

23299

119654

STUDY BY THE STAFF OF THE U.S.

General Accounting Office

Military Personnel Issues: Managing And Compensating The Armed Forces

Military personnel issues will continue to receive considerable interest in the 1980s as a consequence of the Administration's effort to expand and modernize the Armed Forces. Budget outlays for military pay and benefits in fiscal year 1982 are expected to approach \$59 billion, or over 31 percent of the total national defense budget. Related costs will increase these expenditures significantly.

This study covers the issues and problems relating to the management and compensation of the U.S. Armed Forces and the views of GAO in organizing its audit efforts in this area.



119654



GAO/FPCD-83-17
OCTOBER 12, 1982

023621

Request for copies of GAO reports should be sent to:

**U.S. General Accounting Office
Document Handling and Information
Services Facility
P.O. Box 6015
Gaithersburg, Md. 20760**

Telephone (202) 275-6241


The first five copies of individual reports are free of charge. Additional copies of bound audit reports are \$3.25 each. Additional copies of unbound report (i.e., letter reports) and most other publications are \$1.00 each. There will be a 25% discount on all orders for 100 or more copies mailed to a single address. Sales orders must be prepaid on a cash, check, or money order basis. Check should be made out to the "Superintendent of Documents".

FOREWORD

The Federal Government faces a dilemma in the 1980s with its twin effort to increase the U.S. military capability while holding the lid on budget deficits during a period of slow-down in the economy and restrictions on growth in civilian social programs. In an effort to improve national defense, the Administration is proposing to expand and modernize the Armed Forces and to improve living standards in order to increase recruitment. The expenditures over the next several years is projected to reach \$1.5 trillion and can affect the Nation's defense posture for years to come.

This study is a part of a continuing assessment of areas of national concern and interest and identifies problems and issues faced by the Nation's defense planners. The discussions may be helpful to other groups in planning their activities and in obtaining a better understanding of military personnel decisions.

Questions regarding the content of this study should be directed to Kenneth J. Coffey on (202) 275-5140.


