



GAO
Accountability Integrity Reliability

Highlights

Highlights of [GAO-09-256](#), a report to the Subcommittee on Military Personnel, Committee on Armed Services, House of Representatives

Why GAO Did This Study

To ease the pace of overseas deployments, the President announced a plan in 2007 to grow the Army's end strength by about 7 percent by 2013. GAO was asked to evaluate the Army's management of this growth. Specifically, GAO determined the extent to which the Army has (1) made progress in growing the force, (2) awarded cost-effective bonuses to attract and retain enlistees, (3) maintained the quality of its enlisted force, and (4) directed growth in its officer force to areas of need and determined whether trade-offs it has made to alleviate shortages will have long-term effects. GAO reviewed the Army's growth plans, bonuses, waivers, and officer promotions, and interviewed Defense and Army officials.

What GAO Recommends

GAO recommends that the Secretary of Defense direct the Secretary of the Army to (1) build on currently available analyses to enable the Army to set cost-effective bonuses for enlisted personnel, (2) collect data on the costs of recruiting and training soldiers with conduct waivers who separate early, (3) build on currently available analyses that will enable the Army to set cost-effective bonus amounts and other incentives, and (4) track the effects on the officer corps of actions taken to address shortages that involve deviations from congressional benchmarks. The Department of Defense concurred with the first three recommendations and partially concurred with the fourth.

To view the full product, including the scope and methodology, [click on GAO-09-256](#). For more information, contact Brenda S. Farrell at (202) 512-3604 or farrellb@gao.gov.

MILITARY PERSONNEL

Army Needs to Focus on Cost-Effective Use of Financial Incentives and Quality Standards in Managing Force Growth

What GAO Found

Although the Army's Grow the Force plan originally called for growth to be completed by fiscal year 2013, the Army had met 99 percent of this growth goal by the end of fiscal year 2008. Since fiscal year 2005, when none of the Army components met recruiting goals, all have made steady progress. To achieve this growth, the Army substantially increased its number of recruiters and its funding of incentives. In addition, the active Army and Army Reserve exceeded their retention goals from fiscal years 2005 through 2008; the Army National Guard exceeded its goals in fiscal years 2006 and 2008 and achieved retention within the allowable margin in fiscal years 2005 and 2007.

While the Army has increased its expenditures for bonuses by almost 75 percent since fiscal year 2005, it has not used available research to set bonuses at dollar amounts that are most cost-effective. Although a substantial body of research exists on how to cost-effectively use recruiting resources, the Army has not used this research to calculate bonus amounts. During GAO's review, Army officials stated that the main proof of success of the bonus program was that the Army had met its goals for accessions and retention. Also, because Defense guidance allows the Army to offer bonuses to enlistees in any occupation, the Army has been able to award and often has awarded bonuses to occupations that are not considered priority. Further, because each component makes decisions on bonuses independently, the amounts of bonuses awarded by different components vary widely. Since GAO completed its audit work, the Army states, however, that it has been reducing the numbers and amounts of bonuses offered enlistees.

In fiscal years 2005 through 2008, the Army did not consistently meet quality goals for new recruits, as measured by the percentage who have high-school diplomas and who score in the upper half on the Armed Forces Qualification Test. The Army implemented some new programs to increase the market of eligible recruits, such as programs for overweight individuals or those without high-school diplomas. In addition, the Army has continued to use conduct waivers for candidates who fall short of entrance standards for reasons such as prior criminal misconduct. Existing analyses have shown that recruits with conduct waivers perform similarly to those without conduct waivers—although they are more likely to be separated for adverse reasons; the Army lacks data on the cost of enlisting persons who require conduct waivers.

The Army is experiencing shortages of captains, majors, and lieutenant colonels and projects that these shortages will continue. The Army has offered bonuses to captains; however, it has not offered incentives to majors or lieutenant colonels because those ranks are not considered to have retention problems. While the Army has research focused on incentive packages, this research has not been directed at calculating the most cost-effective bonus amounts. Also, the Army has no method of determining whether actions it has taken that deviate from congressional benchmarks will have any effect on the future Army officer corps.