



120 10 1  
2459

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



NATIONAL SECURITY AND  
INTERNATIONAL AFFAIRS DIVISION

B-211752

FEBRUARY 17, 1984

The Honorable John O. Marsh, Jr.  
The Secretary of the Army

Attention: The Inspector General DAIG-AI

Dear Mr. Secretary:

Subject: Army Could Do More To Reduce Imbalances in  
Military Occupational Specialties  
(GAO/NSIAD-84-20)

Pay increases and cash bonuses, as well as declining civilian employment opportunities in 1981 and 1982, have boosted the Army's recruitment and retention success since 1981. Nevertheless, skill imbalances--too many people in some military occupational specialties (MOSS) and not enough people in others--persist. Although the Army has taken numerous steps to reduce these skill imbalances, we found that its efforts have not been fully successful and that its reenlistment policy may not go far enough in reducing the problem.

OBJECTIVE, SCOPE, AND METHODOLOGY

Our objective was to examine Army efforts to rectify skill imbalances in light of the highly favorable recruitment and retention environment of the past 2 years. Our review focused on MOSS which, according to Army criteria, are imbalanced in the aggregate; that is, they have either significantly more or fewer soldiers, in total, than the Army requires in these occupations.

We based the information in this report largely on interviews with Army officials in the Office of the Deputy Chief of Staff for Personnel (Enlisted Division) and the Military Personnel Center in Washington, D.C. We also interviewed Army Forces Command officials to identify problems with reenlistment

(967077)

123439

policies at the major commands. In addition, we interviewed officials who manage Air Force reenlistment policies to learn how they deal with skill imbalances. Finally, we analyzed data on reenlistments, reclassifications, and MOS-staffing levels provided by the Military Personnel Center, as well as relevant Army regulations and guidance.

We conducted this review from June 1982 to July 1983 in accordance with generally accepted government audit standards.

SKILL IMBALANCES HAVE BEEN AN ARMY PROBLEM  
SINCE THE ADVENT OF THE ALL-VOLUNTEER FORCE

Staffing imbalances have existed since the all-volunteer force era began in 1973. In 1973 and 1975, 67 percent of the Army's MOSs were either less than 80 percent staffed or more than 120 percent staffed.<sup>1</sup>

According to current Army criteria, an MOS with 500 or fewer soldiers is imbalanced if its inventory is 10 percent over or under its authorization. An MOS with more than 500 soldiers is imbalanced if its inventory varies by 5 percent above or below its authorization. At the end of the second quarter of fiscal year 1983, about 66 percent of the Army's MOSs were imbalanced. Imbalances have also occurred for various pay grades and years-of-service groups within an MOS. For example, in examining MOSs in the combat arms, intelligence, and high technology areas, we found that 75 percent of the pay grades were, to some extent, imbalanced.

ARMY EFFORTS TO ALLEVIATE  
SKILL IMBALANCES

At the beginning of fiscal year 1982, the Army began to place greater emphasis on correcting the grade distribution imbalances of noncommissioned officers (NCOs) within career management fields (CMFs).<sup>2</sup> The Army specifically addressed those imbalances in Combat Arms and Intelligence CMFs, when it implemented its Force Alignment Plan (FAP). The FAP was later extended to include all CMFs.

---

<sup>1</sup>"Urgent Need for Continued Improvements in Enlisted Career Force Management" (FPCD-77-42, Sept. 29, 1977).

<sup>2</sup>A career management field is a grouping of related MOSs that provides visible and logical career progression to grade E-9.

The objectives of the FAP are to improve skill matches, focus on critical skills, eliminate poor performers, and support modernization within CMFs. FAP attempts to resolve imbalances through efforts in each of four areas--accessions, promotions, reclassifications, and retention. Specific efforts are detailed below:

--Accessions

- ° Limiting entry of prior service reenlistees to specific understrength MOSSs.
- ° Concentrating recruitment efforts on shortage skills.

--Promotions

- ° Reducing promotion opportunity into grades E-5 through E-7 in overstrength MOSSs and allowing more promotions in understrength MOSSs.

--Reclassifications

- ° Restricting movement into MOSSs that are balanced or overstrength.
- ° Encouraging retraining through programs like the Bonus Extension and Retraining (BEAR) program.
- ° Encouraging soldiers, through written communications, to voluntarily reclassify into select understrength MOSSs.
- ° Informing commanders, through written communications and the media, of the specific skill needs, by MOS, so the commanders can encourage soldiers to reclassify into understrength MOSSs.
- ° Publicizing MOSSs eligible for reenlistment bonuses.