Clifford I. Gould
Director

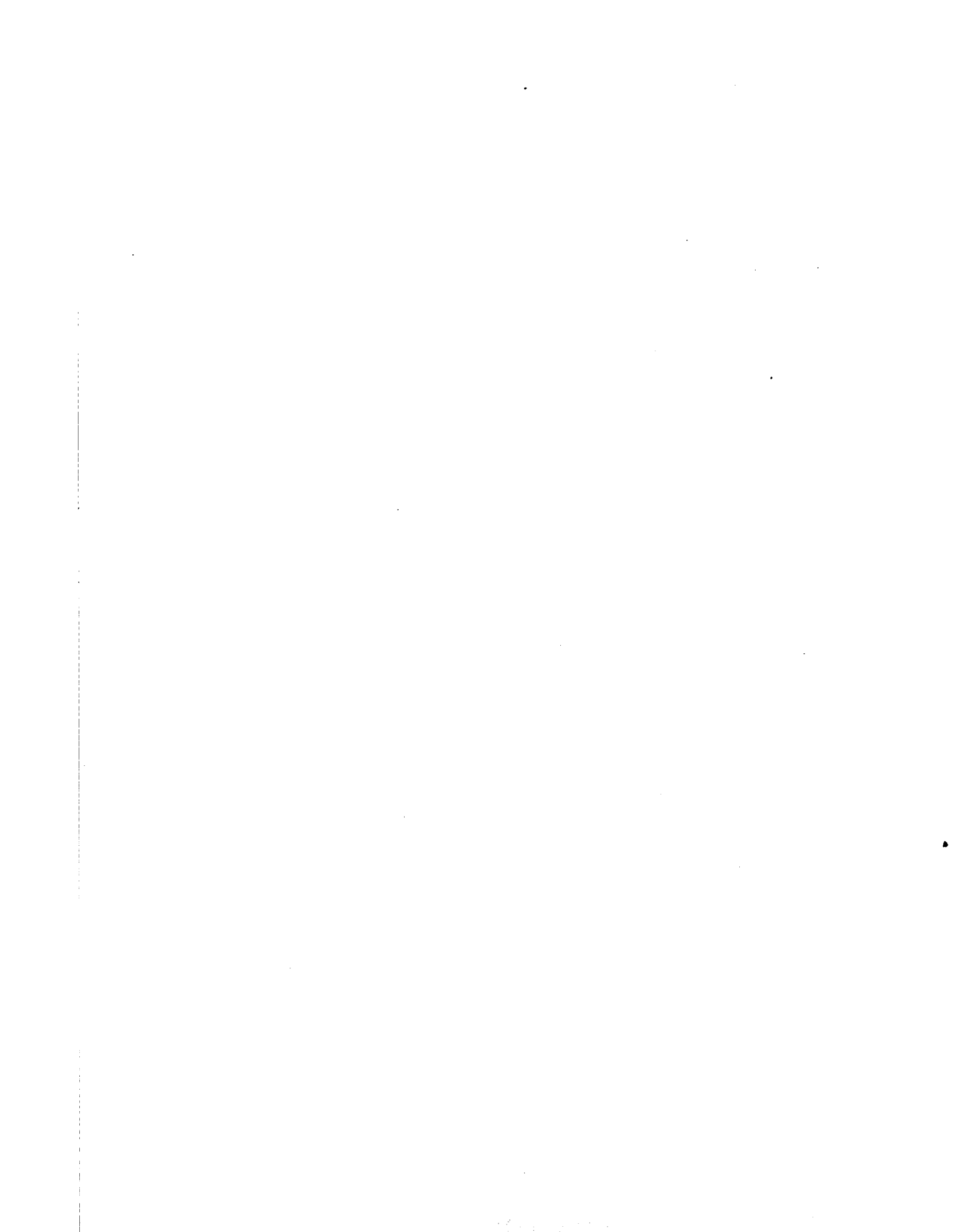


C o n t e n t s

CHAPTER		<u>Page</u>
1	OVERVIEW--MILITARY PERSONNEL ISSUES	1
2	CAN COST SAVINGS BE REALIZED IN MILITARY COMPENSATION AND SUPPORT SYSTEMS WITHOUT IMPAIRING MILITARY EFFECTIVENESS?	6
3	WHAT CHANGES CAN BE MADE TO ATTRACT AND RETAIN THE DESIRED QUANTITY AND QUALITY OF PEOPLE NEEDED TO STAFF THE TOTAL FORCE?	9
4	WHAT CHANGES ARE NEEDED IN THE ARMED FORCES TRAINING POLICIES AND PROGRAMS TO PROVIDE A WELL-TRAINED FORCE AT MINIMUM COST?	11
5	WILL IMPROVED PERSONNEL POLICIES AND PRACTICES REDUCE OCCUPATIONAL SKILL IMBALANCES AND COSTS?	13
6	WHAT PERSONNEL ACTIONS ARE NECESSARY TO IMPROVE THE ABILITY OF THE UNITED STATES TO MOBILIZE DURING A NATIONAL EMERGENCY?	15
APPENDIX		
I	Contributions of various individuals to our study	18
II	Size and cost of the military personnel work force	20
III	GAO studies on military personnel issued between July 1980 and December 1981	21

ABBREVIATIONS

AVF	All-Volunteer Force
DOD	Department of Defense
GAO	General Accounting Office



CHAPTER 1

OVERVIEW--MILITARY PERSONNEL ISSUES

The Armed Forces include about 2.1 million active duty members, 1.3 million ready reservists 1/, and 1.3 million military retired members. The cost to recruit, train, compensate, and manage these personnel is expected to increase as the Administration seeks to expand and modernize the Armed Forces. Compensation expenditures alone are expected to total about \$59 billion for fiscal year 1982. The question of whether the country can afford, and is willing to spend, increasing sums of money to staff, manage, and compensate the Armed Forces will be a critical issue confronting the Nation in the 1980s.

ISSUES NEEDING ATTENTION

With the help of many experts, congressional staff, and others (see app. I), we have identified five issues which demand further consideration. Chapters 2 through 6 briefly discuss these issues:

- Can cost savings be realized in military compensation and support systems without impairing military effectiveness?
- What changes can be made to attract and retain the desired quantity and quality of people needed to staff the Total Force?
- What changes are needed in the Armed Forces training policies and programs to provide a well-trained force at minimum cost?
- Will improved personnel policies and practices reduce occupational skill imbalances and costs?
- What personnel actions are necessary to improve the ability of the United States to mobilize during a national emergency?

Our issue selections are based on the following objectives:

1. Proposals to the Congress for new program authorizations and/or funding are fully analyzed and justified.
2. Proposed programs and/or expenditures are the least costly and most effective way for the services to achieve their goal.

1/Including 946,000 reservists who undergo periodic training.

3. Proposed programs and/or expenditures will provide enough management flexibility to the services to quickly adjust programs or funding levels to meet changing conditions.
4. Ongoing program administration is meeting program goals effectively and efficiently.

LONG-TERM TRENDS

Because maintaining a sound national defense is of utmost importance to this Administration, spending an unprecedented \$1.5 trillion on weapons and personnel is being considered to revitalize the Armed Forces over the next several years. Attaining and managing fully staffed, effective, and high-quality Armed Forces will be one of the major challenges facing the Congress and the services in the 1980s. (See app. II.)

This challenge will be particularly difficult to overcome because of

- intense budgetary pressures and already high manpower 1/ costs,
- commitments to expand the force in the face of existing personnel shortages,
- increasing demands for high-quality personnel to operate and maintain new technological instruments and weapons systems at a time when unprecedented numbers of skilled careerists are leaving the services,
- the shrinking pool of high-quality enlistment candidates, and
- competition for high-quality skilled personnel from academia and industry.

The Department of Defense (DOD) may not be able to overcome this challenge quickly without a willingness to make changes, less emphasis on traditional ways, and increased attention to innovation and experimentation. In recent years, despite a growing body of opinion supporting the need for fundamental change, DOD philosophies of and management attitudes toward manpower have changed very little. We believe there are three paths to follow in pursuing military manpower issues.

1/The Department of Defense and the services use manpower to describe the size (positions available) of the forces required for them to achieve their mission.

