TESTIMONY

RAND

Future Career Management Systems for U.S. Military Officers

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FUTURE CAREER MANAGEMENT SYSTEMS FOR
U.S. MILITARY OFFICERS

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House Armed Services Committee
U.S. House of Representatives

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1The views and recommendations presented in this testimony are solely those of the author and
do not necessarily represent those of RAND or any of its research sponsors.
Mr. Chairman and Members of the Subcommittee: Thank you for the opportunity to discuss with you the study that Roger Brown and I directed.\textsuperscript{1} I will focus on this research\textsuperscript{2} that we recently completed within the Defense Manpower Research Center at RAND in response to Section 502 of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102-484). I will first briefly review the background and our approach to that research. I will spend the bulk of my time, as requested, discussing the several alternatives for future officer career management that we examined. Lastly, I will summarize our conclusions and observations.

BACKGROUND AND APPROACH

Much of current officer personnel legislation was created to address the Cold War and is based in the experiences of World War II in growing a large officer corps. The three significant pieces of legislation that most affect current practice are the Officer Personnel Act (OPA) of 1947, the Officer Grade Limitation Act (OGLA) of 1954, and the Defense Officer Personnel Management Act (DOPMA) of 1980. OPA set much of the tone of current practice by beginning the movement toward uniformity in career management. OPA also mandated the use of an “up or out” career structure in all the military services with the stated goal of achieving youth and vigor in the officer corps. (The Navy had used a form of this structure since the early 1900s.) Additionally, OPA controlled the number of officers allowed in certain grades. OGLA changed the allocations of officers in these grades and came at the same time as debate about length of military service before retirement for officers. DOPMA was viewed as the culmination of the trend toward uniformity; continued the up or out structure with the additional goal of increasing promotions; and mandated an all regular career force.

In the post-Cold war environment, with the officer corps at its lowest level since the aftermath of W.W.II, and with a changing national security and military strategy, Congress in Section 502 asked for a fundamental examination of officer management for the period beyond the current drawdown. Congress and the Department of Defense expressed interest is several primary areas. These were grade and skill requirements; flows into, within, and out of the services; turnover and stability; career lengths; promotion; and adequacy of the grade tables.\textsuperscript{3}

We designed our research approach to analytically inform us of the impact of policy change in these various areas. Before I discuss our approach, I want to clarify that we were not attempting, at this point, to define one best alternative career management system for the future,

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\textsuperscript{3}Congress included adequacy of the grade table as a study issue after we began. (Section 402 of the FY 94 National Defense Authorization Act (Report 103-357))
but rather to define sufficiently different alternatives such that we might learn about their effects strengths and shortcomings—in managing military officers in the future.

We started with the ideas and concepts about future officer management expressed by the Congress, by the Department of Defense, and informed by our own prior and current research in this area. However, one cannot easily evaluate concepts if they are not part of an integrated framework for officer management. Therefore, we adopted a generic personnel model that entered officers into careers, developed and promoted them, and then transitioned them from military careers. Within this integrative framework, we were then able to add, modify or remove policies and examine the effect from having done so. The two most significant parts of this general career model are the entry points for officers into military careers and how officers leave such careers. We likened decisions about entry and exit points to laying the concrete for entry and exit ramps on an interstate highway system. Once in place, these ramps tend to govern the system in the most fundamental manner. Other policies such as those for developing or promoting officers affect what types of officers move along the officer management highway system and at what speeds, but have lesser fundamental effect on careers. We will use these entry and exit characteristics to build four basic career flow structures: up or out; up or stay; in and out; and mixed. Each of these are described in more detail later in this statement, and each will be used as a cornerstone in one or more alternative career management systems.

As part of our research, we examined current and future practice in NATO militaries, in public sector organizations with characteristics similar to the military, and in the private sector because we wanted to be comprehensive in our outlook about career management principles and practices. In our report, which you have received, we cover in detail what we learned in this examination. In this testimony, I will not review that research in detail but will use it as needed to support our conclusions and observations.

Additionally, because we were asked to examine future grade and skill requirements and because we were not prescient enough to know how the military might unfold after the turn of the century, we created, using logic and analysis, six different requirements options that are rooted in different assumptions about the size of a future military, about its technology, and about its organization. These requirements options have different grade composition and different skill mixes and proved useful for examining the robustness and flexibility of alternative career management systems.
CAREER MANAGEMENT

As you requested, I will now describe in detail the five alternative career management systems that we evaluated in the study. I begin with a discussion of the career flow structures that served as the cornerstones—the entry and exit ramps—for these alternatives.

Career Flow Structures

The choices about means of entry and exit determine the nature of the career flow structure in an organization. People either enter the organization at the beginning of the career path (closed) or they join it at any point along the career path (open). People either leave at their choice (natural attrition) or that of the organization (forced attrition). Career flow structures are important choices because they have more effect on the nature of careers than other significant variables of career management. The choice of a career flow structure imposes constraints on the policies established for each personnel function.

Four career flow structures commonly found are: “up-or-out,” which is now employed by the U.S. military; “up-and-stay,” which is used by many foreign militaries and many private and public sector organizations; “in-and-out” or lateral entry, which is also used in many private and public sector organizations; and “mixed,” which uses the other three in various combinations for segments of a career. These career flow structures are generally independent of manpower requirements in that each can meet any specified numerical workforce level. However, each structure meets it in a different fashion and thus may be better suited for certain organizational objectives or more cost-effective in meeting specific manpower requirements than others. We are not advocating any of these structures as best for a future career management system. We are interested in what objectives the structures serve and what effects they have if used.

