

Research Brief

A New Tool for Compensation, Accessions, and Personnel Management in the U.S. Military

Pay and other forms of compensation for military service are important factors in a person's decision to join the military or to reenlist after an enlistment period is completed. Since the introduction of the All Volunteer Force in 1973, it has been essential for policymakers to understand how changes in pay, retirement compensation, selective reenlistment, and other compensation policies affect the military's ability to retain qualified personnel.

RAND's Project AIR FORCE and its National Defense Research Institute developed a personal computer software tool called the Compensation, Accessions, and Personnel Management (CAPM) system. The system enables decisionmakers to quickly study the effects of policy changes on retention rates and future inventories of military personnel. CAPM has the following main features:

- ***Decisionmakers can create multiple scenarios based on a variety of policy options.*** Users can vary recruitment demographics, incentives for voluntary termination, pay tables, targeted bonuses, cost of living adjustments for retired pay, and other policies. CAPM keeps a complete record of the assumptions, policies, and data used for each scenario. Users can easily change this information to create alternative scenarios.
- ***CAPM uses policy information to calculate reenlistment rates and future force structure.*** The system uses a mathematical model to represent how individual personnel weigh the financial benefits of staying in the military against the benefits of leaving. Based on the user's policy choices, CAPM estimates reenlistment rates and projects the size of the force over a given time period. Decisionmakers can view these results by demographic category (such as sex, race, and mental aptitude), pay grade, and year of service.
- ***Decisionmakers can compare the outcomes of various scenarios.*** CAPM provides analytical tools, such as tables and graphs, that enable decisionmakers to see the implications of specific policy decisions. These results may be pasted into other documents and presentations for easy dissemination.

CAPM's standardized metrics and analytical tools should make decisionmaking faster and easier and should foster greater coordination among authorities throughout the personnel policy community.

This research brief summarizes the findings of Project AIR FORCE and National Defense Research Institute work that is fully described in *Background and Theory Behind the Compensation, Accessions, and Personnel Management (CAPM) Model*, John Ausink, Jonathan Cave, and Manuel Carrillo, RAND, MR-1667-AF/OSD, 2003, 60 pp., ISBN 0-8330-3428-6; *Users' Guide for the Compensation, Accessions, and Personnel Management (CAPM) Model*, John Ausink, Jonathan Cave, Thomas Manacapilli, and Manuel Carrillo, RAND, MR-1668-AF/OSD, 2003, 84 pp., ISBN 0-8330-3429-4; and *A Tutorial and Exercises for the Compensation, Accessions, and Personnel Management (CAPM) Model*, John Ausink and Albert A. Robbert, RAND, MR-1669-AF/OSD, 2003, 64 pp., ISBN 0-8330-3430-8.

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