First, we do not believe that the traditional service approach or philosophy of managing all personnel alike can be justified at the high level of cost required of current efforts. Simply put, this is the question of whether targeted or across-the-board solutions are appropriate for countering service manpower problems. Although the services continue to vigorously defend their current across-the-board approach to personnel management, the ability to compete in the market place and the costs of manning the force in the all-volunteer environment raise serious doubts that this approach will solve chronic manpower problems. We believe that a better approach would be to target specific management initiatives, such as pay, to particular problem areas. This would provide the Nation with a more economical method for meeting Armed Forces manning objectives.

Also, we believe that some military pay and personnel decisions are being made without considering the costs of all personnel programs, such as

- determining whether DOD's failure to consider the unfunded liability of service retirement programs is prompting unnecessary and costly decisions and
- determining whether DOD is holding the services fully accountable for the costs of all personnel programs from which they benefit (for example, GI bill payments by the Veterans Administration and retirement payments from nonservice appropriations accounts), which results in appropriate and cost-beneficial personnel actions.

Second, we recognize that the debate is growing over the viability of the All-Volunteer Force (AVF) and that this issue is directly or indirectly considered in all current military manpower analyses. We also recognize, however, that a decision to abandon the AVF and return to some form of conscription will not be a simple yes or no matter. This decision must be based on a set of assumptions concerning desired and acceptable force manning levels, skills and quality goals, and socioeconomic concerns--all influenced by the realities of the changing youth population, political attitudes, and the economy. We therefore believe, and will continue to emphasize, that the question to be addressed is not whether the AVF or the draft is the desired form of manpower procurement policy but whether specific proposed policies and programs will provide the Armed Forces with the personnel mix required for national security. Some of the issues that we plan to address are

- the realities of the AVF working environment to determine if particular situations are prompting yet unrecognized weaknesses in the abilities of service personnel to carry out both their peacetime and wartime responsibilities and

--excess costs and other personnel problems being caused by career-force requirements that cannot be fully justified on grounds of national security needs.

Third, we believe that the services' management of personnel programs needs improvement. Specifically, we are concerned that (1) all too often, service managers fail to recognize and weigh the long-term costs of their actions and (2) the individual programs established by the services do not always provide managers with tools necessary for efficient operations. For programs to be most useful, we believe in, and will continue to emphasize, the need for service managers to have (1) authority to apply the resources at the most appropriate time, (2) authority to make adjustments, (3) authority to target resources to the problem areas, and (4) good feedback to know if the program is working.

CURRENT PERSPECTIVES

We believe DOD's legislative proposals during fiscal year 1983 will continue to emphasize two viewpoints, both shared by many legislators: (1) Armed Forces personnel are not fully rewarded for the demands and rigors of service life and (2) adjustments in a variety of monetary incentives are necessary to overcome quality deficiencies in the first-term force and the unacceptably high loss of skilled careerists. Congressional actions will probably focus on service requests for yet additional improvements in across-the-board benefits, such as travel and overseas expense reimbursements, pay increases linked to cost-of-living and other indexes, and improved onbase housing and other facilities. However, with massive service opposition expected, there may be attempts to limit retirement payments by changing the rules governing the awarding of yearly increases.

Proposals for added benefits, such as the GI bill and increased reenlistment bonus amounts and eligibility limits, may consume much of the legislators' attention. The Congress' growing concern over the increasing costs of military manpower will bring increased pressure from the key congressional committees for effectiveness and efficiency measures in current programs and serious questions about their necessity and their level of funding. Specific targets for congressional scrutiny may include the relative effectiveness of using women, contractors, and civilians in the Armed Forces; inefficiencies in the recruiting programs; problems in training skilled craftsmen; the absence of adequate tools to correctly assess and manage the training programs; misuse of highly skilled noncommissioned officers; internal service policies which contribute to skill shortages; the effect of inadequate equipment, facilities, and

time on National Guard and Reserve training efforts; the necessity for the myriad of special pays which have evolved during the AVF years; and the wisdom of several current pay and other benefits policies, including retirement look-back provisions, Reserve retirement entitlements, and the adequacy of the current rate-setting system. (See app. III for reports issued by GAO on the topic.)

CHAPTER 2

CAN COST SAVINGS BE REALIZED IN MILITARY

COMPENSATION AND SUPPORT SYSTEMS WITHOUT

IMPAIRING MILITARY EFFECTIVENESS?

MAJOR ISSUES

Military payroll and other personnel-related costs represent one of the largest, single identifiable items in DOD's budget, with outlays expected to exceed \$58.9 billion--\$161.4 million per day--in fiscal year 1982. This is over 31 percent of the total budget for national defense. Even this is understated, as it does not include such costs as those associated with Government-furnished housing and the tax loss of about \$2.7 billion which results from certain elements of military compensation being tax exempt. With expenditures of this size, it is essential that military pay, allowances, and other benefit policies be continually scrutinized to insure their cost effectiveness. Because of the large number of military members involved--about 2.1 million on active duty, 950,000 in the National Guard and Reserves, and 1.3 million receiving retired pay--even a small adjustment or change in compensation policies can save or cost the Government hundreds of millions of dollars.

The military compensation system differs in many respects from civilian pay systems, but two key differences are particularly important. First, military pay is established on the basis of rank and years of service, while civilian pay systems generally link pay more directly to work performed. Second, military pay philosophy includes the concept of "need," which means that members doing the same work, at the same rank and years of service, may receive different levels of compensation based on factors such as marital status, family size, or where they happen to be stationed.

