjust to changing labor markets, expanding mission sets, and a changing workforce. Program and workforce managers, partnering with human capital planners, should use existing competency structures to assess the commonality between new requirements and existing workforce skills. This foundation will allow the Service to evaluate the optimal path from today's workforce and its skill sets to the workforce of the future. It will also balance steady-state mission demands with new challenges and contingency needs.

Key enablers for this objective are the well-established enlisted rating review process as well as the maturing Officer Specialty Management System. Systematic training and needs assessment methods are in place for the entire workforce, founded on on-the-job performance needs. The civilian workforce system will continue to rely on standards set by the Office of Personnel Management.

Objective 1.4. Build workforce proficiency.

Oversight and attention to improving proficiency will ensure a solid foundation for today's missions and is essential to building the force required to meet tomorrow's challenges. Proficiency begins with each service member and civil servant's accession/on boarding, rating/specialty selection, and professional milestone training. Proficiency is built and sharpened with attainment of the needed qualifications and certifications, by gaining further knowledge and honing skills through experience. The self-discipline and drive of each individual leads to excellence at the unit level, and is the backbone of the Coast Guard's ability to carry out its demanding missions.

We will continue to develop a forward-looking human capital system with resources, road maps, and incentives that set clear proficiency standards for career fields. Ongoing initiatives by DOD, OPM, and DHS will inform the process, and a partnership between the resource system and program managers is essential. We will continue to provide clear links to professional and leadership development that ultimately lead to improved mission performance and efficiency.



VI.

Strategic Priority 2: *Meet SERVICE Needs*

Rooted in leadership, the foundations of Coast Guard effectiveness are the climate and performance of each unit. Over the next 10 years, the ability to lead in uncertain environments and complex contingencies, and build governmental unity of effort through intergovernmental or interagency partnerships will be increasingly important.

Developing their people is a principal responsibility of every leader and supervisor. The HR system provides them a cadre of people intended to carry out their unit's mission. Their people must be built into an effective team at the unit level, and training delivered by centers must be reinforced, as well. Their teams provide rich differences in backgrounds, perspectives, attributes, and experience both within and outside of the Coast Guard. The Reserve component, in particular, brings valuable skills gained in the broader community. To meet the challenges of multiple and ever-changing missions, leaders must ensure that they positively build on these differences. The Coast Guard has recognized for decades that mission accomplishment requires recruiting, hiring, and retaining a diverse workforce. This is essential to attract and retain the full range of talent available in the Nation.

The context of this strategic priority is broader than the traditional use of the term “service needs,” which is most often associated with the military assignment process. It includes a focus on the effectiveness of the HR system at all levels: Headquarters, major commands, service centers, and training centers. The HR system is responsible for equipping each unit with the trained and ready men and women required for unit performance.

Objective 2.1. Competency in leadership as a human capital requirement.

The importance of leadership in the Coast Guard is woven throughout the seven principles of Coast Guard operations. Perhaps, the clearest statement is found under the Principle of On-Scene Initiative: “By exercising proficiency in leadership, commanders can be confident that the person on-scene will be proficient in craft and can be depended on to exercise disciplined initiative.” Proficiency in leadership is one of the anchors that define the Coast Guard man or woman. Leaders must uphold our core values, reflect character and integrity, and exercise their authority with a sense of accountability for their actions.

Leadership is taught and leaders are developed starting with accession points, at the Coast Guard Academy and our training centers. Proficiency in leadership must be viewed with the same rigor as the Service treats proficiency in other professional dimensions. The Coast Guard embeds leadership competencies into the requirements for advancement or selection for promotion, but does not explicitly note or retain that information beyond the performance reports. Service leadership principles are well stated in doctrine, enlisted advancement courses, and performance report standards. However, the Coast Guard must deploy products developed at the Leadership

Development Center and the Academy's James M. Loy Institute for Leadership across the Coast Guard so all workforce components can use them on the mess deck, in the wardroom and break room, and on the shop floor. We will advance a leadership development program with a framework and an appropriate assessment system. Competency structures must reflect the need for leadership at all levels in all communities.

Objective 2.2. Foster positive workplace environments.

