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Fiscally Informed Total Force Manpower

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Summary

This monograph communicates the results of a short-term review of how selected Department of Defense (DoD) components currently review and analyze manpower needs in particular organizations or personnel communities. We reviewed published material and conducted interviews to ascertain useful methods that might be used more widely. The research is not designed to be comprehensive or to review routine Service manpower determination methods. Instead, we are particularly interested in practices that are currently being used by DoD organizations that have yielded specific results.

Manpower Requirements

Manpower policy has existed in nearly its present form for more than 50 years. A number of findings emerge from a reading of the past half-century of manpower requirements studies:

- Manpower cost is a consideration across all time periods, but there appears to be more emphasis on the cost-effectiveness and labor productivity of manpower in recent years.
- In the early years of the Cold War, there was an emphasis on manpower requirements as they support major weapon systems; this evolved from an emphasis on specific weapon systems to more emphasis on the strategic and operational imperatives of the Services in general.

- References to “total force” approaches to manpower requirements began to appear in the 1970s and increased in prevalence after that.
- Very few studies during times of conflict have been motivated by manpower requirements.
- Rigorous, analytical modeling approaches to manpower requirements determination appear to be prevalent across all time periods.

DoD Provides Guidance for Manpower Planning

DoD provides guidance to manpower planners for decisions as to the type of workers needed to accomplish different tasks within DoD. This guidance maintains an emphasis on fiscally informed manpower decisions.¹ Specifically, it states the following:

- Manpower requirements are driven by workload and shall be established at the minimum levels necessary to accomplish mission and performance objectives.
- Assigned missions shall be accomplished using the least costly mix of personnel (military, civilian, and contract) consistent with military requirements and other needs of the department.
- Military (active and reserve) and civilian manpower resources shall be programmed in accordance with validated manpower requirements and within fiscal limits and acceptable levels of risk identified in DoD planning and programming guidance.

In 2006, DoD issued an implementing policy for determining the appropriate mix of manpower (military and civilian) and private-sector support necessary to accomplish DoD’s missions.² The guidance states the following:

¹ DoD, Department of Defense Directive 1100.4, *Guidance for Manpower Management*, Washington, D.C.: U.S. Government Printing Office, February 12, 2005.

² DoD, Department of Defense Instruction 1100.22, *Guidance for Determining Workforce Mix*, Washington, D.C.: U.S. Government Printing Office, September 7, 2006a.

- When assessing manpower costs, manpower authorities shall not assume that military performance is less costly than either DoD civilian or contract performance.
- Economic analyses similar to those required by A-76 studies shall be conducted to justify use of military personnel.³
- Manpower authorities shall not designate manpower for military performance assuming that DoD civilian employees cannot be recruited or will not deploy to perform critical activities during peacetime or war.
- Manpower authorities shall consult personnel officials to verify whether DoD civilian employees are available or can be recruited and trained to perform the work. Additionally, manpower designations should reflect required work and not temporary assignments.

Taxonomy of Studies

A wide range of study types exists. We created a taxonomy of manpower requirements studies to characterize the 27 studies we reviewed (see Table S.1).

Observations from the Reviewed Studies and Interviews

Most of the studies we reviewed were prescriptive in that they suggest improvements to manpower requirements processes. Experts assert best practices in manpower requirements-setting and recommend analytically rigorous practices. However, there is little evidence presented in these reports that the recommendations were ever implemented. Moreover, the vast majority were done by a party external to the organization being studied. We believe that many internal studies are done but

³ *Circular A-76*, published by the Office of Management and Budget, establishes federal policy regarding commercial-sector performance of a government-operated commercial activity.

Table S.1
Summary of Studies Reviewed

Aspect	Number of Studies	Description
Fiscally informed (FI)	18	Studies base their findings and recommendations on fiscal information.
Functional	12	Studies focus on one function across several departments.
Organizational	8	Studies focus on one organization with several functions.
Occupational	5	Studies focus on particular functions that each department possesses.
Service	16	Studies focus primarily on one Service.
Descriptive	11	Studies describe current methods for determining manpower requirements.
Prescriptive	23	Studies prescribe methods by which manpower determinations might be improved.
Integrative	9	Studies break the subjects down, describing and prescribing methods for each component.
External	26	Studies performed by a party external to the subject organization.
Internal	1	Studies performed by a party internal to the subject organization.

are not documented in a public or readily accessible form. Our interviews suggest that such studies tend to be implemented because they were chartered and followed by the most senior decisionmakers in the organization and had specific goals associated with them.