--Retention

- ° Reviewing and adjusting bonus programs monthly, according to MOS need.
- ° Restricting first-term reenlistment to only E-4s and above and requiring commanders' approval.
- ° Raising aptitude requirements and enforcing weight and physical requirements.
- ° Encouraging qualified soldiers to reenlist.

Although the stated focus of FAP is to balance the NCO grade distribution within CMFs, most of the specific FAP components address manning problems at the individual MOS level of detail. Army officials agreed that to balance CMFs, manning problems at the MOS level must be resolved.

FAP IS NOT ALLEVIATING  
SKILL IMBALANCES

Despite the favorable recruitment and retention environment of the past 2 years and the fact that most elements of FAP have been in place since early fiscal year 1982, the Army has made relatively little progress toward reducing skill imbalances. Overall, as shown by the table below, the number of imbalanced MOSs at the end of the second quarter of fiscal year 1983 (219) was almost as high as that which existed when FAP began. To the Army's credit, the number of understrength MOSs declined from 133 to 91. However, the number of overstrength MOSs climbed from 88 to 128. Of the 219 imbalanced MOSs, approximately 30 percent have been imbalanced for seven consecutive quarters beginning with the last quarter of fiscal year 1981.

MOS Staffing Status By Quarter  
(FY 81, 4Q Through FY 83, 2Q)

| Quarter   | Total MOSs | No. of under-strength MOSs | No. of balanced MOSs | No. of over-strength MOSs | Imbalanced MOSs (understrength & overstrength) |         |
|-----------|------------|----------------------------|----------------------|---------------------------|--|---------|
|           |            |                            |                      |                           | Number   | Percent |
| FY 81, Q4 | 328        | 133                        | 107                  | 88                        | 221  | 67.3    |
| FY 82, Q1 | 330        | 135                        | 113                  | 82                        | 217  | 65.7    |
| Q2        | 330        | 123                        | 99                   | 108                       | 231  | 70.0    |
| Q3        | 334        | 120                        | 101                  | 113                       | 233  | 69.7    |
| Q4        | 334        | 106                        | 114                  | 114                       | 220  | 65.8    |
| FY 83, Q1 | 335        | 91                         | 111                  | 133                       | 224  | 66.8    |
| Q2        | 332        | 91                         | 113                  | 128                       | 219  | 65.9    |

Although the Army has not significantly reduced the number of MOS imbalances, it has reduced imbalances of NCOs within CMFs. In fiscal year 1981 the NCO levels were overstrength in 11 CMFs, balanced in 13 CMFs, and understrength in 6 CMFs. By the second quarter of fiscal year 1983, the NCO levels were overstrength in 2 CMFs, balanced in 21 CMFs, and understrength in 7 CMFs.

ARMY REENLISTMENT PRACTICE  
IMPEDES PROGRESS TOWARD  
REDUCING SKILL IMBALANCES

The Army's practice of allowing first-term soldiers to reenlist in their present MOS, regardless of whether that MOS is overstrength, may be preventing the Army from achieving a more balanced force. Until the recruitment and retention environment dramatically improved in the last 2 years, Army officials were more concerned with achieving and sustaining authorized end-strength than reducing skill imbalances. This emphasis on end-strength led the Army to accept soldiers for reenlistment in some MOSs over and above its need.

Although the Army has a formal policy option to restrict first-term reenlistments,<sup>3</sup> it has not chosen to implement it. For fiscal years 1981 and 1982, the first-term reenlistment rates for overstrength MOSs were almost exactly the same as the rates for all MOSs Army-wide.

Many current and former Army personnel officials we talked with believed that, by limiting the number of first-term reenlistments in overstrength MOSs, they could direct resources to understrength MOSs. Proponents of this controlled first-term reenlistment policy believe it is especially appropriate when overall reenlistment rates are high and current employment conditions are poor because soldiers are less likely to leave the Army.

The reason given for advocating controls at the first-term reenlistment point rather than at later career points are as follows:

- Retraining is more economical than bringing in new soldiers since the high startup costs incurred in basic training and early attrition are avoided.
- The Army's investment in a soldier's specialty training is minimal at the first-term reenlistment point.