The workplace environment of each Coast Guard unit contributes to mission effectiveness. The more cohesive, inclusive, and respectful the workplace, the greater each member or employee will contribute to the mission. In a positive workplace, the passion, pride, and professionalism of the team is apparent. Members are energized and engaged because they feel valued – these climates bring the Coast Guard core value of respect to life. As a result, they are better able to cope with high-pressure, challenging situations that are a regular part of Coast Guard operations.

The Coast Guard must carefully develop plans, policies, and procedures that foster positive workplace environments. Recently, the Coast Guard published two strategic plans that support this effort. The Coast Guard's *Diversity and Inclusion Strategic Plan* (July 2015) focuses effort to improve multi-cultural intelligence and inclusivity through three performance goals: attracting, recruiting, and retaining a high-performing diverse workforce; fostering a culture of respect; and preparing leaders to be accountable and responsible for refining their approaches to inclusion. The *Sexual Assault Prevention and Response (SAPR) Strategic Plan for Fiscal Years 2013-2017* aims to eliminate sexual assault in the Coast Guard by providing a strong culture through policy and procedures for prevention, education and training, response to assault, victim support, intimidation-free reporting, fair and impartial investigations, and accountability. For the civil service, the *Annual EEO Program Status Report* quantifies efforts to attain a well balanced and diverse civilian workforce and identifies areas for improvement.

Each of these plans has their underpinnings in a series of surveys that the Coast Guard uses to examine workplace trends. The *Defense Equal Opportunity Climate Survey (DEOCS)* provides the unit commander with a non-attribution report on the climate of their unit. The *Organizational Assessment Survey (OAS)* is a government-wide survey that the Coast Guard has used since the late 1990's. This well-developed and consistent survey instrument allows comparison of trends that can be examined from the unit level to the entire Coast Guard. The *Federal Employee Viewpoint Survey (FEVS)* applies to civilian talent, and also compares the Coast Guard to other Government organizations. In addition, the Service has invested in human performance technology for decades. These assessment methods can examine a range of issues related to training, other performance interventions, climate, policy gaps, and other issues affecting performance. The Coast Guard will continue to leverage these assessment tools to evaluate workplace climates and evaluate the best ways to improve human performance in a dynamic mission environment.

Objective 2.3. Excellence recruited, retained, and rewarded.

The same disciplined initiative that the Coast Guard applies to its operations must also extend to actions that build a positive command climate and contribute to the career aspirations of our military members and civilian employees. Feedback, coaching, and counseling must stress both positive performance and clearly identify areas for improvement. Evaluations must adhere to the Service standards articulated within them.



At the Headquarters level, we will assess performance management reports (for officers and enlisted members, and civil servants) for their effectiveness in identifying the talents and potential in our workforce. This includes the role of credentials and certifications for special skills. In addition, a number of the military workforce flexibilities under consideration in the DOD aim to provide tools to retain specialized talent. The Coast Guard will carefully evaluate their application to our Service with consideration of our needs, size, and characteristics, and carefully weigh the attributes of the “up or out” paradigm of military service while considering the unintended consequences that could arise.

For the civilian workforce, retaining and rewarding excellence falls primarily on the employee’s supervisor, many of whom are military personnel. Credentials, certifications, and developmental opportunities are critical to civilian employee growth and must be supported throughout the leadership chain. We will develop a concept and structure for civilian workforce career development, including methods to be competitive in a new job series. We will include tools for leaders of civilians, both military and civil service, in this effort.

The excellence of our workforce also relies on "knowledge centers" within the Coast Guard. These staffs maintain and understand our assets and processes, and underpin our technical prowess in many mission areas, such as marine safety, engineering, acquisition, and response. The Force Readiness Command’s Performance Technology Center analyzes workforce needs and directly feeds updated rating standards, while the National Centers of Excellence support both the prevention and response missions. These centers promote training, performance support, and research, and develop a repository of information on particular missions and specialties. The mission support product and service lines own the configurations and engineering specifications for our cutters, aircraft, shore infrastructure, and electronics/information technology. We must ensure that they are appropriately staffed and recognized for the wide span of impact on our people and their proficiency.

Objective 2.4. An efficient and effective human resource system.