Up-or-Out. An up-or-out structure is characterized by entry into the military at the start of a career and forced or induced separation on some basis (e.g., failure to progress in grade) at a later point. Continually eliminating groups of people at different levels in the organization—presumably to meet specific organizational objectives—makes room for those identified as better able to meet the objective. It is important to ensure that the choice of forcing mechanisms accomplishes the underlying organizational objective. For example, if the objective is a young and vigorous officer corps, policymakers must choose a forcing mechanism related to that objective, e.g., separation age. If the objective is increased flow of younger officers to the reserve component, policymakers must choose a mechanism related to that objective. It also tends to reduce career longevity and retirement expenses. The flow upward provides experience and prepares those who remain in the system for higher positions.
Up-or-out provides incentives for continued good performance and mandates retention of only the best performers. However, depending on the amount of forced attrition, there can be high turnover, which generally increases movement and training costs and disrupts organizations. But turnover also makes people available for other purposes. For example, the military may want sufficient early turnover of officers to support the reserve component. The closed nature of the system supports a strong organizational culture, but the forced-attrition mechanism diminishes long-term commitment. In the military and other organizations, youth and vigor are associated with this type of structure, but that has more to do with the selection of the intermediate exit points than the structure itself. The forced separation decision for the military has been tied to promotion (the origin of the up-or-out label), but other mechanisms could be used. For example, the military has also used the retirement system to force separation.

Up-and-Stay. An up-and-stay structure is characterized by entry into the military at the start of a career and continuation at will of the individual for a full career even if not advanced. The military has used this structure for selected skills where shortages of officers exist. For example, Congress has encouraged selective continuation of officers when their skills are needed. It tends to minimize both accession and termination costs and maximizes the return on development costs. It allows the organization to benefit from all of its members who reach the height of their usefulness, and it tends to preserve skills. The strong culture, stable careers, and prospect of longevity inspire loyalty.

A structure of this type provides career stability. Additionally, promotion decisions are independent of separation decisions. Less turnover occurs than with up-or-out, and thus the organization requires fewer new entrants to sustain its numbers. This structure best supports organizations with a strong culture because those who accept and adapt to the culture are allowed to stay. The usual criticism of a structure of this nature is that too much "deadwood" can accumulate. Also, in up-and-stay structures, people reach a plateau at a certain grade or rank; motivation (and additional compensation if desired) must come from sources other than promotion.

In-and-Out. An in-and-out structure—also called a lateral entry structure—has entry and exit at multiple points in careers. Entry for individuals need not be at the beginning of a career; experienced people who leave can be replaced with experienced, but new, people of needed skills, knowledge, and abilities. Further, it allows the organization to meet its needs quickly and minimizes accession and development costs. It also allows an organization to meet its needs precisely. It can acquire the exact skills and number of people needed at the time they are needed. Attrition can be either forced or natural. Forcing mechanisms can parallel those of an
up-or-out system or those of the private sector, e.g., a term contract renewable at the discretion of the organization.

In-and-out is widely used in private and public sector organizations especially where occupational and professional identity is not the same as employment by a specific firm. It allows organizations to get needed skills at any point in an experience profile. It is becoming more widely used in organizations that previously had a strong culture to allow needed change in the culture or to more quickly change the composition of the management ranks. In the private sector, organizations with previously strong internal cultures that had used up-and-stay structures are moving to open themselves to more outside hiring including for the most senior levels.

In militaries, the dominant need for military knowledge and experience has limited use of this structure to certain skill groups. The military has employed an in-and-out structure in limited ways to attract professionals such as doctors and lawyers whose professional skill substitutes for military knowledge. In-and-out gives the organization the greatest capacity to change its size, composition, and culture as skill experience outweighs organization experience and immersion in the organizational culture. Key to using an in-and-out structure is how much organization-specific knowledge is needed. This specific experience—acculturation in the organization—need not be at an early point in a person's skill career but only before or immediately after entry into the organization.

Most militaries dislike this type of structure because it connotes entry to higher positions from civilian life, which diminishes the military profession. It receives grudging acceptance for others regarded as professionals (e.g., doctors) but little beyond that. The basis for outright rejection of this structure appears to be the desire to preserve the strong organization culture and the profession. However, some uses of the in-and-out structure appear to enjoy somewhat greater acceptance. For example, these in-and-out flows might be acceptable: early in careers across military services, from reserve component to active component, from a status of recent military service, from enlisted status to officer status, and from a status of no prior military service in certain skills. Additionally, this structure has been used in times of national emergency requiring a rapid and massive buildup such as in World War II. In all cases, such acceptance in today’s militaries would be grudging at best; for the future, such structures might have greater utility.

Mixed. Mixed structures can incorporate characteristics of any of the other three and thus can be designed in any number of ways. Attrition can either be natural or forced and may apply across an organization or to selected parts. Similarly, entry can be open or closed and applied differently to different parts of the organization. Which aspects are selected depends upon the
characteristics most needed by the organization to accomplish its goals. It is possible to apply different strategies at different points in the career path. For example, an organization might want to control movement tightly in the early stages of a career path, so it would enter people at the bottom and retain only those who best meet organizational needs. The organization might leave the exit decision to the more senior members of its workforce, in essence granting tenure to all who reach a certain point in the career path.

A strategy of allowing mixed structures enables an organization to be very flexible in meeting the organizational needs for management of different skill groups at different career periods. Depending on use in various segments of a career, the mixed structure might emphasize one set of characteristics but embody others as well. For example, a mixed structure could have entry predominantly at the beginning of a career, but a limited number of later losses might be replaced from outside the organization. Up-or-out might be used early in a career with up-and-stay as a structure thereafter. Additionally, while one usually thinks of in-and-out as a lateral entry system, it also could be a lateral exit system if appropriate inducements to leave are included.

