

BACKGROUND

In recent years, the Department of Defense (DoD) has placed increasing focus on attracting and maintaining military personnel with desirable skills and capabilities and on creating a more flexible personnel system to prepare the military for the future. To achieve these goals, and as part of its developing human resource strategy, DoD is exploring a wide range of personnel management programs. One such program involves the greater use of extended leaves for its military officers.

Common in the civilian workforce, extended leaves may be offered to employees for a number of purposes, such as professional development, self-renewal, addressing family concerns, or even helping a company overcome a financial crisis. In the U.S. military, however, such leaves are far less common. At present, few programs are authorized by law or by DoD's "Leave and Liberty" policy. Specifically, eligible officers are permitted to take education-related leaves for up to two years, during which time they receive only basic pay but no other pay or allowances. Upon returning from leave, officers must "pay back" by serving one month for every two months away. Additionally, the services permit some individuals to rejoin the service after leaving, contingent upon each service's need. Still, for officers seeking a leave of absence for reasons other than educational advancement and who hope to receive some compensation or maintain their benefits during their time away, no full-scale option exists.

DoD thus asked RAND to determine different ways in which more comprehensive extended leave programs could be implemented in the military and to explore the advisability of these implementations.

Our research effort focused on three primary motivations for instituting leave programs:

- *Legal.* We looked at what the services are required to do (and are currently precluded from doing) by law as well as what future legislation may necessitate given recent laws affecting civilian employees (e.g., the Family Medical Leave Act [FMLA] of 1993).
- *Human Resources.* We pursued the issue of whether these programs may be the “right thing to do” in terms of promoting the quality of life of service members and competing with civilian employers who are offering such programs with increasing regularity.
- *Fiscal.* We examined whether such programs may be cost-efficient, either because they result in savings or a return on investment (ROI). That is, extended leave options may help increase retention rates, which can in turn bring the added benefits of greater experience levels as well as cost savings that stem from lower accessions.

TARGETING SPECIFIC EXTENDED LEAVE OPTIONS

To formulate possible extended leave programs for use by the U.S. military, we took the following steps.

First, we examined existing programs in use in various sectors. Specifically, we focused on:

- *U.S. military and U.S. Coast Guard programs.* In addition to the educational leaves, we also looked at the various return-to-service programs currently in place. However, these programs tend to limit participation because they either do not offer pay or benefits or they do not ensure a return to service.
- *Foreign military programs.* Our investigation determined that such programs are not widespread and are generally unlikely

candidates for translation to the U.S. military because of the unique cultural or governmental contexts from which they arose.

- *Programs for nonmilitary U.S. government employees.* We found these programs, which tend to focus on educational opportunities, to be relatively small in scope and eligibility level.
- *Private-sector programs.* These programs range from personal extended leave options as required by FMLA, to academic and nonacademic sabbaticals, to leaves for personal growth purposes, to social services leaves, to voluntary leaves offered by businesses with a temporary surplus of employees or those facing a financial crisis. We found that such programs, which can be paid or unpaid, with or without benefits, offer a broad array of characteristics that merit consideration for possible adaptation for the military.

Next, we identified an array of options for possible military adaptation. In light of our review of existing programs and with an eye to the particular needs and management structure of the U.S. military, we generated a list of program options that should not conflict with military practice and that may provide various benefits based on their use in the civilian workforce. These programs fall into six basic categories:

- *Personal extended leaves*, such as maternity or paternity absences, elder care, or leave to attend to a family crisis.
- *Sabbatical leaves* for the purposes of academic pursuit, such as a research endeavor or independent study.
- *Personal growth leaves* to allow participants to increase their education or gain experience in a nonmilitary job market (e.g., working in a family business for a year).
- *Social service leaves*, or longer leaves with a specific purpose, such as working with nonprofit community organizations.
- *Voluntary leaves to meet service needs*, which can serve as a manpower management tool, allowing the services to reduce numbers for a particular year group when necessary.
- *Expansions for existing programs*, such as the current return-to-service program. Other than the U.S. Coast Guard's temporary

separation option, these programs do not guarantee return. A possible expansion could involve adding a right-to-return or required-to-return element.

