

A Careful Look at Defense Manpower

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The Army's transition to an All-Volunteer Force in the mid-1970s was not easy. Congress tasked the Defense Manpower Commission in 1974 to look at the future of a force made up of volunteers rather than draftees. This article, published in the September 1976 edition of Military Review, contains a host of findings and recommendations, some of which were acted upon, some with which we still struggle today and some of which, while now no longer an issue, could easily resurface in the future.

RECENTLY, after watching a unit train under grueling conditions, we paused during a break to talk with a sweat-drenched sergeant, a Vietnam veteran with abundant leadership skill to lead his men anywhere. After considering specific aspects of the training, we asked him about the capability of the modern Army. "We're doing fine, but we still have a heap of problems," he responded.

Members of the Defense Manpower Commission (DMC) have observed the armed services intensively for two years and have been studying their methods and requirements. We believe the sergeant summed up the condition of the Army in the All-Volunteer Force (AVF) environment about as well as anyone could, particularly with a "one-liner."

When Congress considered the defense appropriations for Fiscal Year (FY) 1974, Senators Howard Baker and Lloyd Bentsen asked that a commission be formed to study the rising personnel costs of the services, particularly for retirement, to analyze how these expenditures would affect defense capabilities of the nation, and to examine the future of the AVF. The Senate agreed, and thus the Defense Manpower Commission was created to examine the entire range of total force manpower problems, the most expansive charter ever given to a group working on this subject.

The commission, an independent and nonpartisan agency composed of seven commissioners (three appointed by the President, four by the Congress), had two years in which to report to the President and Congress after which its charter would terminate.¹

The inquiry would view present problems and those foreseen for the years 1976-85.

The commission organized itself on 19 April 1974 and submitted its 518-page report two years later. In addition to the final report, the commission issued an interim report on 16 May 1975. Before the work of the commission ceases, it will issue five volumes of staff studies. The seven commissioners had the assistance of a professional staff that averaged about 20 persons. During its inquiry, the commission and members of the staff visited defense forces throughout the United States and held hearings in Washington, New York City, Chicago and Los Angeles.

After studying the range of manpower and personnel problems for Active, Reserve, civilian and contract forces, the commission concluded that defense manpower and personnel matters are closely interrelated and must be treated as a system; at the outset, we adopted the total force approach.

The report has particular significance for officers and enlisted personnel in the US Army. The Army has a larger military and civilian force than the other services. The Army's mission requires large numbers of people. Ground warfare generates a higher number of combat casualties than the warfare in which the Air Force and the Navy would be engaged, and thus the Army requires the largest number of combat loss replacements in wartime. Finally, the success of the AVF probably will depend upon the ability of the Army to attract and retain the people it needs to carry out its missions.

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The report includes recommendations in a variety of areas that we will review briefly.

Manpower Requirements

The commission did not examine US foreign policy and commitments; such seemed to lie beyond even our broad charter. Accepting these, we then focused upon the manpower implications of them. Since general purpose and support forces account for most of the defense personnel, the commission concentrated its effort there. We found that the services have recovered well from the Southeast Asian war although that recovery is not complete. The Army, of course, had a heavy commitment and thus has had a giant rebuilding task. The failure to mobilize the National Guard and Reserve forces hurt the morale of these units and raised a serious question in the minds of the public about their value to national defense. Partly as a consequence, we found the total force policy far from reality. Many Guard and Reserve units have not received adequate equipment (often because the equipment scheduled for them has been transferred, instead, to a foreign nation). Some of the units are too large to prepare for combat during the time available to do so. Others lack an adequate mobilization assignment.

The Department of Defense (DOD) and the services seek to stabilize their force levels at FY 1975-76 levels, planning to improve combat capabilities without increasing manpower. The recent trend of investing manpower savings into increased combat structure will be continued, but the remaining savings probably will be modest. The commission supports the Active and Reserve forces requested by the Secretary of Defense for FY 1976 and FY 1977 except that the DMC would favor a higher strength for the Naval Reserve (102,000) and a more comprehensive plan for its employment.

We found inadequate data for a comparison of the costs to employ various kinds of manpower. Nevertheless, it is clear that civilians cost less than Active military while National Guard and Reserve personnel are less costly than civilians. Yet we also found that some of the rules of thumb for the costs of Reserve units can be misleading. If one figures the cost of capital equipment

as well as annual operating costs (including the costs of technicians as well as regular Reserve personnel), then a Reserve infantry battalion might cost 13 percent as much as an Active one, an armor battalion 30 percent, and an A7 squadron more than 60 percent. Obviously, the capital costs and the number of technicians required to maintain the unit cause great variations. Generally, a considerably higher level of unit readiness is associated with those higher cost Reserve units like the A7 squadron.