Mixed structures can be designed to accomplish specific objectives. For example, if the objective is to meet societal expectations about opportunity for military service or career compatibility, then early high turnover might have merit and an up-or-out structure can be used early in careers. This approach would allow more individuals an opportunity to serve and might support the institutions of accession as they exist today. Additionally, forced or encouraged separation between 3 and 10 years (but not thereafter except in special cases) dovetails neatly with reserve component needs for junior officers.

**Personnel Functions Provide Variation Within Career Flow Structures**

In building alternative career management systems, we also used variations available to policymakers in the design features of four personnel functions—accessing, developing, promoting, and transitioning. Functional personnel activities integrate the individual’s capabilities with the requirements of the position and affect outcomes. Manipulating personnel functions can provide variation within a career flow structure depending on the choices made about its various aspects. For example, maximum career length, a design concept for the transitioning function, applies to each of the career flow structures but has different outcomes in each. Selecting different maximum career lengths provides variation within the structure. The design of the personnel functions distinguishes career management systems from each other.
Alternative Officer Career Management Systems

We specified five alternative officer career management systems that use different career flow structures and personnel function designs. They are designed to have markedly different characteristics such as longer maximum career lengths, greater reliance on lateral entry, and different promotion patterns. One alternative career system was constructed to replicate the DOPMA career management system. The other four are constructed to capture issues of specific interest to the Congress and the DoD as they contemplate future officer systems. These issues include different regulation of flows into, within, and out of the officer corps; rules that provide for less turnover and greater stability; stable career advancement patterns that encourage longer careers; greater use of lateral entry; and longer careers as the rule rather than the exception with up-or-out features of DOPMA adjusted accordingly. These four alternatives cover the relevant range of issues of interest.

Additionally, each of the alternatives allows for the management of four skill groups (line, support, specialist, and professional) because we were asked to examine a less-inclusive line. We defined line as unique military skills, particularly those directly involved in combat operations and related military functions. Specialist is defined as any military skills also requiring recurring assignments and utilization due to advanced education or high cost, long-duration training or experience. Support are skills analogous to civilian white-collar occupations needed to support the functioning of military organizations where general military experience is desired or will assist task performance. Professional are civilian professional skills not usually requiring any significant military experience (e.g., medical, dental, legal, and chaplain.)

Each of the five alternatives has been given a name that captures its central feature.

DOPMA Short. This alternative career management system was based on the DOPMA officer management system, which is what career management practice would revert to at the end of the drawdown if nothing changes. This system reflects the current up-or-out structure and the personnel policies of DOPMA; i.e., officers who twice fail promotion are separated. The system considers four skill groups (line, support, specialist, and professional) with lateral entry only for professionals. Officers enter with initial expectations for a career or with high expectations for augmenting into career status given successful performance. Early development is within skill group; officers migrate between skills as needed. Promotion opportunity and initial promotion points are those of DOPMA. Promotion timing (10 years to O-4, 16 years to O-5, and 22 years to O-6) is altered as needed to meet various requirement options. Tenure is provided under DOPMA rules; outplacement services and transition payments are limited. The maximum career is 30 years and separation and retirement are in accordance with current rules; hence retirement is mandatory after 30 years of service for O-6 and earlier for other grades. There
is no vesting; reduced immediate annuities begin at 20 years of service with voluntary retirement at that point.

DOPMA Long. The DOPMA Long alternative career management system was developed to evaluate the effect of the single change of extending maximum service careers within the DOPMA up-or-out structure. This responds to the Senate Armed Services Committee (SASC) Report that said: "Longer careers should be the rule rather than the exception."4 This alternative differs from DOPMA Short in two ways: It allows continuation to 35 years of service for officers in grade of O-6, and promotion points are delayed to accommodate different requirement options and longer career paths.

Lateral Entry. This alternative career management system was developed to evaluate the single change of lateral entry from civilian life. The alternative allows qualified individuals in all skill groups to enter at designated times. The major differences from other alternatives are greater lateral entry and more emphasis on skill experience. A maximum career length of 30 years is used. Eighty percent of accessions are initial entry with the remainder joining as lateral entrants in the grade of O-3 or O-4 at the 5th year (15 percent) and 10th year (5 percent) respectively. These arbitrary points were chosen to demonstrate the cumulative effect of lateral entries—both in timing and quantity. Lateral entrants are assumed to have the same skill experience as the cohort they join but may lack military experience. They do not become eligible for retirement until completing 20 years of commissioned military service, so that those who enter after the 5th year of service may stay until the 35th year (30 years of military service). Promotion timing is adjusted to accommodate different requirement options.

Long, Stable. This alternative career management system was designed to demonstrate the up-and-stay career flow structure that encourages long careers since it does not force attrition before mandatory retirement. All officers who perform satisfactorily may choose to stay for long careers independent of selection for promotion. The alternative responds to the SASC Report, which said that the "officer corps should be managed under rules that provide for less turnover and greater stability."5 In this alternative, most officers enter in the line skill group to provide common experience as the basis for long careers. At the promotion point to O-4, line officers migrate into other skill groups and further success is based on development of those skills.
Officers who initially enter in support skills will have limited opportunity for promotion beyond grade O-3. Outplacement services and transition payments are used to support voluntary attrition prior to 10 years of service and for other force management needs. Officers not selected

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for promotion are allowed to continue service. DOPMA promotion zones are adjusted to meet requirements and to accommodate the long career. Long interval promotion zones are used.\textsuperscript{6} Fast-track promotions are also included. The alternative provides vesting after 10 years of service, but immediate full annuity retirement payments do not start until 35 years after entry. Retirement at 30 years of service with a reduced immediate annuity is allowed as an option. Mandatory retirement is after 35 years of service.