The mission of the Assistant Commandant for Human Resources (CG-1) is to *“Meet the people needs of the Coast Guard while meeting the needs of Coast Guard people.”* FORCECOM prepares the workforce through its training centers and assessment units. The FC mission is to, “Optimize human performance for premier mission execution through clear tactics, techniques, and procedures; relevant training; and quality assessments.” The Coast Guard Academy develops leaders of character. These organizations report to the Deputy Commandant for Mission Support. As part of continual organizational development, we will examine ways to refine the relationship and alignment between CG-1 and FORCECOM, with the goal of delivering mission-ready personnel. This includes reviewing subordinate command relationships, including recruiting, training, and assignment processes, as well as the integration essential to personnel management. The goal of this effort is to improve the delivery of integrated service based on the Mission Support Business Model and the overall enterprise architecture.

Civil service administrative processes are managed by the Office of Civilian Personnel (CG-121). Their personnel are distributed across the Coast Guard, and the office has embarked on a systematic process review to ensure that actions by centralized staffs and decisions by the hiring officials are synchronized and timely. This is a shared responsibility between CG-121 and leaders across the Coast Guard. Regular communication and reporting of applicable metrics to leadership, hiring officials, and customers are continuing efforts.

People entering the Service are either hired for their competencies and experience (civil service) or tested to determine aptitude (military). Civil servants are hired into positions for which they are qualified based on previous work experience and education, and are provided an orientation to the Coast Guard when hired. Military members undergo initial training or education (recruit training, officer candidate training, or education at the Coast Guard Academy) to attain basic qualifications, followed by assignment to positions commensurate with their skills. From that point on, a repeating cycle of assessment, advancement, promotion, training, qualification, and reassignment to positions of greater responsibility mark a career. Eventually, people are either discharged, released from active duty short of retirement, or retired. Some people, and/or their survivors, earn post-service benefits. A select number transfer to the Reserve and continue to serve.

As described earlier, missions and actions create requirements for work; after careful analysis, work requirements are converted into authorized positions at locations where people will be assigned. Positions have many characteristics that guide human capital management activities; the major ones are force (active duty or Reserve military, civil service, contractor, Auxiliary, NAF), grade, specialty, competencies, location, and required experience. Military members are assigned and reassigned to positions taking into account individual desires for personal and professional development, and family considerations, both to accomplish the work and to provide for continual development.

Throughout all of this, whether for a short time or a career, people must be compensated, provided benefits and incentives, offered a healthy and safe workplace, be respected in their sincerely held personal beliefs, and allowed to find the right balance of work and family life – within an environment that promotes diversity and inclusion, and enables professional and personal development.

All of this has a point: to ensure that people with the right skills will be ready, able, and willing to do the Coast Guard’s work – now and in the future.







VII.

Strategic Priority 3: *Meet PEOPLE Needs*

Meeting the needs of our people is essential to mission success. Part of proficiency in leadership is to take responsibility for self and fellow crewmembers while accomplishing the mission. At the heart of the Coast Guard Ethos is the perspective that individual characteristics contribute to collective success. The results that the Coast Guard achieves for the Nation depend on the collective abilities of its people and their willingness to perform challenging duties. We enhance each person's contributions to mission performance by cultivating their well-being and the well-being of their families, and fostering professional development.

While the Coast Guard workforce is primarily motivated by its missions, formal support systems play a critical motivational role. Supporting each employee's desire for knowledge and improvement not only benefits our missions, it shows our workforce that we are committed to them as individuals. Our enduring commitment to the needs of our people sets us apart from other organizations – building the Coast Guard's reputation as a positive organization, a Service of choice in the Armed Forces, and an employer of choice within the Federal government.

The term "Coast Guard family" is more than a slogan. It denotes the care and connection that the Service places in its people and their families, and the way in which Coast Guard men and women look out for one another in both good and challenging times. While about half the military members are located in 12 "hubs," the others are stationed at many small units located in more than 185 locations around the world, performing the mission every day. Most of our military members rotate from mission-related duties in one location to missions at another location, creating a strong demand for personal development and care concurrent with mission performance.

Objective 3.1. Resilient Personnel and Families.

Capable leaders and strong support programs contribute to team effectiveness. The Coast Guard depends on capable leaders to look out for those who are beside them and those in their charge, detect early signs of difficulty, and take positive action to support those in need. Positive action by leaders plays a large role in countering behaviors, such as substance abuse and other misconduct.