Then, we explored the advisability of these programs from the aforementioned legal, human resources, and fiscal perspectives. For instance, from a legal standpoint, we looked at how the military might adopt these programs if the President or Congress determines that it is time to extend certain workforce and workplace practices, such as FMLA, to military personnel. In turn, from a human resources point of view, we looked at the potential for these programs to help keep officers satisfied and motivated, thus potentially improving morale, performance, and retention. Further, we considered whether these leave options would assist the military in its efforts to compete with the private sector.

Finally, we conducted an ROI analysis on representative programs. To evaluate these programs from a fiscal or cost-efficiency point of view, we conducted an illustrative ROI analysis; that is, rather than assessing the ROIs for specific leave options and populations, we determined *the variables that most affect ROI*, thus generating general principles from which to shape programs. Our focus was on four sample programs, two large and two small extended programs, each with varying eligibility, participation, and compensation levels. The four represent variations of sabbatical leaves, social service leaves, personal extended leaves, or leaves for personal growth. For each, we determined associated costs (i.e., compensation, administrative, and human capital costs) and benefits (any resulting increase in retention). Then, we calculated the ROI using military subpopulations that would serve as likely targets. In essence, we asked: What percentage and number of program participants would have to change their mind about leaving the service in order to produce a positive ROI?

RETURN ON INVESTMENT: BALANCING PROGRAM SIZE, DURATION, AND COST

Our ROI analysis demonstrated that any program offering leaves of limited length that change the retention behavior of at least 10 percent of the participants generally has a positive ROI. The purpose of the leave (e.g., social service or personal growth) appears to have

only a minor impact on the cost-efficiency of the program. Instead, the aspects that determine cost-effectiveness are the duration of the leave, the number of participants, the compensation offered, and the likelihood that participants would otherwise have left the service.

All told, reducing program size, duration, or cost improves its ROI. These components must be in balance to achieve the desired effects on retention. For instance, if costs are high, the program should be smaller and offer shorter leaves. With such programs, however, personnel managers must weigh whether the retention needed for a favorable ROI can be achieved from a small group of participants taking a short leave. As might be expected, large, high-cost programs are not likely to attain enough retention to make them advisable. Still, if large programs offer only short leaves and generate minimal costs (e.g., participants receive only basic pay or benefits), they may be feasible. Ultimately, the programs with the more favorable ROI are some combination of small, short, and low cost.

In terms of participants, programs that target subpopulations in which there is the greatest probability of positively affecting retention behavior are more efficient. A prime consideration is also *how much* additional service is achieved from those who stay in service because of these programs. Gaining two additional years is not as favorable to ROI as gaining four. In turn, we determined that some populations are not advisable to target. For instance, if aimed at officers with 15–19 years of service, the costs of the program are extremely high given the few additional man-years that can be gained. Such older populations also include few potential “leavers” compared with those who would be included in broad-based programs. Likewise, some combinations of programs and populations are not plausible. Either there are few leavers who might remain in the service because of the program or a very high percentage of leavers would need to stay to achieve a favorable ROI.

In the end, when ROI is the primary criterion, any proposed program should be analyzed on its own merits, taking into account target population, size, duration, cost, and requirements.

RECOMMENDATIONS

This ROI analysis, combined with the various legal and human resources motivations, leads us to a set of specific recommendations.

Implement a Flexible Range of Personal Extended Leave Programs. Offering an array of options to accommodate various officer needs would demonstrate an understanding of officers' personal commitments and responsibilities, much as FMLA functions in the civilian workplace. A full range also allows a desirable flexibility for both officers and military personnel. Table S.1 shows specific personal extended leave options that could be made available and indicates their differences with and similarities to existing programs. Once an officer demonstrates proof of need, his or her eligibility and compensation or benefits should be based on merit and professional performance. The issue of whether the leave should be paid or unpaid could be contingent on whether the officer is required to return (after a paid leave) or is encouraged to do so (after an unpaid leave). As the table also shows, the legal vehicles for implementing these programs vary. For instance, compensating officers with basic pay or benefits during a personal (i.e., noneducational) leave would require changes to existing law.