**Career Selection.** This alternative career management system was developed to evaluate several related management concepts: linking different career flow structures to enable career selection at various points in careers; a long zone promotion option that would support fast-track advancement of selected officers to one or more of the field-grade ranks based on time in grade while dampening overall emphasis on promotion opportunity; longer maximum careers; and vesting. This alternative has three distinct segments based on career selection points. An up-or-out flow structure based on development and selection for a career, not promotion, is used for the first 10 years. During the first 5 years (segment one) the acculturation of officers continues as they gain military experience and develop skills. In a sense, officers serve at the will of their military service based on recouping investment for pre- and post-commission education and training.

Those selected for continuation based on skill and experience needs (their prior development) are promoted to O-3 and enter the second 5-year segment. Selection is based on both potential in skill areas and performance. Selection rates are designed to be lower than current DOPMA promotion rates to O-3, so attrition is forced to accomplish this. Officers might choose to enter the second phase because they have developed affinity for a military career or because they will become vested after 10 years of service, which is included in this alternative. The second segment focuses on further development in skill areas; career selection takes place after 10 years and is again based on skill and experience needs. The best-developed officers for national security needs are selected—coincidental with promotion to O-4. The officers (best developed and best qualified) then enter career status in an up-and-stay structure. Selection into the career has been based on competency to meet expected skill and experience requirements. The system allows flows from line to both support and specialist skill grouping as needed. The third segment encourages long careers because it does not include any subsequent forced attrition by group before retirement. For those with career status (retention beyond 10 years of service), retirement at 30 years of service with a reduced annuity is allowed as an option. Mandatory retirement occurs at 35 years of service. In this alternative, promotions are made only to meet

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\textsuperscript{6}We used an interval of 5 years instead of the 1 year intervals now generally used.
specific needs for management and command positions. Promotion decisions to higher grades use wider promotion zone intervals, which make large pools of officers available. A fast track for the best qualified is provided. Field-grade officers not selected for further advancement may continue serving. DOPMA promotion points are adjusted to meet requirements.

EVALUATION

Having determined a range of requirements and designed a number of career management alternatives, the next step was to evaluate the alternatives. The intent of the evaluation is to provide the policymaker with information about how the alternatives operate. The evaluation combines quantitative and qualitative assessments of various aspects of the alternative management systems. The purpose and objectives of officer career management and other important indicators provide the framework of our evaluation methodology.

In the broadest sense, the primary purpose of officer management should be to provide officers able to discharge the national military strategy. An officer management system must focus on the goals of and meet the needs of those who use officers (its “customers” in a sense). For the U.S. military, users represent a broad spectrum, including the unified commanders (CINCs), the military services, the joint and defense staffs, and the various other defense and non-defense organizations that rely on career military officers for some of their staffing.

Objectives define what the career management system must do to achieve its purpose of providing officers able to discharge the national military strategy. The objectives of the career management system are

- meet requirements
- attract and develop officers
- foster careers
- provide flexibility.

In the evaluation, we also consider

- cost
- uniformity
- public confidence in the military
- number of officers entering, in, and leaving careers.

For each objective or consideration, as shown in Table 1, we identify specific aspects that allow us to compare the various career management alternatives. In many cases, these are quantitative aspects derived from a computer simulation model that calculates an officer force based on the various requirements. In some instances, quantitative comparisons are not possible, and we resort to a qualitative evaluation.
Table 1
Criteria and Measures of Career Management Systems

<table>
<thead>
<tr>
<th>Criteria</th>
<th>How Measured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meeting requirements</td>
<td>• Ability to meet grade and skill requirements of options</td>
</tr>
<tr>
<td>Attracting and developing officers</td>
<td>• Average field-grade military experience</td>
</tr>
<tr>
<td></td>
<td>• Variation in years of service for each field grade</td>
</tr>
<tr>
<td>Fostering careers</td>
<td>• Contribution to key aspects of career satisfaction</td>
</tr>
<tr>
<td></td>
<td>• Expected career length</td>
</tr>
<tr>
<td></td>
<td>• Number of officers reaching retirement</td>
</tr>
<tr>
<td>Providing flexibility</td>
<td>• Change in continuation rates required to meet different options</td>
</tr>
<tr>
<td></td>
<td>• Amount of change in promotion timing or opportunity across options</td>
</tr>
<tr>
<td></td>
<td>• Ability to meet new requirements and remain within grade limitations</td>
</tr>
<tr>
<td>Cost</td>
<td>• Average cost per officer</td>
</tr>
<tr>
<td>Providing uniformity among services</td>
<td>• Promotion timing in each field grade</td>
</tr>
<tr>
<td></td>
<td>• Expected career length</td>
</tr>
<tr>
<td>Maintaining public confidence</td>
<td>• Ability to provide competent officers who are</td>
</tr>
<tr>
<td></td>
<td>• Reasonably representative of society</td>
</tr>
<tr>
<td></td>
<td>• Compatibility with national career management practices</td>
</tr>
<tr>
<td>Numbers of officers entering, pursuing, and leaving careers</td>
<td>• Number of accessions, promotions, and retirements</td>
</tr>
</tbody>
</table>

The evaluation results are recorded in Table 2.
Table 2
Effects of Career Management Alternatives