Formal programs provide resources for military members and their families, and also for civil servants. These include work-life programs; religious support programs; and child development centers and subsidies. In addition, MWR programs; ombudsman programs; military housing; Coast Guard Mutual Assistance and the Coast Guard Foundation support the unique demands of Coast Guard service. Each of these resources enhances personal resiliency and contributes to the life cycle of support for our members. This life cycle of support continues after the end of one's

military status. Our retiree programs help connect military annuitants with current Coast Guard support programs. We will capture best practices across the organization and develop accessible enterprise-wide programs based on successes.

Objective 3.2. Safe and healthy workforce.

Personal readiness for demanding duties depends on quality health care. Due to the distributed nature of Coast Guard units, the Service depends less on organic clinics and more on TRICARE and DOD Military Treatment Facilities (MTFs) for both military members and their families. The Service will continue its efforts to make quality health care accessible to military members throughout the Service.

The safety of our members and employees must never be compromised. As the Coast Guard continues to operate cutters that exceed their expected lifespan; inspect commercial facilities and ships; work in aging shore infrastructure; and conduct aviation missions in the most demanding environments, our safety programs must stay strong. All Coast Guard members have a personal responsibility for managing the risks associated with their individual activities, both on and off duty, in order to safeguard themselves, their families, and fellow workers from harm. This duty extends beyond safety programs to tactics, techniques, and procedures and safety consciousness in all aspects of work and life.

Objective 3.3. Career-long professional development and learning.

In today's rapidly changing environment, the individual skills that are invaluable to the Service today may change in the future. To keep pace, we must treat continuous learning as an investment in mission success by ensuring that professional development activities are relevant, professionally rewarding, and linked to mission needs. By providing access to formal education, training, tuition assistance, career counseling, and mentoring programs, and encouraging self-directed learning, participation in professional organizations, and individual development planning, we will help our workforce continually develop their talent and renew their skill sets.

In recent years, the Federal government has placed greater emphasis on professional credentialing, such as certifications in a number of professional fields. By encouraging and supporting programs leading to certification and licensure, we raise the professionalism of the workforce and ensure that our members are qualified to perform their jobs. Credentialing also supports the transition of our military members into civilian careers after they separate from the Service. Professional development must also include adequate opportunities for career advancement. This need links to the crafting of billet structures to foster sustainable career progression while never losing sight of sea/shore rotation goals. Our military members and civil servants should have a clear understanding of career paths for their specialties, have access to resources for available career opportunities, and trust that our promotion systems are fair and equitable.

To assist each military member and civilian employee as they pursue knowledge, we must create an environment of learning across our organization. We must implement processes, tools, and organizational relationships that allow our workforce to share critical knowledge and work collaboratively across organizational boundaries. Programs, such as tuition assistance, provide a unique opportunity to pursue personal advancement and knowledge. The benefits of educational programs also provide new perspectives and open new avenues for career development. Opportunities to participate in cross-functional teams, details, and collaborative information and knowledge sharing all advance the Coast Guard's learning environment and drive continuous improvement.



Objective 3.4. Incentive structures for tomorrow.

The Coast Guard has used a combination of special pays and other non-pay incentives for its military members to gain volunteers for arduous duty and to compensate for the special demands of certain duty types. These include bonuses (enlistment, critical skills training, critical skills retention, and selective re-enlistment) and special pays (sea pay, flight pay, and hazardous duty pay). All bonuses and special pays are authorized in law, and tailored to the Coast Guard's needs by policy and panels that set and adjust amounts based on Service needs. For example, sea pay was first tiered by unit type in 2001, and the Coast Guard has tailored bonuses to overall workforce needs for many decades.

The Coast Guard is already moving forward with focused incentives that recognize the need to target competencies, and also toward tailoring the overall environment to meet the demands of particularly arduous duty. Considerations include maximizing cutter sea time, while keeping in mind personnel tempo, deployment lengths, and maintenance needs. Increasingly, the Coast Guard is targeting incentives toward pay-grade ranges where they will have the most impact. Certain competencies are also targeted for bonuses recognizing the training and proficiency required for certain ratings. We expect the trend toward targeted incentives to continue over the next 10 years.

The incentive structures for civil servants differ from the military workforce. In addition to competitive pay and benefits for Federal employees, research shows that other variables are playing an increasing role in keeping employees satisfied, motivated, and committed to the organization. According to the Government Accountability Office (GAO), work environments that offer flexible options such as telework and alternative work schedules; recognition for a job well done through monetary, non-monetary, and/or career enhancing incentives; and job rotation programs may be critical to reducing turnover and retaining a workforce capable of addressing future challenges.