The Congress and DOD have instituted different pays and allowances in addition to regular military compensation. Despite these special incentives, which have greatly increased in number and value in recent years, problems persist. Prior studies by GAO and others have confirmed that the military compensation and benefits system is inefficient, with some members being paid too much and some too little. As the former Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics) recently stated:

"We embraced All-Volunteer manning with a compensation and incentive structure that is long on tradition but

short on flexibility, ill-suited in key respects as a manpower management tool, and poorly tailored to meet the needs of many of our members."

We see several emerging issues on improving the cost effectiveness of military compensation and incentives. First, the method for establishing annual military pay rate adjustments needs to be addressed. Since 1967, military pay adjustments have been tied to Federal civilian General Schedule adjustments. This link was intended to be temporary until military pay principles were established, but pay principles have never been established. The direct tie to civilian pay raises has remained except for the 1980 and 1981 pay raises. However, recent events regarding civilian pay raises (the total compensation concept) and military personnel management problems that could be pay related (severe shortages of people in critical occupations) have brought to the forefront the need to reevaluate the mechanism for setting military pay rates. Much of the work we have underway will enable us to assist the Congress as it debates this issue.

Military retirement reform remains a major issue. The Secretary of Defense recently announced that the fifth Quadrennial Review of Military Compensation, which will begin work in January 1983, will focus on a study of the military retirement benefits. This includes retired pay and benefits, death gratuities, and related payments. However, congressional and other observers have indicated that there is little likelihood that any initiatives to substantively reform the system will be taken until this major DOD review has been completed. It is generally recognized that any fundamental retirement system changes would have to be done in concert with other changes in the way DOD pays and manages its people. So far, neither the congressional committees nor DOD has indicated a willingness to tackle this major task. Nevertheless, retirement issues can be addressed without a major overhaul of the system, and we will continue to encourage committees to make adjustments which will save money without degrading the military mission.

ISSUES THAT MUST BE ADDRESSED

We believe that, during this period of reductions in nondefense programs, the Congress and the Administration should be addressing such issues as adopting alternative pay and benefit systems for the services which would be more tailored to the needs of management and service members.

The following questions must be answered.

1. What changes in the military compensation policies and procedures are feasible which would reduce personnel costs, enhance manpower management effectiveness, and better meet the needs of service members?

2. Are military pay, benefit, and allowance systems being administered economically and is the method used to determine annual pay raises reasonable?
3. What changes can be made in the military retirement system to make it more equitable and reduce its cost without impairing military effectiveness?
4. How can military personnel support activities, including morale, welfare, and recreation activities, be better managed to increase benefits to members and/or reduce the cost to the Government?

CHAPTER 3

WHAT CHANGES CAN BE MADE TO ATTRACT AND RETAIN THE DESIRED QUANTITY AND QUALITY OF PEOPLE NEEDED TO STAFF THE TOTAL FORCE?

MAJOR ISSUES

A major issue has emerged concerning the significant decline in the number of active duty recruits who score average and above on the Armed Services Vocational Aptitude Batteries test. For example, since fiscal year 1976, the number of such recruits in DOD has decreased by about 93,000 annually (from 63.8% to about 54.9%); for the Army, the decrease has been about 58,000 (from 53% to 39.5%). The National Guard and Reserve Forces have also been reduced. Recent statistics show that this trend may have been reversed during the last 6 months; however, it is not known how long the services' success will continue. Despite reductions in the number of these recruits, equipment is becoming more complex and sophisticated, requiring an even higher quality force.

Another major issue concerns the cost of current and planned recruiting incentive programs. Although the services, in fiscal year 1981, achieved almost all (99% or more) of their non-prior-service recruiting objectives, questions remain concerning whether this was accomplished at the least possible cost. This issue is particularly relevant considering the reduced recruiting objectives and the poor state of the economy during fiscal year 1981. In future years, with increasing recruiting and retention goals, a shrinking manpower pool and increased competition from non-DOD employers, this concern may be even greater.

ISSUES THAT MUST BE ADDRESSED

Identifying less costly ways to recruit and retain the additional number and quality of people that DOD needs for staffing the military will be an issue for review. Also, work needs to be done to insure that recruiting and retention problems are resolved at the least cost, considering the drive to reduce the Federal budget.

The following questions must be addressed.

1. How can the services and DOD increase the effectiveness of their recruiting and retention programs while achieving the Total Force quantity and quality goals at the same cost or with only minimal increases?
2. How can individual recruiting and retention programs be made less costly while maintaining or increasing their current level of effectiveness?

3. How can the management of recruiting programs be made more effective?

CHAPTER 4

WHAT CHANGES ARE NEEDED IN THE ARMED FORCES TRAINING POLICIES AND PROGRAMS TO PROVIDE A WELL-TRAINED FORCE AT MINIMUM COST?

MAJOR ISSUES

The mission of training military personnel is to provide the operational forces with adequately trained people who can perform their jobs and carry out national security missions in peace or war. Though the training mission is simply stated, it is costly and complex to provide training for more than 200,000 military persons annually. In fiscal year 1982, the military services will spend more than \$13 billion for training.

Further, two major problems in the area of military training remain to be resolved:

- Cost-effective training is not being routinely provided to the military forces.
- Untrained forces make up a growing part of the Nation's military capability.