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Objectives</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
<td>Met</td>
</tr>
<tr>
<td>Requirements (grade/skill)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Experience</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average years of service (O-4 to O-6)</td>
<td>Inadequate 16.9</td>
<td>Adequate 18.8</td>
<td>Inadequate 17.6</td>
<td>Adequate 19.2</td>
<td>Adequate 19.5</td>
</tr>
<tr>
<td>Grade variation</td>
<td>Narrow</td>
<td>Narrow</td>
<td>Broad</td>
<td>Broad</td>
<td>Broad</td>
</tr>
<tr>
<td>Foster careers</td>
<td>Adequate Average</td>
<td>Adequate Average</td>
<td>Inadequate Least Average</td>
<td>Advances Most</td>
<td>Advances More</td>
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<tr>
<td>Career satisfaction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Career opportunity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expected career length (years)</td>
<td>12.7</td>
<td>13.7</td>
<td>12.7</td>
<td>17.4</td>
<td>14.2</td>
</tr>
<tr>
<td>Retirement percentage</td>
<td>35%</td>
<td>36%</td>
<td>38%</td>
<td>47%</td>
<td>33%</td>
</tr>
<tr>
<td>Overall flexibility</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in size</td>
<td>Limited More difficult</td>
<td>Limited More difficult</td>
<td>Most Less difficult</td>
<td>Limited Difficult</td>
<td>Limited Difficult</td>
</tr>
<tr>
<td>Change in promotion</td>
<td>Least</td>
<td>Most</td>
<td>Some</td>
<td>Some</td>
<td>Some</td>
</tr>
<tr>
<td>rating</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meet requirements with existing grade table</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
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</table>

Considerations

<table>
<thead>
<tr>
<th>Per capita cost</th>
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<th>No significant difference</th>
<th>No significant difference</th>
<th>No significant difference</th>
<th>No significant difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uniformity among services</td>
<td>Uniform</td>
<td>Less uniform</td>
<td>Least uniform</td>
<td>Most uniform</td>
<td>More uniform</td>
</tr>
<tr>
<td>Future public confidence</td>
<td>Lessens</td>
<td>Lessens</td>
<td>Maintains</td>
<td>Lessens</td>
<td>Increases</td>
</tr>
</tbody>
</table>

Numbers of officers:
— Accessions 12,800 11,900 10,100 9,200 11,400
— Promotions 11,000 9,200 10,200 10,300 9,900
— Retirements 4,400 4,300 4,800 4,300 3,700
— Reserve forces pool 6,700 6,300 3,700 2,400 5,500

NOTE: Data are for the Notional Force (requirements Option 0).
Having measured the responsiveness of the alternative systems to a range of criteria derived from the purpose, objectives, and other important considerations discussed above, we were able to draw conclusions and make observations about the several features we were asked to examine.

CONCLUSIONS

The Congress and the DoD identified a number of issues to consider in this study. We begin with our conclusions about these issues. Next, we present overarching observations and conclusions by the study team, based on our analysis, which, in some cases, transcend those issues identified for study. Efforts to design the ideal future officer career management system should take the full range of conclusions and observations into account.

Satisfying Validated Grade/Skill Requirements. Since valid requirements by grade and skill for the future do not exist, we determined six different future officer requirements options and four skill groups as a basis for examining alternative officer career systems. These requirements options represent a reasonable range of possible future environments. Within the six officer requirements options, we varied skill group mix, streamlined grade structures, and changed the size and experience needs of each service. In our evaluation, we forced all alternative career management systems to achieve the grade and skill requirements of each option.

Our analysis shows that, in the aggregate, any of the combinations of career flow structures and personnel functions, such as promotion, can satisfy requirements for grades and skills. Within relatively broad parameters, a career management system can be changed as needed to match requirements. This conclusion is not particularly surprising because the services have often changed their career management systems, sometimes dramatically, to meet needs. For example, in the most recent drawdown, officers of all grades and years of service were separated.

Of more interest analytically are the subsidiary changes that distinguish alternatives and suggest that the alternatives do not perform uniformly when considering aspects other than meeting requirements. For example, requirements do not change uniformly by service. Changes in requirements create different needs for military experience by skill group. One evaluation criterion measured the ability of a career system to provide the needed experience, and some of the alternative career systems evaluated, especially Lateral Entry, were unable to satisfy military experience requirements in all skills. An in-and-out career structure provides less military experience on average. However, this type of structure has proved itself in war when many officers were needed to support rapid expansion. An up-or-out structure with longer maximum
careers will provide more experience than in-and-out on average but not as much as an up-and-stay structure.

Turning to the issue of grade requirements, we see no reason why the desired grade structure has to be a pyramid as it is now. The career structure and personnel functions can meet any structure of needed grades. However, promotion timing and opportunity would be less certain than they are now, and their importance might also diminish. Research on commitment and satisfaction indicates that both are possible without high levels of promotions.

**Greater Use of Warrant Officers.** Another difference is the varied service use of warrant officers. In our study, we offer an illustration of how the use of warrant officers could be expanded in skills where commissioned officers and warrant officer requirements currently coexist. While uniformity among the services seems to be a meritorious objective, a full appreciation of the differences in service cultures must accompany any review of the use of warrant officers. In the case of the Air Force, the earlier decision to place warrant officer requirements into the senior noncommissioned officer ranks may remain a sound practice in future requirements environments. However, those positions primarily requiring the exercise of technical skills that do not follow future officer career patterns but need the recognition and incentives offered in ranks higher than enlisted appear well suited for warrant officer requirements. DoD should decide the importance of uniform and expanded use of warrant officers among the services and determine the standard for grading position requirements accordingly. Service requirements reviews based upon these position grading standards would determine the number of warrant officer positions. Lastly, cost will be an important consideration in deciding the extent to which warrant officer requirements are used in lieu of either officer or enlisted positions.