Many citizens have been concerned about combat-to-support ratios, wondering if the United States has invested its defense resources too heavily for frills. With the help of an outside contractor, we examined this issue. It appears that the ratio of Soviet ground forces is moving toward increased support, whereas the US Army ratio is moving toward more combat capability. But this comparison is inadequate because of the difficulties of determining what Soviet forces to include. Furthermore, the location of the combat commitment influences the result; if the Soviets deployed in Eastern Europe, their supporting forces would be an extension of their civilian supply system, whereas their commitment on another continent would impose far different burdens. We concluded that comparisons are not particularly helpful and that we must determine how well US forces are designed and manned to carry out their missions. Probably the most successful effort during this century has been the National Aeronautics and Space Administration's exploration of the moon, an undertaking that required thousands of civilian, military and contract personnel to place three men in space and two of them on the surface of the moon.

The DMC supports the Army 16-division plan, but it recommends a more rational command structure for the three separate brigades now in Germany. Either these should be organized into a division or they should be distributed to other divisions in Europe on a permanent basis. We concluded that the Army's concept of affiliating selected National Guard and Reserve units with Active counterparts is sound. Until results prove otherwise, we do not believe that the new hybrid divisions can be considered to have the same capabilities and readiness as full Active divisions. Army Reserve units without a mobilization requirement should be assigned one. National Guard divisions should be retained intact; but, in wartime to meet an urgent requirement, these could provide either battalions or brigades to committed divisions, and then these units could be reconstituted while the National Guard division prepared for combat. Current plans appear to focus upon a short war to the exclusion of a longer one, causing the nation to neglect important aspects of mobilization.

The support forces offer substantial opportunities for manpower savings, particularly in Base Operating Support (BOS) where one person out of six in DOD, counting Active and civilian personnel, is engaged. All of the services, for political reasons, operate from more bases than they require, even during a mobilization; this basing structure should be realigned on a long-term basis to provide time for proper economic adjustment in the communities affected. We found the possibility for major savings through contracting for BOS, particularly if the services establish contracts to accomplish work to be done but permit the contractor to determine how he will accomplish the objective. Other savings are possible through the use of more civilians and by continuing additions of capital equipment. We believe that BOS management in DOD would improve if that function had a policy focal point in each service as well as in DOD. At the present time, the sound techniques at one base may be known at another only by hearsay.

If the position of the United States in the international community of nations remains much as it is now, then the DMC concludes that Active military forces during the next decade will remain at about 2.1 million, civilian employees probably will decrease by about 70,000 to 1 million (assuming base closures, labor-saving equipment and more use of contract personnel), the Selected Reserve will remain at about 890,000 provided the Navy assigns a mission to its surface Reserve personnel, and private contractors could increase.

Recruitment

We commissioners conclude that the services have made a remarkable transition to the AVF. Unquestionably, the Army had a particularly difficult task. The years 1973-74 produced great pressure on service recruiters. Those from the Army had to recruit large numbers of young people to take the places of draftees being separated after short terms of service and among whom the reenlistment rates were low. Some young people brought into the Army during this time failed to adjust to their new responsibilities, causing added problems. But improved recruiter efficiency, early discharges for those who could not adjust and the recession that has increased the available pool all have improved the situation. The commission made numerous recommendations for further changes in recruiting operations.

The Congress specifically required the commission to look at the socioeconomic composition of the forces. We found that the quality of the Active forces, measured in mental category and educational level, has improved over the draft years; but the Reserve Forces have been affected adversely. More blacks and women have entered all services both in the Active and Reserve

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components. Although data is barely adequate to make a judgment, we see no evidence that this is a "poor man's Army." The services still rely upon the middle class for most of their recruits.

We found no evidence that any unit had been affected negatively by socioeconomic changes, either as to performance or mission capability. Generally, commanders have told us that these are the concerns of Washington, not of the field. Unit performance more frequently is the function of leadership, training, morale and discipline. We considered carefully the possibility of a representational policy and concluded that the better alternative is to make available the opportunities in the services to those who are qualified to accept them.

The commission noted that tests for recruits should measure success on the job rather than success in training for the job. To evaluate selection standards, the commission recommended study of those persons who complete their first-term job assignment successfully; success rates on various jobs can be compared with the people actually assigned. A "least-cost" strategy would maximize retention while minimizing disruption, incentives paid and time lost. As supply and demand conditions change, the future application of this technique appears promising.