We recognize that the major targets for improvement involve the administration of training policies and management of training programs. For example, our recent work completed in the Army showed that millions of dollars were being spent annually to develop and administer skill proficiency measurement tests, even though the test results could not be used to effectively measure skill proficiency.

Another concern emerged recently in our work in the Navy where extensive backlogs (more than 5,000 recruits waiting up to several weeks) have developed between the time recruits enter the Navy and the time they are assigned to their initial tour of duty. This problem is costing several million dollars annually in wasted time and also delays getting trained people to the fleet.

Concerning the issue of untrained forces, the Administration expects to significantly increase the size of the force during the 1980s. Yet, our work has clearly shown that providing a larger force will not in itself solve the problems with meeting national security requirements.

An example of the need for better training emerged from our work in the Army. We reported in March 1981 that soldiers were not being trained in all the tasks considered critical for proper job performance and survival in combat. Two of our major

concerns in the Army were (1) the shifting of greater training responsibility to units where training needs compete with many other demands, resulting in larger numbers of poorly trained soldiers, and (2) a shortage of experienced trainers, resulting in less training being provided and/or the use of people as trainers who lack job experience or have not been trained to perform as trainers.

The concerns over the need to improve training of military personnel have been further confirmed by reports of the services which frequently show that operators of major systems and equipment cannot satisfactorily perform a large number of the tasks considered most critical. In addition, the Office of the Secretary of Defense has sponsored studies which conclude that inadequate training is the major reason early deploying Reserve units, with a few exceptions, are not capable of performing their missions, even if at authorized strength. Also, inadequacies in the training of the Armed Forces may be the reason for the poor showing of U.S. troops in international competition.

ISSUES THAT MUST BE ADDRESSED

Because the training of the Armed Forces is an extremely complex issue involving a multitude of programs and billions of dollars, the overriding concerns are to identify for the Congress and the services alternatives and more efficient ways of providing (1) training for recruits and (2) individual skill training needed to develop necessary critical skills. The following questions must be addressed.

1. How can the services be more efficient in training people from groups with special needs (such as those having lower aptitudes and English as a second language)?
2. How can the services best provide training to achieve a journeyman skill level at the least cost?
3. How can the services provide cost-effective training for the new, more complex weapons systems?
4. How can training for the Guard and Reserves be changed to improve capability and minimize costs?
5. How can the services more effectively deal with increasing training costs and resource constraints?

CHAPTER 5

WILL IMPROVED PERSONNEL POLICIES AND

PRACTICES REDUCE OCCUPATIONAL SKILL

IMBALANCES AND COSTS?

MAJOR ISSUES

The issue of using manpower effectively has, during the last several months, become more important, and cost savings now warrant special attention. The Army estimates its shortfalls of skilled noncommissioned officers as high as 60,000; the Air Force, 11,500; and the Navy, 22,000. Alleged shortfalls of this size at a time when the military force is fully funded and essentially 100 percent staffed raise serious questions about how effectively personnel are managed and used.

We have noted that the services are misusing their personnel because of large occupational skill imbalances. We have found that while certain units have critical shortages of skilled enlisted personnel, others have more than they need. Also, certain enlisted personnel possessing critical skills are being used for special-duty assignments and in other areas which are not critical or understaffed. At the same time, other personnel in overstaffed or non-critical skills are not used for these special-duty assignments.

These problems take on added significance because the services continue to use the traditional, across-the-board approach of attempting to solve personnel problems by paying more money. To address shortages in 1980 and 1981, for example, the services requested and received across-the-board pay increases and numerous new and expanded recruiting and retention incentives such as enlistment and reenlistment bonuses, proficiency pay, and incentive pays.

Finally, we have noted a high degree of uncertainty within the services concerning their actual career force needs. Too often the size, occupation, and grade distribution of each service have been influenced by other factors. Situations have emerged which illustrate that the stated career force requirements have been unduly influenced by such things as concern for promotion opportunities, expected recruiting and retention limitations, retention of more careerists than necessary, and acceptance of less-than-critical or fully justified job/skill needs. Because of the significant costs associated with a large career force, the issue of limiting the career force only to the required number, grade, and occupation mix is critical.

Our work has indicated that simply paying people more money will not in itself solve such critical skill shortages. We believe improved personnel management policies and philosophies are the essential first step in addressing these problems. A

promotion policy, such as the Air Force's, which promotes airmen on an equal percentage basis within each occupation, regardless of actual need, is an ineffective, costly policy which simply exacerbates shortages when managing to meet end-strengths. Each unnecessary promotion in an already overstaffed skill prevents a needed promotion in an understaffed skill. Not only does this practice raise serious questions about the cost-effectiveness of using airmen in overstaffed skills, but it may result in requests for more unneeded promotions. The Services' decisions to allow surplus personnel to reenlist without retraining them in areas with a shortage of skills intensifies the problems.

With a current military force of 2.1 million people and the expectation that the size will increase dramatically during the 1980s and because of the increasing demands of new weapons technology and the desire to expand the size of the force, manpower utilization will be an increasingly critical issue. The cost implications of skill imbalances and the misuse of resources with a force of this size could be quite large.