**Less Inclusive Line.** To address this issue, we developed four categories of skills—line, specialist, support, and professional, a technique that allowed us to investigate the issue of separate career management systems for distinct skill groups. A less inclusive line implies that non-line officers can be managed differently. If they are, rather than uniformity in careers for all services, one might expect to have uniformity in careers within skill groups with overall service careers different to the extent that service skill composition is different.

Historically, skill groups have fought to be included in the line because that represented the most prestigious category and was typically viewed as the most direct route to the top. Most skills in the Army, Air Force, and Marines (fewer in the Navy) are now included in the line category for competitive management even though some skill groups have traditionally achieved greater promotions and higher positions. However, if specialist and support officers were as apt
as line officers to achieve the highest positions and were considered central to the profession, then a less inclusive line might not matter.

Our analysis shows that skill groups can be created, that they can be managed differently from other skill groups, and that grade and skill needs can be met. Certainly the present system manages two skill groups—line and professionals—in fundamentally different ways, and there is conceptually no reason that this cannot be extended to more than two skill groups. Analysis cannot say whether being a Naval officer or an Air Force officer is more important than being a pilot, engineer, or logistician.

The amount of desired military experience differs by skill group. The line requires predominantly military experience; specialist skills as we defined them need both military experience and technological expertise; the support skill group needs experience in those skills tempered by adequate military experience; and the professions require only limited military experience to complement professional knowledge.

**Different Regulation of Flows Into, Within, and Out of the Officer Corps; Greater Use of Lateral Entry.** We examined four different career flow structures, and each has different strengths and weaknesses. An in-and-out structure offers tremendous flexibility if the force has to grow quickly and appears a natural structure for a total force concept. However, except for limited peacetime use for certain skill groups and perhaps in wartime, an in-and-out structure appears to have less utility as the basis for the overall design of a future career system. Its drawbacks relate to military experience of the resulting officer corps, to career satisfaction, and to the professional aspects of officership. Perhaps it could be used more in certain skills than others or to gain greater use of reservists but not as an overall career structure.

Up-or-out and up-and-stay structures also have benefits and deficiencies. The benefits of up-or-out have been stated as providing a young and vigorous officer corps and providing promotions. However, up-or-out affords less career opportunity and does not mesh well with current views of careers, because it tends to eliminate groups of people, in part at least, on the basis of age. Although up-or-out creates turnover, which increases numbers of accessions and promotions, the promotions are directly the result of forced separation of other officers. Up-and-stay produces more experienced officers and allows longer careers. However, it does not require enough accessions to support the accession institutions as currently structured or the reserve need for junior officers.

**Longer Careers as the Rule.** Our research shows that there is no maximum retirement age that must apply to all officers. Individual officers could be measured against their own abilities for continued service. That said, it appears reasonable to expect the officers in the grades of O-4 to O-6 to retire between ages 55 and 57. Foreign militaries, federal law enforcement officers, and
state and local public safety occupations tend to retire people at about these ages. So does the U.S. military for general/flag officers, where a 35 year career length brings a 20 or 22 year old entrant to retirement by age 55–57. The current mandatory retirement age for officers is 62.

Career flow structures affect career length. The effect of longer maximum careers depends heavily on the career flow structure that the career system uses. For example, a maximum career length of 35 years (or to about age 55) has a different outcome in each career flow structure. Most entrants who elect to stay in an up-and-stay structure can serve for 35 years; only a minority of initial entrants in an up-or-out structure can have a full career; those in an in-and-out structure may or may not have full careers; and most entrants who survive an initial career decision point and then elect to stay in a mixed structure of the type we designed for the career selection alternative can remain until the 35th year. The point we would make is that increasing maximum career length without adjusting up-or-out only provides longer careers to those who have not already been forced from the career system. If one wants longer careers on average for all who enter, then the career flow structure for the field grades has to be something different from up-or-out.

Longer careers do not appear to cost significantly more or less than shorter careers as long as size and grade requirements are held constant. There are trade-offs between increased pay and retirement costs and decreased accession and training costs. These trade-offs suggest that it is possible to design a future officer career system on effectiveness considerations because cost of different concepts are roughly comparable. Cost, however, is expected to be an important determinant of future choices especially as it relates to choice among requirements options because size and or grade content are then changing.

Up-or-Out Features of DOPMA Adjusted Accordingly. In our view, the organizational objectives are key to adjusting the up-or-out features of DOPMA. Up-or-out was instituted in 1947 to obtain a youthful and vigorous officer corps. Up-or-out in DOPMA had an additional objective of increasing promotions. Adjustments to the up-or-out features should be based on objectives for forcing attrition. For the future, forced attrition of groups of officers to achieve a youthful and vigorous officer corps, if that is still desired, appears to run counter to national policy related to age and congressional direction to the DoD to use individual standards to determine fitness in specific skills. Moreover, forcing attrition of some officers to increase promotions for others may not be the best management philosophy.

One possible objective for forced attrition could be to increase turnover of active officers reasonably early in careers to make pools of officers with prior active experience available to the reserves. Another objective could be to allow only limited numbers of well qualified officers with desired skills, knowledge, and abilities to enter into long service careers. Other objectives are
possible. Our point is that forced attrition implies an organizational objective. Once the objective is stated, the mechanism can be determined. It is not likely that the objectives for career management of 1947 or even of 1980 are still correct for officer careers after the turn of the century.