The commissioners concluded that the Active forces seem to be setting adequate priorities to their recruitment programs. AVF is working. The services are learning to manage recruitment in this changing milieu even though everyone admits that much remains to be done. The National Guard and Reserve recruitment efforts warrant more attention. These forces may face the more difficult AVF challenge, and thus special attention is needed to improve recruiting success.

Development and Utilization

Under this heading, the commission considered all aspects of training, education and utilization. As a general statement, DMC recommended that DOD and

Elements of the 2d Battalion, 66th Armored Regiment, 2d Armored Division, from Fort Hood, Texas, maneuver during *REFORGER IV* near Bad Kitzingen, Germany, 1973.



the services not duplicate facilities to develop skills where civilian institutions already are doing satisfactory work. As a case in point, the commission (in its interim report) recommended against the continuation of the Uniformed Services University of the Health Sciences.

The DMC made several recommendations to improve the management and flexibility of precommissioning programs. We believe improvements as well as savings would result from consolidation of certain flight training programs; we recommended the increased use of simulators. Lateral movement from the civilian sector to a defense agency could be facilitated if common standards for occupations were devised.

Some of us have worried about pressure on officers in the services to seek advanced degrees without apparent professional reasons for doing so. Frankly, a bachelor's degree should be sufficient preparation for a four-star assignment. We believe professional military education should be linked with advancement on the logic that it either is indispensable (which we believe) or it is frivolous and should be abandoned. It cannot be both. Better programs of professional education should be offered to noncommissioned officers (NCOs). Reserve officers and NCOs should have greater opportunity to take advantage of professional military education.

Graduate education should be reoriented toward broad occupational specialties rather than individual jobs, thus eliminating pointless discussions about whether Jones can assume a specific command without an M.B.A. It is more logical to assume that the Army should have a certain percentage of M.B.A.s assigned

to management positions. The Army should support voluntary graduate education programs related to occupational duties.

Without question, the GI Bill has helped recruiters. If that legislation is terminated (and there are valid arguments for ending this historic benefit), then a selective DOD-funded educational program should be established in its place, using this incentive and others to provide the Army with the young people it requires.

Commissioners supported professional growth programs among civil service career personnel. In many agencies and units employing civilians, it is apparent that both military and civilian managers need to better understand civil service rules. Too often, management has operated without the flexibility available under these rules simply because managers were not aware of their management options.

The services have worked harder to improve equal opportunity and race relations than has any other major institution in our society. Despite this important advance, one still finds institutional discrimination, an indication of the magnitude of the problem. Top managers must continue to monitor these programs closely. Particularly, more stress must be placed on the recruitment and retention of minority officers.

The DMC believes that women should be encouraged to enter nontraditional occupations in the services. We do not believe that it would be wise at this time to permit them to accept combat assignments. We found some lack of acceptance of women in the services, hampering an effective utilization of their skills. Equal opportunity for civilian women in DOD inhibits both

entrance and advancement, and we recommend that top managers accept the challenge of breaking down these barriers.

Future Military Career Force

The commission, in one of its most important recommendations, departed sharply from conventional thinking about shaping the career force. We were disturbed about the stability and quality of the force and about burgeoning retirement and other personnel costs.

The system suggested by the DMC is based on requirements tempered by personnel management considerations (rather than the reverse as at present). At the level of 10 years of service, there would be a controlled entry into the career force, after which promotion would not be required for retention. Officers and NCOs would be grouped and managed by broad categories such as combat, technical, administrative and professional. A normal career would be 30 years, perhaps longer. Combat careers could be shorter. Doing away with the failure-oriented "up or out" promotion policy should improve the morale and performance of the career force. Under this new concept, promotion would be dependent on years of service and time in grade although an officer not promoted could command respect for his successful performance as a career officer. We recommend a similar program for Reserve officers.

The military retirement system should reinforce the career force program. The present annuity payable after 20 years of service should be phased out and replaced with an immediate annuity after the normal 30-year career. Combat personnel in combat assignments could earn the annuity as early as 20 years; jobs related to combat could be assigned retirement benefits at some point between 20 and 30 years. Those who separate voluntarily from the career force would receive a deferred annuity at age 65. Involuntary separatees would have the choice of readjustment pay plus a deferred annuity or double readjustment pay.

Compensation

Those who study present and suggested compensation systems for defense personnel know what a difficult, complicated subject it is. Commissioners had no less perplexing an assignment trying to understand the present arrangements and then attempting to suggest more reasonable ones for the future. One cannot isolate military from civilian compensation. Although we found problems in the present linkage of military and civilian pay systems, adopted as a temporary arrangement by Chairman Mendel Rivers, we were not willing to destroy that linkage until we had an improvement to offer. Furthermore, we found serious erosion of the

principle of comparability as it presently is applied.