ISSUES THAT MUST BE ADDRESSED

Efforts will be made to alleviate critical skill shortages and imbalances through improved policies and practices without degrading military effectiveness. The concern about the current force structure and whether it accurately depicts the services' most cost-effective manpower needs by occupation, grade, and length of service is a critical issue that remains to be answered.

Specific questions to be addressed are:

1. What changes can be made to the services' practices to insure that stated requirements adequately and accurately reflect the most cost-effective approach for staffing the force in terms of numbers, occupations, grades, and experience levels?
2. What changes in the services' practices for managing, assigning, and using personnel are needed to alleviate critical skill shortages and reduce personnel costs without degrading military effectiveness?
3. How effective have the services been in substituting civilian personnel for military personnel? How does this substitution affect military effectiveness? Can more civilians be used to reduce critical skill shortages and the resulting costs?

CHAPTER 6

WHAT PERSONNEL ACTIONS ARE NECESSARY TO IMPROVE

THE ABILITY OF THE UNITED STATES TO MOBILIZE

DURING A NATIONAL EMERGENCY?

MAJOR ISSUES

Mobilizing the Nation's manpower resources during a transition from peace to war is an enormous undertaking and involves thousands of concurrent activities within DOD, other Federal agencies, and the private sector. The process requires (1) comprehensive planning for coordinating and integrating the activities of all DOD organizations, (2) an ability to alert, increase the readiness of, and mobilize reservists, (3) inducting and recalling people who are already trained in military skills and are obligated to serve in time of national emergency or war, (4) taking steps to insure that training of volunteers and inductees can begin immediately upon mobilization, and (5) periodic mobilization exercises conducted at all levels to test existing plans and procedures, to assess planning accuracy and completeness, to develop confidence in the Nation's mobilization capacity, and to focus managerial and professional efforts on needed improvements.

The complexities of this process preclude a comprehensive examination of all major issues. However, three major issues warrant attention.

The first issue concerns the ability of National Guard and Reserve personnel to respond in the event of war or national emergency. In 1973, the United States adopted the AVF concept as the method for staffing the military forces. Concurrent with the AVF, fundamental changes in manpower mobilization plans and capabilities occurred. The services shifted a major share of mobilization responsibilities to the National Guard and the Reserves. In the event of mobilization, Guard and Reserve personnel are to meet a significant portion of the manpower requirements.

The importance of the National Guard and the Reserves to the Total Force is vividly illustrated by the responsibilities these forces have been assigned. The Army Guard represents 33 percent of the Army's combat divisions, 46 percent of the combat brigades, and 57 percent of the armored cavalry regiments. Furthermore, one-half of the deployable Army Reserve units are to be committed within 30 days of mobilization, and an additional 37 percent should deploy in the next 30 days. A portion of the strategic

and tactical airlift capability for the Total Force is supplied by the Air Force, the Reserve, and the Air Guard, while 25 percent of the Marine Corps' total combat strength is contained in the Reserves.

The United States employs about 950,000 paid reservists (National Guard and Reserves) at an annual cost of about \$3.4 billion. These personnel generally hold full-time civilian jobs, but serve about 38 days a year as military members. An additional 820,000 persons have various reserve commitments but do not usually get paid, nor do they serve in the military during peacetime.

Rapid and effective mobilization of the National Guard and Reserves could mean the difference between defeat or victory against aggression. There are major personnel problems which would preclude many units from meeting their required mobilization schedules. These problems include shortages of people against wartime requirements and peacetime authorizations, a large number of unskilled people brought about by shortages of training personnel as well as training equipment, and high turnover rates.

The second issue concerns the adequacy and implications of mobilization plans. Our ongoing work in this area disclosed that DOD mobilization plans do not appear to adequately provide the framework for making decisions and managing the manpower mobilization process. We have noted that DOD has problems in assigning responsibilities and related tasks, in anticipating many key decisions that might need to be made during mobilization, in identifying various options for enhancing readiness, and in furnishing the coordinating structure for planning and carrying out manpower mobilization.

The third issue is the adequacy of Reserve personnel management for mobilization. The mobile nature of today's society, the pressures of a civilian job, and the national mood regarding military service all combine to limit the degree of control available to the Reserves. Thus, in the event of a full and rapid mobilization, there might be a dilemma in mobilizing reservists for active duty whose civilian jobs are vital to the mobilization itself; such as reservists employed by railroads, airlines, communications, shipping lines, and other industries whose services are required in mobilization.

ISSUES THAT MUST BE ADDRESSED

Issues that need to be addressed include the Selective Service System's ability to respond to national emergencies and DOD's management of unpaid individual reservists as mobilization assets and manpower mobilization planning needed to assure the rapid mobilization and development of Guard and Reserve forces.

Our work will address the following questions:

1. How can DOD and the services better manage Guard and Reserve manpower mobilization planning to insure that Total Force requirements are achievable and cost-effective?
2. Are there opportunities to improve the performance of National Guard and Reserve personnel to increase mobilization capability and/or reduce costs?
3. Can unpaid reservists be used to meet unit mobilization needs?
4. What further actions are needed by the Selective Service System to improve its capabilities to respond in the event of war or mobilization?

CONTRIBUTIONS OF VARIOUS INDIVIDUALS TO OUR STUDY

Retired General Leo Benade, U.S. Army
Senior Vice President and
General Counsel, United Way, Inc.