---

<sup>3</sup>Army Circular 611-82-3, Personnel Selection and Classification Career Management of the Enlisted Force, dated June 15, 1982, states, "First-term soldiers will normally be allowed to reenlist for their own MOS. However, should an overstrength develop in the lower grades of an MOS, first-term soldiers may be required to retrain and reclassify as a condition to reenlistment."

--Soldiers in low grades (E-4 and E-5) can easily blend into a different MOS without being expected, by virtue of their rank, to assume a leadership role.

--Most first-term soldiers are younger, have fewer personal commitments, and have less of a career investment than older soldiers, making a career change less stressful.

The Office of the Deputy Chief of Staff of Personnel (DCSPER) opposes a controlled first-term reenlistment policy because it believes that many good soldiers would not reenlist if they were forced to reclassify into "less desirable" MOSs. DCSPER cited a forced reclassification in 1975 of 6,000 NCOs into combat arms MOSs. Although DCSPER had no data to support its conclusion and could offer no estimated numbers, it believes that many NCOs left the Army rather than be reclassified.

In addition, Army officials stated that the Army believes it has an obligation to its soldiers not to penalize them for the change in the Army's staffing priorities (i.e., the changed focus from reaching end-strength to balancing NCO grade distribution within CMFs).

#### AIR FORCE PROGRAM OF CONTROLLED REENLISTMENTS OFFERS INSIGHTS

The Air Force's career reservation system, which requires all eligible first-term reenlistees to make a job reservation, illustrates how a program of controlling first-term reenlistments can be designed. Reservations are limited by occupational need. Airmen unable to obtain a reservation within their own occupation must either retrain for a shortage occupation (for which they qualify) or leave the service. This program is supported by a "real-time" management information system, which contains current information on Air Force needs and eligibility options. The Air Force, as well as some Army officials, believes it is preferable to discharge personnel who are working in an overstrength occupation rather than keep them in the service where they will be occupying an end-strength space and preventing another person from filling a space in a shortage occupation.

Although we did not evaluate the Air Force system during fiscal year 1982 about 5,000 reenlistees were reclassified, while another 500 would-be reenlistees were not willing and/or eligible to reclassify.

## CONCLUSIONS AND RECOMMENDATION

Because the Army has made very little progress in reducing skill imbalances, we believe that additional action is needed. Specifically, the Army needs to test its policy option for controlling first-term reenlistments. Such a controlled reenlistment policy should be directed at first-term soldiers to ensure that those soldiers in overstrength MOSs would be reclassified into understrength MOSs at a relatively early and flexible point in their careers. The costs in morale and previous skill investment would be minimal, while the opportunity for making a successful career change would be maximized.

Controlling first-term reenlistments should be part of a program to manage staffing at the MOS level. Such a program needs to be flexible. When recruitment and retention conditions are good, the Army should take more aggressive action to alleviate MOS imbalances. When conditions are poor, personnel policies that might cause end-strength to drop unacceptably below authorized levels might be relaxed or modified.

We recommend that the Secretary of the Army implement, on a test basis, the Army's stated policy for controlling first-term reenlistments in overstrength MOSs and retraining soldiers into understrength MOSs.

## AGENCY COMMENTS AND OUR EVALUATION

We discussed a draft of this report with officials from the Office of the Secretary of Defense and the Department of the Army and obtained their official oral comments. Although Army officials acknowledged that MOS imbalances are a significant and persistent problem, they did not agree that they should test their controlled reenlistment policy because they said such a test would do more harm than good.

The Army believes that by restricting first-term reenlistments into overstrength MOSs, it would lose good, eligible, and qualified soldiers occupying overstrength MOSs who could not meet the more demanding requirements of understrength MOSs. Consequently, officials fear that such a policy change would directly impair the Army's ability to reach end-strength and, in turn, affect readiness.

We continue to believe that the Army should, on a test basis, control first-term reenlistments into overstrength MOSs when such reenlistments are expected to exacerbate imbalances in future years. Recognizing only limited application of the policy change would be possible, since not all imbalances can be

corrected by controlling first-term reenlistments, we believe that the loss of those not desiring or not willing to reclassify would be marginal. In addition, such losses could be acceptable and even beneficial, providing the Army the opportunity to recruit personnel for critical shortage skills.

Officials said that the Army is also concerned about commitment and morale. Because soldiers were not informed at the time of enlistment about the potential of being required to involuntarily reclassify into another MOS, the Army believes it would be unfair to do so at the first-term reenlistment point and may create a negative image of the Army.