Consider More-Flexible Educational Sabbaticals. Sabbaticals could be used as a substitute for the current intermediate program of officer education. That is, in lieu of formal resident attendance at a particular school, officers could be granted time to pursue educational opportunities for their career development. Such an option would allow officers more freedom to study their areas of interest and would be of value to their service. These sabbaticals could prove increasingly useful if current schooling patterns change. For instance, if intermediate or senior service schools shift from yearlong residency to more-frequent schooling periods of three months or less, the military could offer sabbaticals of an additional three months (without a geographic relocation) for officers to complete certain educational requirements or pursue other activities.

Evaluate Personal Growth or Sabbatical Programs for Specific Cohorts. Our analysis suggests the benefits of evaluating programs for specific subpopulations. Such focused analysis could address

Table S.1
Recommended Personal Extended Leave Programs and Existing Options

| Cause for Departure | Occupation or Performance Level | Compensation and/or Benefits | Option for Return to Service | Vehicle |
|---------------------------|--|------------------------------|---|------------------------------------|
| Any | Any occupation; meets minimum performance requirements | None | Allowed ^a | Service policy |
| Intense personal need (1) | Critical occupation with minimum performance requirements or any occupation and superior performer | None | Guaranteed within fixed number of years | Service policy (as revised) |
| Intense personal need (2) | Any occupation; meets minimum performance requirements | Benefits | Required | Secretarial authority (as revised) |
| Intense personal need (3) | Critical occupation with minimum performance requirements or any occupation and superior performer | Basic pay and benefits | Required | Secretarial authority (as revised) |
| Education | Any occupation; meets minimum performance requirements | Basic pay and benefits | Required ^b | Secretarial authority |

^aOption already exists but is currently contingent on service needs.

^bOption already exists.

with more precision the effects of various programs on population size, continuation rates, and specific retention problems. In turn, resultant findings could help community managers steer programs toward the officers most likely to leave (e.g., junior officers).

Improve Existing Return-to-Service Programs. The current return-to-service programs are designed to bring back former officers when deemed in the best interest of the services. In practice, however, such lateral entries are often restricted or even precluded regardless of service needs. As such, we suggest that these programs should be revisited and prioritized in the greater context of service priorities and total accession plans.

Guide Implementation via Several Key Principles. First, these programs should be based more on merit than on need alone. Second, they should not be gender based but restricted to certain occupations or communities. Third, for longer programs, the “clock” for participating officers should be stopped while on leave, so officers remain competitive for promotion. Fourth, with the exception of programs to accommodate dire personal crises, participants should be between assignments and not in negotiation for the assignment process. Fifth, community managers should have input regarding the “health” of their community when implementing any large-scale program. And finally, participating officers should have met various requirements in terms of evaluations, selection status, and proximity to retirement.

Continue to Evaluate Potential New Programs. To remain competitive with the private sector, the services should monitor new and promising options on an ongoing basis.

CONCLUDING OBSERVATIONS

Regardless of which programs are instituted, leadership support will be critical to their success. Such support will help ensure not only that officers are offered programs for which they are eligible but also that they are not unduly disadvantaged for making use of them. Indeed, internal perceptions of these programs and their participants are important and should be taken into consideration when formulating their parameters. For example, leaves based on merit or offered as a reward for certain service or assignments appear most likely to meet internal acceptance.

Ultimately, extended leaves carry the promise of greatly enhanced flexibility for individual service members, and also for the military more largely, because these programs can be adjusted, replaced, or eliminated based on different service needs, work-life patterns, private-sector trends, legislative developments, or shifting national priorities. Moreover, aside from the potential for concrete positive impacts (e.g., on retention rates), implementing these programs may help reinforce the military’s reputation as a competitive, attentive, and conscientious employer.