Martin Binkin
Senior Fellow
Brookings Institution

Morris Janowitz
University of Chicago

Lawrence J. Korb
Assistant Secretary of Defense (Manpower,
Reserve Affairs and Logistics)

Dr. Eli Ginsberg
Conservation of Human Resources
Columbia University

Frank M. Slatinshek
Former Staff Director
House Committee on Armed Services

Curtis Tarr
Vice President
Deere & Company

Susan E. Shekmar
Senate Committee on Appropriations

Lt. Col. Don Slimman
Canadian Armed Forces

Anthony Principi
Senate Committee on Armed Services

Kim Wincup
House Committee on Armed Services

Mack McKinney
Vice President
Non-Commissioned Officers Benefit Association

Leroy J. Manor, Executive Vice President
Minter L. Wilson, Director of Communications
George Henrilems, Jr., Legislative Counsel
National Retired Officers Association

Paul Zeinsmeister
National Defense Specialist
Congressional Research Service

Robert Davis
Subcommittee on Defense
House Committee on Appropriations

Bob Hale, Director
National Security and International Affairs
Congressional Budget Office

General R. D. Tice
Deputy Assistant Secretary of Defense
(Military Personnel Policy and Force Management)

Rear Admiral Thomas Hughes
Deputy Assistant Chief of Naval Operation
(Manpower, Personnel, and Training)

Larry Goldberg
Center for Naval Analysis

General William Usher
Director of Personnel Plans
U.S. Air Force

SIZE AND COST OF THE MILITARY PERSONNEL WORK FORCEMilitary End-of-Year Employment

	<u>September 30</u>		
	<u>1981</u> <u>Actual</u>	<u>1982</u> <u>Estimate</u>	<u>1983</u> <u>Estimate</u>
<u>Military personnel on active duty</u>			
Department of Defense	2,082,183	2,110,300	2,147,600
Department of Transportation (Coast Guard full-time equivalent employment)	<u>38,148</u>	<u>37,240</u>	<u>34,984</u>
Total	2,120,331	2,147,540	2,182,584
Reserve Forces	<u>906,732</u>	<u>946,241</u>	<u>999,503</u>
Total	<u>3,027,063</u>	<u>3,093,781</u>	<u>3,182,087</u>

Military Personnel Compensation and Benefit Costs

	<u>1981</u> <u>Actual</u>	<u>1982</u> <u>Estimate</u>	<u>1983</u> <u>Estimate</u>
	----- (millions) -----		
<u>Military personnel on active duty</u>			
Direct obligations:			
Personnel compensation	\$28,054	\$28,726	\$33,385
Personnel benefits	2,537	2,464	3,087
Total obligations to military retirees	<u>13,724</u>	<u>14,938</u>	<u>16,511</u>
Total	<u>44,315</u>	<u>46,128</u>	<u>52,983</u>
<u>Coast Guard military personnel</u>			
Direct obligations:			
Personnel compensation	536	568	561
Personnel benefits	<u>64</u>	<u>68</u>	<u>67</u>
Total	<u>600</u>	<u>636</u>	<u>628</u>
<u>National Guard and Reserve Forces</u>			
Direct obligations:			
Personnel compensation	2,576	2,777	3,708
Personnel benefits	<u>122</u>	<u>181</u>	<u>239</u>
Total	<u>2,698</u>	<u>2,958</u>	<u>3,947</u>
Total	<u>\$47,613</u>	<u>\$49,722</u>	<u>\$57,558</u>

GAO STUDIES ON MILITARY PERSONNEL(JULY 1980 AND DECEMBER 1981)

Military Exchange Systems: How They Can Provide More Benefits for Military Personnel (FPCD-80-50; July 18, 1980).

Actions to Improve Parts of the Military Manpower Mobilization System are Underway (FPCD-80-58; July 22, 1980).

Recruiting Management in the U.S. Marine Corps (FPCD-80-59; Aug. 15, 1980).

Recruiting Management in the U.S. Navy Recruiting Command (FPCD-80-60; Aug. 15, 1980).

Recruiting Management in the U.S. Army Recruiting Command (FPCD-80-61; Aug. 15, 1980).

Recruiting Management in the U.S. Air Force Recruiting System (FPCD-80-62; Aug. 15, 1980).

Recruiting Management in the National Guard (FPCD-80-79; Aug. 15, 1980).

Recruiting Management in the Enlistment Processing Command (FPCD-80-80; Aug. 18, 1980).

Proposal for Enhancing DOD's Morale, Welfare, and Recreation Construction Program (FPCD-80-67; Aug. 27, 1980).

Flexible Management: A Must for Effective Armed Services Recruiting (FPCD-80-64; Sept. 18, 1980).

Variable Housing Allowance: Rate Setting Criteria and Procedures Need To Be Improved (FPCD-81-70; Sept. 30, 1981).

Military Personnel Eligible for Food Stamps (FPCD-81-27; Dec. 9, 1980).

Minority and Female Distribution Patterns in the Military Services (FPCD-81-6; Dec. 18, 1980).

Evaluation of the Recent Draft Registration (FPCD-81-30; Dec. 19, 1980).

Preliminary Analysis of Military Compensation Systems in the United States and Five Other Countries (FPCD-81-21; Dec. 31, 1980).