VIII.

Ensuring Long-Term Success

Several foundational principles guide the management of the Coast Guard's workforce, and are critical to the success of this *Strategy*. These principles create the lens through which we must view, plan, and execute all human capital management actions. They provide a foundation to ensure accountability and responsibility to our workforce (*Duty to People*), and likewise, the expectation of accountability and responsibility from the workforce back up the chain of command (*Service to Nation*). They are particularly important as the Coast Guard considers changes to human capital planning and management (*Commitment to Excellence*), since changes often risk unintended consequences.

With few exceptions, each principle applies equally to military and civil service, active duty and Reserve, officer and enlisted, and, in most cases, our Auxiliary. They will shape our strategic thinking and guide our efforts as we face the challenge to continually develop the Coast Guard workforce for complex global missions.

A. *Meet MISSION Needs:*

(1) **The Principle of Efficiency and Proficiency.**

We recognize that we are stewards of America's resources--its people, money, and natural environment--and maritime commerce and safety. We must execute our responsibilities as wisely and efficiently as possible, sustaining personnel and unit readiness in support of achieving operational goals and missions.

Our military workforce performs the largest share of our missions. We should leverage opportunities to: increase proficiency and ensure sustainable expertise; select and assign personnel to maximize return on investments in training, education, and competencies; and provide members with the opportunity for geographic stability, by type and duration of assignment.

These opportunities must be carefully balanced with career progression requirements, fair and equitable assignment opportunities, and overall Service needs. We also must be innovative and push authority to appropriate levels.

For our civilian workforce, the need for proficiency is no less. We must provide our civilians with the training and professional development needed to perform their duties. In many cases, our civilians provide much needed continuity of specialized expertise and proficiency. Maintaining processes to develop this proficiency is important to our success.

(2) **The Principle of Requirements and Data-based Decisions.**

We operate a human capital management system driven by requirements. Mission performance standards create a need for activities, to which resources are applied (people, money, materials, assets, and time). The demand for human capital (numbers of people and their individual capabilities) is the signal to which the HR system responds.

Requirements are not generated and determined by the people who work in HR; they are generated and determined by program managers, informed by operational commanders. All are an integral part of the human capital system. Analysis of facts, data, and stated assumptions influence decisions and policies. This information provides a degree of transparency and predictability that instills trust and produces better decisions in the Coast Guard's and member's best interests, but the HR system must have flexibility to adjust to specific circumstances unique to each situation.

B. *Meet SERVICE Needs:*

(1) *The Principle of Diversity and Inclusion.*

We will access, develop, and sustain a diverse and inclusive workforce. People have individual characteristics that make them distinct from others, including age, language, culture, religion, race, ethnicity, gender, knowledge, competencies, talents, and perspectives. The more diverse the organization, the more it reflects the richness of our society, and the more resilient it will be as conditions and demand for services change.

(2) *The Principle of Equity and Opportunity.*

We will make all human capital policy and management decisions in a fair and equitable manner, and always consider opportunity. In a “needs of the Service”-based human capital system, every decision should be made so as to not disadvantage any person or group.





C. *Meet PEOPLE Needs:*

(1) *The Principle of Predictability.*

People want to exercise control over their destinies. This is not always possible in a military organization; however a human capital system that strives to operate on the basis of stable and predictable flows enables people to make better decisions in managing their careers. People must trust that the Coast Guard applies all policies and practices with fairness and equity, based on merit.

(2) *The Principle of Professional Growth.*

People strive to be the best that they can be; when new members have the requisite knowledge and skills to be successful, productivity is enhanced and long-term job satisfaction is ensured. Our workforce management systems, tools, and military pyramids will value and support career aspirations and not only enable upward mobility, but expect it. By providing opportunities for professional and personal development, the Coast Guard will create and sustain a proficient workforce, and develop the expertise necessary to serve the long-term needs of the Service and the Nation.

(3) *The Principle of Safety and Wellness.*

We will ensure that a healthy, safe, and supportive environment is provided for members, employees, and their families. This serves our people, and, in doing so, creates confidence that leaders will have ready and resilient people when they need them.