Recognize Need for Stable Career Advancement Patterns That Encourage Longer Careers. A way that DoD could provide more stability in advancement while also providing more variance in time in service in each grade is to combine long promotion zone intervals with fast-track promotions. With one-year promotion zone intervals, chance of advancement ends precipitously. If the chance of future promotion provides motivation, then the one-year zone system ends it abruptly since officers are unlikely to be selected in their last one-year look if they were not selected in the earlier one. Longer zones (we used five years) mean lowered opportunity from the larger resulting group in the zone, but the same number of promotions do result each year. Of those promoted, the variance by time in grade is greater and exists over the length of the zone. More people stay eligible for longer periods, which provides a continuing incentive. Additionally, those selecting for promotion have a larger pool from which to choose if needs for officers with particular qualifications change over time.

Fast-track promotions are also useful in that some officers should advance more quickly because they develop more quickly. We did not evaluate a pure merit promotion system, which is one in which seniority does not play a role. We used merit and seniority in combination but increased the emphasis on merit and reduced the emphasis on seniority. As a result, there is an age/grade/years of service relationship, but it is different from the one that now exists. We do not know if this relationship is actually needed; we observe that it is traditional in most militaries. Allowing some to be advanced more quickly than others and allowing for promotion selection from a pool that is non-homogeneous by age and experience results in less of an age/grade/length of service relationship. Said another way, the career flow structure and promoting function could allow for a broader span of ages in a particular grade. The determination would be on how long it takes to be developed to have the ability to discharge the responsibilities of that grade.

Combining changed promotions with a career flow structure that is based on selecting well-qualified officers for careers has additional ramifications for advancement. If the basis for the career is skill and experience qualification, then promotions need only go to those who are needed for higher levels of management responsibility. Promotions are no longer needed as the basis for keeping people.

Manage Under Rules That Provide for Less Turnover and Greater Stability. Our analysis suggests that turnover should be tailored to accomplish institutional goals and that
seeking uniform turnover rates across all grades may not be wise. It is possible to provide turnover at the point it is needed and stability in the ranges where it is needed. High turnover early in a career system could accomplish multiple objectives such as preserving accession institutions, meeting grade-experience requirements, and providing flow to the reserves. Thus, relatively high turnover early in the career path should be part of the system. Turnover between 3 and 7 years of service is useful in line skills because it recoups the investment in initial training and provides officers most useful to the reserve component; turnover at about 10 years of service is useful in the specialized skills where greater training investment has been made. An expanded in-and-out system could work well for support and professional skills in which less military experience and acculturation is needed. However, in all of these skills, once career status is gained, there could be much greater stability than is now the case. Use of an up-and-stay structure once an officer achieves career status would allow greater turnover early and more stability later and may serve the requirements of the military services and the needs of officers.

**Adequacy of the Existing Grade Tables.** A grade table as an external, policy monitoring device is but one way to control officer systems. A sliding-scale grade table has been used to control officer inventory directly because manpower requirements are not generally believed, and thus the officer inventory must be evaluated and constrained by an external performance standard. If officer requirements were accepted, an external mechanism like a grade table would not be needed to control the entire officer career management system. Flexibility would be less of an issue in that, without external constraints, the career management system could adapt more readily as needs for numbers of officers, in their several grades and diverse skills, changed. There would be only enough officers to fill positions at the correct grades.

More closely controlling grade requirements for officers rather than constraining officer grade inventory may allow more management flexibility while controlling grade creep. For example, the National Performance Review suggests standards for the ratio of senior to subordinate, and requirements could be made to meet such performance standards. Many organizations are streamlining to accomplish this. Additionally, one should not focus on control at only one point in time. A dynamic context is needed to have flexibility to accommodate changing officer strengths over time.

**Expected Length of Officer Careers.** The overall average lengths of careers are determined by the career flow structure and by elements of career satisfaction including the vesting-annuity workings of the retirement system. Career length is partly determined by engendering commitment to careers through professional satisfaction, job challenges, compensation, and by addressing family considerations. Officers must want to stay for career length comparisons to be meaningful. Committed officers whom the military needs by dint of
their grade, skill, and experience must also be afforded the opportunity to stay by the officer career management system. Career lengths depend more heavily on the workings of the career flow structure than on any fixing of a maximum career length. For example, extending the maximum career by five years but keeping up-or-out for the field grades extends the expected career length by only one year. Changing from up-or-out to up-and-stay and increasing maximum careers by five years extends expected career length by more than five years. Longer average career lengths appear beneficial because they increase the experience levels of the officer corps in the grades of O-4 to O-6.

Timing and Opportunities for Promotion. In two alternatives, we used a promotion function that incorporated some fast-tracking through the structure and longer promotion zones in which the numerical emphasis of promotion objectives would be reduced and in which requirements for grades could play a greater role. A promotion function such as this produced somewhat different results from the other alternatives.

A rank-in-person career system tied to numerical promotion objectives for timing and opportunity in a steady-state system with defined promotion zones will produce desired promotion outcomes independent of requirements for grades. Either the requirements system adjusts to the level of grades produced, promotion timing and/or opportunity have to change to reflect grade requirements, or external constraints in numbers are placed on the workings of the career system (a grade table) to limit inventory of officers in certain grades.

None of these is preferable. What is preferable is to provide "enough and only enough officers to meet mission-based requirements in each of the officer grades." A career system that selects officers after initial service for careers who are the best qualified by their skills and experiences and then continues them without forced attrition reduces the amount of promotion. However, a longer promotion zone can be used to continue opportunity for promotion over longer periods. Promotions would occur for valid needs for managers and leaders and not because promotion must occur for officers to stay in the profession.

STUDY TEAM OBSERVATIONS

Most recently, concern has been on transitioning from a large force for the global conflict to a smaller one for the new international security environment. In general, the dominant effect of the post-Cold War officer strength reduction and other changes in the security environment is that officer career management is shifting from mass production of a limited number of kinds of officers to more numerous but smaller batches of customized kinds of officers. Designing a

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7 Senator Sam Nunn, Congressional Record, August 10, 1976, pp. 26643–26664.
future officer career management system using concepts such as those suggested below will best achieve the purpose and objectives of officer career management as this shift occurs in the near term and will be able to more easily accommodate other, more future changes as they occur.