The studies we reviewed addressed such topics as the mission of the organization, its operating environment, the resources available, and the processes used. With respect to resources, a major theme in many of the studies is trading one resource for another—e.g., active manpower for reserve manpower, officers for enlisted, manpower for technology, or strength for experience.

Although many of the studies were “fiscally informed,” we observed at least five different views of what that term means. Each of these views emphasizes cost or effectiveness somewhat differently. The views include cutting a workforce, trading one workforce for another,

reinvesting fixed manpower in higher-valued functions, trading end-strength for experience, and making short-term technology investments to reduce manpower in the long term. Many variations of these views exist.

We also observed that “what counts” and “how to count” varies widely across the studies we reviewed. For example, some studies count end-strength, some man-years, and some operating strength; others convert strength counts for military and civilian personnel into dollar figures. In terms of how to count, studies run the gamut from economic cost to program/budget cost, with multiple variations to deal with cost savings versus cost avoidance, life cycle versus acquisition, investment versus operating and support, and standard programming rates versus grade- or occupation-specific rates.

Tradeoffs

Given the manpower guidance and the emphasis in studies on tradeoffs, we examined data that covered the 50 years of manpower guidance for evidence of desirable tradeoffs. Has the manpower equation moved toward “total force, fiscally informed” decisionmaking over a long period of time?

If we make the assertion that the military of 2005 is more capable and effective than the military of 1955, we could argue that its costs are down through greater use of DoD civilians and selected reserve than active military and through a smaller but more-experienced force. Using proportionally more officers than enlisted personnel and more technically qualified enlisted personnel (resulting in higher training costs) apparently leads to higher costs but also greater capability. One could also argue that the increased per-capita spending on contracts for hard goods and services allowed for military personnel reductions and thus decreased cost. Possibly the most significant manpower change that affected cost during the 50-year period is the halving of the size of the force from 1955 and an even greater reduction from the peak of the Vietnam era.

Conclusions

We were asked to review a number of manpower requirements studies to see whether there were particular methods that other organizations could replicate to help them make fiscally informed manpower decisions. Many methods were suggested in the studies we reviewed. Moreover, external evaluators typically use their own proprietary methods. Our interviews led us to conclude that a number of internal manpower requirements studies are done by organizations but are not publicly available. The published studies seldom show implementation; the internal studies described to us appear to have implementation as an attribute. Our judgment from this limited sample is that the method used for manpower requirements determination may not be as important as other attributes of the studies, such as the following:

- *The direct involvement of a senior decisionmaker in chartering, periodically reviewing, and deciding.* Manpower requirements change over time, and changes in mission or technological improvements (among other reasons) dictate a periodic review. Senior-level action and involvement show organizational emphasis and a scrutinized process to evaluate tradeoffs to meet mission requirements within fiscal constraints.
- *Specific stated goals as part of the study charter, using particular views of fiscally informed of the type outlined.* Reinvesting (rebalancing), trading one workforce for another, trading experience for strength, and investing in technology are different views that can lead to desirable outcomes; studies should be clear about goals as a basis for evaluation. Only with clearly stated goals can the tradeoffs of the goals be assessed and measured.
- *A holistic approach that considers organizational mission, environment, resources (past, present, future), and processes.* Our analysis revealed that many manpower study recommendations were not implemented. We do not know why is so, but perhaps unseen or unintended consequences would have resulted if the study recommendations had been implemented. A holistic view of the entire organization is necessary to understand the effect of how changes

in one area affect another area's mission, environment, resources, and processes presently and in the future.

- *Publicly available and auditable results.* This criterion allows for accountability and the measurement of the implemented results.
- *Methodology-based (the study can be replicated) but the methods may vary.* A clear set of measurement criteria must be established upon which decisions are made. This allows an activity to be measured against its stated goals.

We also found that there was no one “best” method; just taking action and making a decision also works. There were several instances of undocumented work that produced desired results.

In the future, those conducting manpower requirements studies are likely to ensure higher quality by striving to meet the attributes above.