Primarily, the DMC believes that compensation should be competitive--adequate to attract and retain that quality and number of personnel needed by the services. We accepted the use of comparability only as a guide.

After much study and speculation, the DMC finally recommended the establishment of an independent, permanent Federal Compensation Board with jurisdiction over uniformed military (Active and Reserve) and all government civilian personnel, both of the General Schedule and the Federal Wage System. The Secretary of Defense is by far the largest employer in the Federal Government, with all of the military (except the Coast Guard), 45 percent of the General Schedule and 80 percent of the Federal Wage System employees. Yet he has no control or major voice in the current Federal mechanism for adjusting compensation. Clearly, *all* Federal compensation needs an independent evaluation.

The Federal Compensation Board would be charged with making recommendations to the President and Congress for all levels of compensation within the major pay systems of the Government. The board would require a fairly large staff of specialists to study constantly what payments are required to make Federal compensation competitive.

The DMC looked at the structure of military compensation, aware that each service has a unique force profile that is determined by mission and technology. Because of these differences, a flexible compensation system is essential. Needs will be met best by a uniform pay table, coupled with diverse application by the services of bonuses and special payments to meet particular needs.

The commissioners recommended the conversion of regular military compensation into a fully taxable salary. They believe that institutional benefits (that should not be included in the salary) are most important to morale, with gains from their elimination not nearly equal to the cost of adverse effects. The DMC does not support an explicit payment to all service members to compensate for the "X-factor," the degree to which service life is more demanding and dangerous than civilian employment. Recognition of the "X-factor" should be made in other ways. The commission staff made a comprehensive examination of the military estate program. The commission recommended changes in the current benefits and retirement programs, regardless of the action taken on DMC recommendations relating to the career force and the retirement program to accompany it. We favor a funding arrangement for accruing retired pay liabilities as a part of the budget of each service, thus forcing the services to weigh these costs while making overall personnel management decisions.

The All-Volunteer Force and Its Future

To determine the sustainability of AVF, the commission estimated the size of the 18-year-old male population (from which the services will recruit) in each of the next 10 years. The total numbers will decline during this time, with the 1985 population only 81.5 percent of the 18-year-old population today. Using historical data for recent years, a reasonably valid estimate could be made of that part of this total population susceptible to recruiting offers over the next decade.

Obviously, employment prospects affect recruitment success. Using slow, medium and rapid economic growth projections, employment levels in each year could be projected leaving the "pool" from which the services would enlist recruits. Under slow and moderate growth rates, the study found that the Active forces could meet their needs utilizing present inducements. Rapid economic growth, particularly approaching 1985 with the smaller 18-year-old populations, would force the services to increase pay or enlistment incentives, attract more women, utilize personnel somewhat less qualified or employ a combination of these. The Reserve forces will have a more difficult challenge; under moderate growth, they will encounter stern resistance, and rapid growth will force significant changes.

Sustainability depends upon the attractiveness of service life and the competitive inducements it offers. At present, competitiveness is eroding, and this will seriously hurt sustainability.

The American public must be educated to realize that AVF is a peacetime operating policy. No informed student of manpower yet has suggested that volunteers could meet the emergencies of a wartime commitment. Numbers of individual reservists will decrease as we move into the 1980s because of longer enlistments and higher retention in AVF and owing to the inclination of individual Ready reservists to enlist in units of the Selected Reserve. Thus, the Army will lack the sizable pool it would need for casualty replacements in the event of a major war. The DMC made estimates of the size of the pool, much smaller than those then being accepted at the time in DOD; consequently, a re-evaluation of individual Reserves must be undertaken. Steps that will alleviate but not solve the problem are to eliminate the Standby Reserve and to obligate women for the same Reserve responsibility as men.

Selective Service now has lost its capability to maintain registrations of young people and records that would facilitate inductions in an emergency. The DMC recommended that the Selective Service System be rebuilt to restore the capability to carry out annual

registrations, thus having the potential to reinstate inductions within 30 days of a declared emergency. This, we believe, is essential for several reasons including the shrinking individual Ready Reserve.

Managing Defense Manpower

The commission undertook an extensive review of manpower management in DOD and elsewhere in the government including the Office of Management and Budget and the Congress. We examined the budget and appropriations processes now employed.

We concluded that manpower and personnel functions are not defined clearly. Manpower is not managed as an entity but, rather, by both staff officers on a horizontal level and commanders vertically. The sum of the actions of the many people involved in giving advice and direction does not produce a coherent manpower policy. This lack is complicated by the absence of sufficient professionalism, particularly compared to the importance of the human resources that are the heart and driving force of the enterprise. Short tenure only aggravates these difficulties.