Our analysis of the different career management systems suggests that the benefits of uniformity need to be balanced by a capacity for flexibility. We raise this as a central issue because of the long congressional interest in having uniform management across the services. Certainly broad personnel policy for the services ought to be uniform. But in the more specific issues of policy implementation, it is unclear that uniformity is possible or that it is desirable even if possible. For example, because requirements do not change uniformly by service, future uniformity in career management is problematical. Making the career system uniform across services and requirements means that not all grade and skill requirements can be met. Uniformity of policy, though desirable, does not necessarily guarantee uniformity of outcome.

A career system with inherent flexibility seems more suited for the still uncertain future that all services face. An insight we gained during the course of our evaluation was that the best features of all career flow structures can be used at different points in a career system. For example, forced attrition appears useful both to provide sufficient junior officers to the reserves and to limit the numbers of officers who serve in long careers. If these are the correct objectives, then using career selection at about the 5 and 10 year points (as used in the Career Selection alternative) has merit. One might keep those with existing skills that are needed in the future and choose others with organizational experience and who are ingrained in the organizational culture and redevelop them. Those not selected for careers would transition from active service. However, the career stability provided by natural attrition after selection for a career thereafter also has merit. Officership is a profession, and thus entry at the beginning of a career is best. However, there remains room for some lateral entry, especially from reserves, or from those with prior military service, or early in line careers or even later in support and professional skill groups.

Combined career flow structures (as used in the Career Selection alternative) can create any level of desired military experience. In general, the past professed need of the services for military experience has been for large numbers of officers with limited experience and fewer with lots of experience. This should change in the future as officers are expected to need more and different kinds of military experience to be properly developed at each grade. Additionally, the national military strategy may require more experienced officers.

We offer the following observations about personnel functions based either on our research or on our evaluation.
In the accessing function, officers might come from many sources including from enlisted service. Acculturation prior to entry is needed and useful. Some foreign militaries provide more and some less than the United States; we have no basis for suggesting what is the proper amount, but it can vary by skill group as it does now. Acculturation through enlisted service is as useful as academy or ROTC experience. Accessing those with the potential for higher positions has been the central feature for this personnel function for many years, and we have no basis for suggesting other designs. Some requirements options and some career management concepts will lead to different organization of the means of entry because the limited accessions needed may make the institutions of accession as currently structured not viable.

For the developing function, the military should have well qualified officers. Officer careers should be based on meeting the requirements of the national military strategy as seen by the users of officers in the multiple commands, agencies, and departments. In the future, qualifications might be more related to needed, diverse skills and experiences than to ability to be promoted. Additionally, there needs to be greater recognition that all officers do not develop at the same rate nor can they be given the same development opportunities. Separate career paths for skilled individuals not on command tracks might be needed. Lateral moves to varied duties and responsibilities could keep work interesting and motivating for those who have reached advancement plateaus. Flexibility against future skill and not just grade needs should be the objective. Developing will be heavily emphasized in the future in the military as in the private sector. Experienced, but flexible, workforces will be the objective because user needs for certain officers will change more frequently.

The promoting function should include fast tracks which are useful in career management. Less numerical emphasis on promotion also appears useful in the future. Both can be accommodated by varying the length of promotion zones. A design for a promotion function should incorporate a role for service grade requirements and individual pace of development, some fast-tracking through the system, and longer promotion zones in which the numerical emphasis of promotion objectives would be reduced. A design such as this lessens the relationship between age, grade, and length of service because it allows for merit to play a greater role in promoting and seniority a lesser role.

In terms of the transitioning function, longer careers appear to have merit for both the institution and the individual officer and should be part of a future system. Officers who commit to careers ought not to have to seek another career at midlife solely because of the career system. On the other hand, there is no reason that immediate annuities have to be paid to those who choose to leave. Transitioning should use many mechanisms to guide behaviors of officers. Vesting seems to be useful in allowing for needed behaviors to occur. Additionally,
outplacement services and transition incentives to be used as needed for force management purposes should be continued because they promote flexibility by facilitating reductions throughout years-of-service profiles. Vesting could also induce voluntarily separation after limited service careers after causing junior officers to remain for a period beyond entry commitments. Greater stability in longer careers with annuities payable at the 30 to 35 year-of-service point could accomplish the desired continuations of committed officers into careers.

NEXT STEPS

The conclusions reached in this study were based on a broad method of analysis designed to provide analytical information about changes that could be made in the officer career management system. We set forth alternative future systems whose designs form a “tool box” from which needed policies can be selected to address DoD and service objectives for officer careers. The “tools” range from different types of basic career flow structures through designs for personnel functions such as accession and promotion. We also suggested criteria for measuring how well the systems meet the purpose and objectives of officer career management described in this report. We did not attempt to design or model the future officer career management system.

This research is the foundation for a process that should include the following steps:

- For both DoD and the military services, develop explicit objectives for officer career management and rank those objectives according to their importance.
- Select career flow structures and personnel functions that best achieve the stated objectives.
- Combine these structures and functions into a career management system.
- Design an implementation plan that includes a transition phase from the old to the new system.

Senior officials in the DoD and the military services should guide and participate in this follow-on effort, particularly to ensure that the objectives of the new management system are clearly and precisely defined. Those objectives will determine the nature of future careers for U. S. military officers.

We have been asked by the Department to continue our research in this important area along the lines suggested above.