More Effective Internal Controls Needed to Prevent Fraud and Waste in Military Exchanges (FPCD-81-19; Dec. 31, 1980).

Quality of Career Non-Commissioned Officers (FPCD-81-33; Dec. 31, 1980).

The Army Needs to Improve Individual Soldier Training in its Units (FPCD-81-29; Mar. 31, 1981).

Followup letter to congressional committees on FPCD-80-50 (B-199009, May 21, 1981).

Additional Efforts Needed to Improve Morale, Welfare, and Recreation Program Management (FPCD-81-59; June 22, 1981).

Initial Skill Training for Navy Enlisted Personnel (FPCD-81-56; June 29, 1981).

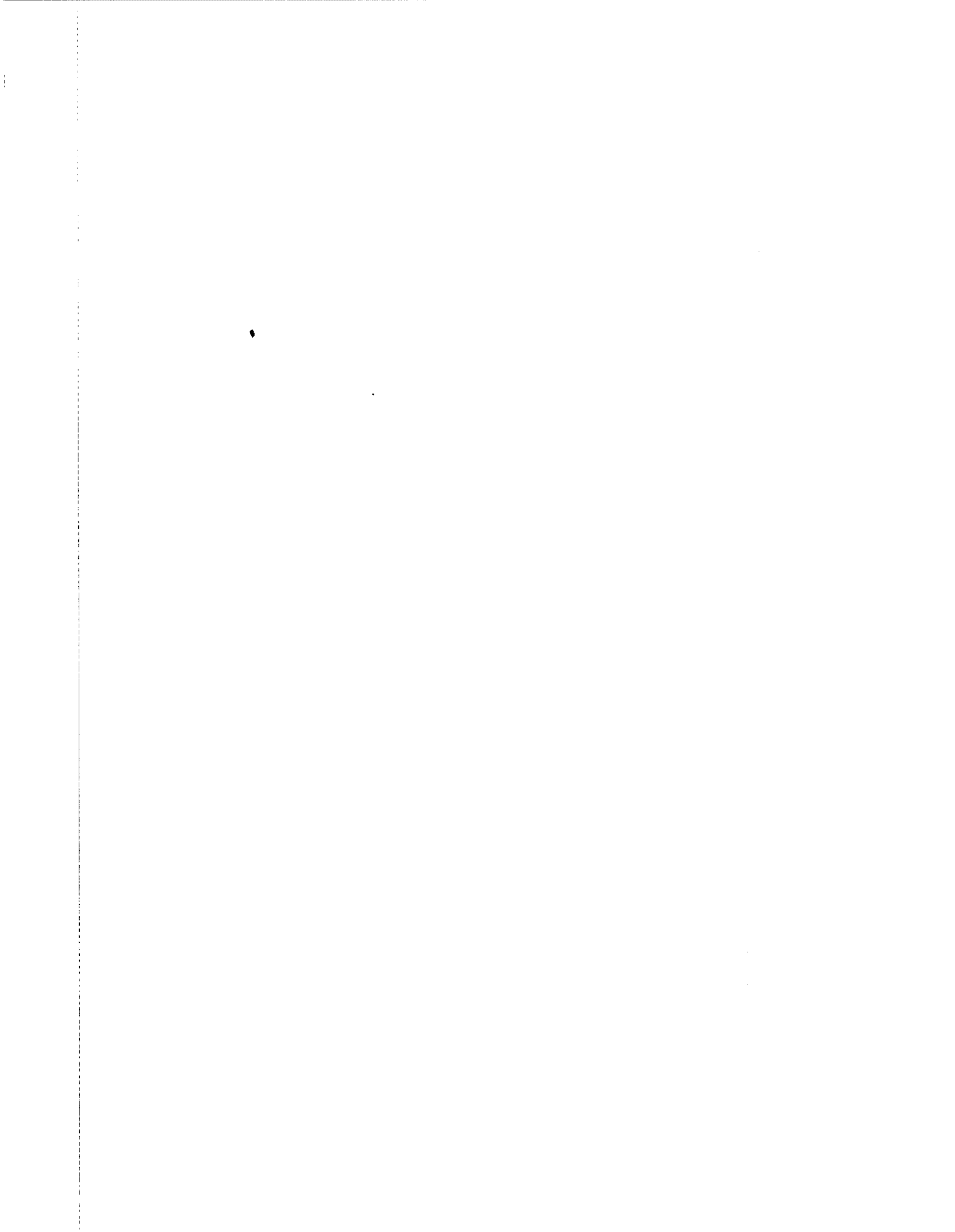
Manpower Effectiveness of the All-Volunteer Force (FPCD-81-38; July 15, 1981).

Recruiting Malpractice: Extent, Causes, and Potential for Improvement (FPCD-81-34; July 20, 1981).

Initial Skill Training for Air Force Enlisted Personnel (FPCD-81-61; July 29, 1981).

Alternatives for Funding a GI Bill (FPCD-81-45; Sept. 17, 1981).

(995003)



23279

AN EQUAL OPPORTUNITY EMPLOYER

**UNITED STATES
GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548**

**OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300**

**POSTAGE AND FEES PAID
U. S. GENERAL ACCOUNTING OFFICE**



THIRD CLASS