Furthermore, three layers of manpower management and direction in DOD seem excessive when those at the Office of the Secretary of Defense and at the staff of the service chief should be ample. Thus, the DMC advised that the manpower function at the service secretariat be eliminated, provided that other same way. We would not want manpower management to be at a disadvantage compared to other functional activities.

We believe that manpower managers should have responsibility for all elements of the total force and for the life-cycle functions. All life-cycle functions should be managed on a total force basis, thus eliminating a separate management system for civilians and Reserve personnel.

The current Planning, Programming and Budget System (PPBS) needs major revision, partly because it is so time-consuming and lengthy. PPBS does not adequately or consistently portray manpower requirements or the associated costs of manpower. Likewise, the budget review process employed by the Congress warrants review, as do the means for controlling manpower authorizations.

Net Dollar Savings From DMC Recommendations

Although the commission was not asked to find savings, the large portion of the huge defense budget recommendations would produce substantial savings within the next decade, any estimate of the actual dollar amount must be a rough approximation.

Our staff members believe that, by the 1980s, our total recommendations could bring about savings each year of \$3 to \$4 billion, expressed in 1975 dollars. By the late 1980s, the annual savings could increase by a billion dollars, again in constant 1975 dollars, if the “one-percent kicker” for adjusting retirement annuities to the cost of living is eliminated as recommended by the commission in its interim report.

Leadership and Human Relations

Leadership in the Army impressed us. We found gaps in the middle grade NCOs as well as shortages of

Morale appears to be good, but many people in the services feel dismay and disillusionment. Many frankly admit that they believe the Government has broken faith with them. The implied promises made at the time of their commitment to military service either have been altered or destroyed or are now under attack. National leadership must restore credibility to manpower and personnel policies, closing the communications gap that troubles units in the field. We can hardly maintain the elan of our forces if the members of our units have lost faith that the Government cares for them and their interests.

One cannot discuss morale without considering unionization. Commissioners and staff members, after extensive travel among units in the field, conclude

sadly that unionization is a real possibility. That issue must be faced squarely now by the President, the Secretary of Defense and the Congress.

As the people of the Army know so well, people always have decided battles and they always will. Military history is replete with examples of a smaller force defeating a larger one, and seldom does technology cause the victory. As Stonewall Jackson proved in the Shenandoah Valley; leadership, training and motivation make the difference. In a nation so aware of competitive games, we Americans hardly need reminding that numbers and statistics do little to determine the outcome of an athletic contest. The same is true of ground combat.

Success in land warfare depends upon the action of small, sometimes isolated units—squads, platoons and companies—where performance hinges upon the courage, skill and resourcefulness of the individual soldier. Thus, the people we recruit and then train into teams or crews or units ultimately will determine the kind of defense forces we will have.

With that awareness, we concluded by saying: The overwhelming lesson of this report is that human considerations now have become primary in planning for the nation’s defense. It is for that reason that we believe without hesitation that defense manpower is the keystone of our national defense. **MR**

NOTES

1. The members were Dr. Curtis W. Tarr, Chairman; Mr. Karl R. Bendetsen, Vice Chairman; Dr. Martin Anderson; Mr. Britton L. Gordon; Mr. Arthur E. Haley; Rear Admiral Lester E. Hubbell, US Navy, Retired; and Dr. Norma M. Loeser (served until January 1976). The Executive Director of the commission staff was General Bruce Palmer Jr., US Army, Retired.

General Bruce R. Palmer Jr., US Army, Retired, lives in Fort Walton Beach, Florida. He served in the Army for more than 38 years. His positions included commander, XVIII Airborne Corps and Fort Bragg, North Carolina; commander, II Field Force Vietnam and deputy commander, US Army, Vietnam; and vice chief of staff and acting chief of staff, Headquarters, US Army, Washington, D.C.

Curtis W. Tarr lives in Savannah, Georgia, where he retired in 1996. He received an M.B.A. from Harvard University and a Ph.D. from Stanford University. Before retiring, he served as vice chairman, Intermet, Atlanta, Georgia; dean, Johnson Graduate School of Management, Cornell University, Ithaca, New York; and vice president, Ports and Materials Management, Overseas Development, Deere & Company, Moline, Illinois. His earlier positions include president, Lawrence University; assistant secretary, Manpower and Reserve Affairs, Department of the Air Force, Washington, D.C.; director, Selective Service System, Washington, D.C.; and undersecretary, Security Assistance, Department of State, Washington, D.C.