While we recognize the Army's concern about breaking implied commitments made to soldiers when they enlisted, we believe that Army needs should come first. The enlistment contract applies to the individual's first term, and the Army is under no obligation to keep soldiers in the same MOS after that term when there are not enough jobs for them to do. In addition, we see very little difference between placing controls on first-term reenlistments and other actions the Army has taken to upgrade the quality of the career force, such as increasing the aptitude requirements for reenlistment.

In responding to our finding that FAP has done little to reduce MOS imbalances, Army officials pointed out that it is inappropriate to measure imbalances by MOS. Although they agreed that FAP does manage according to MOS needs, Army officials said that FAP's primary focus is to balance the NCO grade distribution within CMFs which is seen as essential to aligning the career force and, in turn, achieving a high level of readiness. Army officials indicated that imbalances are monitored in terms of CMFs rather than MOSSs due to the level of detail and dynamics connected with MOS activities. The Army believes that by using CMFs instead of MOSSs, it is better able to control the effects of imbalances caused by skill conversions necessitated by force modernization and frequent authorization changes.

Regarding FAP's objective, we believe that, while the Army's intent may be to address imbalances at the CMF level, FAP incentives are actually directed at and managed according to MOS needs. For example, the Army promotes and assigns bonuses according to MOS need, publicizes specific MOS needs and opportunities, restricts migration into specific MOSSs and MOS grades, and concentrates on recruiting into critically short MOSSs. Although FAP has made great strides in aligning the NCO distribution within most CMFs, balancing aggregate manning within CMFs, and reducing unwanted migration into overstaffed or



balanced MOSs, we continue to believe that the main problem is imbalances at the MOS level.

Although CMFs are a useful indicator of aggregate manning levels, we find they are less useful in concentrating attention on specific MOS-staffing needs. For example, CMF 76 (Supply and Service) consists of 11 component MOSs. While those MOSs share some similarities in training and career management, they are not interchangeable. Although a shortage of Parachute Riggers (MOS 43E, CMF 76) can, on paper, be offset by an excess of Subsistence Supply Specialists (MOS 76X, CMF 76) at the CMF level of analysis, they could not be offset when it came to making actual assignments. Therefore, we believe that the Army needs to go beyond balancing CMFs and deal with imbalances at the MOS level.

Replying to our suggestion that the Army consider adopting a reenlistment reservation system like the Air Force's, officials acknowledged the system's merit but questioned its applicability to the Army. To exemplify the uniqueness of the Army's needs, one Army official indicated that, historically, the Army has had a more difficult time attracting recruits into critical skills than has the Air Force. As a result, the Army requires a significantly larger bonus program to attract needed recruits.

We continue to believe that the Army could benefit from a reenlistment reservation system similar to that used by the Air Force. While we acknowledge that there are many differences between the Army and the Air Force, we do not see those differences as legitimate rationale for not actually testing the applicability of such a system to the Army.

In addition, officials stated that retention problems are being anticipated, given improving economic conditions. Therefore, any change connected with the potential loss of eligible soldiers would not be in the Army's best interest now.

In response to the Army's prediction of impending retention problems due to improvements in the civilian economy, we advocate a flexible approach to force management. Therefore, should retention problems materialize causing end-strength to fall below desired levels, reenlistment controls (as well as other policies) might be reexamined and adjusted.

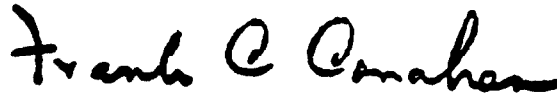
- - - -

As you know, 31 U.S.C. 720 requires the head of a federal agency to submit a written statement on actions taken on our recommendations. This written statement must be submitted to

the House Committee on Government Operations and the Senate Committee on Governmental Affairs not later than 60 days after the date of the report. A written statement must also be submitted to the House and Senate Committees on Appropriations with an agency's first request for appropriations made more than 60 days after the date of the report.

We are sending copies of this report to the Director, Office of Management and Budget; the Chairmen, Subcommittee on Defense, House and Senate Committees on Appropriations; Subcommittee on Manpower and Personnel, Senate Committee on Armed Services; and House Committee on Armed Services; the Secretary of Defense; and other interested parties.

Sincerely yours,

A handwritten signature in black ink that reads "Frank C. Conahan". The signature is written in a cursive, slightly slanted style.

Frank C. Conahan  
Director