IX.

Conclusion

The history of the Coast Guard is full of innovative responses to new demands and new conditions. Requirements, practices, and processes have changed frequently since 1790 under the press of emerging needs and shifting roles within the Federal Government. The current changes to Coast Guard missions are demanding, but this is not a new situation for our Service. Adapting to new missions and changes in focus have been a hallmark of Coast Guard history. The people of our Service have always modified their practices and relationships to carry out new tasks. They have done so through new ideas and new methods built upon the Coast Guard's underlying "*Semper Paratus*" culture. The current focus will be met with similar resolve.

In this time of new demands, this *Human Capital Strategy* will be implemented through an annually reviewed plan, championed by the Assistant Commandant for Human Resources and the Force Readiness Command. Execution of this *Strategy* extends beyond Headquarters. Leadership at all levels, Headquarters program managers, Resource Management Offices, and all layers of command must be engaged in building the readiness and potential of our people.

Our workforce is essential to meeting the call of our Nation in the maritime realm. Boats, cutters, aircraft, and facilities do not perform our missions by themselves. Our Coast Guard military personnel and civil servants, augmented by contractors and Auxiliary, perform in an exemplary way to execute Service missions. This *Strategy* charts a course so that our Service and its extraordinary people continue to perform in the finest traditions of the world's best Coast Guard.



Appendix



Selected Definitions

Competency: A collection of tasks with the associated knowledge, skills, abilities, and wherewithal (tools, methods, information, doctrine, procedures, materials, etc.) needed to perform the tasks to a predetermined, measurable, performance standard. The tasks are usually related as parts of a larger process in support of or contributing to the goals of the organization, unit, or work group. See *Commandant Instruction M5300.2A*. A shorter definition is found in *M1500.10C*. The job-related knowledge, skills, abilities, and personal attributes that a person exercises while performing the duties of any given position.

Human Capital: The Coast Guard's workforce. This term includes their knowledge, skills, abilities, attitudes, expertise, experience, and leadership.

Human Capital System: This includes the Human Resource System plus program managers who specify and advocate for workforce requirements. It also includes the Resource System in its work prioritizing personnel funding to the various requests from program managers. (See figure 1.)

Human Performance: Human Performance Technology is a careful and systematic approach to solving problems – or realizing opportunities – related to the performance of people, groups, or organizations. It results in solutions that improve a system in terms of achievement that the organization values. Based on the information gathered, we can determine what has to be changed in the system to achieve effective and efficient mission execution.

Human Resource System: The elements that perform Human Resource functions for the Coast Guard. These activities include recruiting, hiring, training and education, providing pay and benefits, promotions, assignments, as well as separations and retirements. The system includes CG-1 and subordinate directors and units including the Personnel Service Center (PSC) and subordinate units; and the Health, Safety and Work-Life Service Center (HSWL). The system also

includes FORCECOM and its subordinate units and training centers. Rating Force Master Chiefs (RFMC) are also part of the system in their activities supporting an enlisted rating.

Non-Appropriated Funds (NAF): Employees who are compensated by funds other than those appropriated by Congress. NAF employees are most frequent in the Coast Guard Exchange System and in Morale, Well-being, and Recreation activities at larger installations.

Performance Support: Performance Support interventions target shortcomings and/or problems with motivation, tools, and capacity, to enhance the entire Integrated Performance System, and provide a foundation of support for people to perform their jobs in an exemplary manner.

Personnel Allowance List (PAL): A database maintained by the Assistant Commandant for Resources (CG-8) listing the authorized and funded positions by grade, specialty, unit, location, and other attributes. A person can be provided to a unit by the HR system based on a PAL position.

Proficiency: A measurable, established level of skill or ability required for the competency attached to a specific position. This characteristic is assigned to a competency when it is attached to a position. See *Commandant Instruction M5300.2A*. Proficiency is often referred to using an apprentice, journeyman, master scale.

Resource System (RMO or -8 shops): Offices which administer Coast Guard personnel, operating, and other appropriated funds. A position on PAL accounts for a portion of the overall workforce funding. Funding attributable to a position includes pay (civilian and military), medical, military rotation, and other support costs. Resource Management Offices (RMO) are established within the Area Commands, Deputy Commandant for Operations, and Deputy Commandant for Mission Support organizations.



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