

Reconsidering the Defense Officer Personnel Management Act

Testimony to the Subcommittee on Personnel
of the Senate Armed Services Committee

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Note: The ideas advanced in this paper reflect solely the conclusions of the author, and should not be seen as representing the views of the Institute for Defense Analyses, nor those of its research sponsors.

Mr. Chairman and Members of the Subcommittee: It is a privilege to appear before you. I should emphasize that the views expressed are my own, and do not reflect any position by the Institute for Defense Analyses or our research sponsors.

You've asked if changes should be considered to the Defense Officer Personnel Management Act (DOPMA). Critics have advocated changes for some time.¹ It's long been recognized that shifts in the nature of needed military capabilities affect the demands for personnel, especially the nature and level of experience desired. Now, the new military retirement system allows the Department of Defense to aim at varying career lengths across skill areas, in a manner that is fair to the individual.

But before advancing potential changes, I would first inquire: What outcomes are desired? How are these different from the outcomes we enjoy today? Would changes to the statutory foundation for the officer corps produce those outcomes? Should these also apply to the enlisted force, whose management is less tightly constrained by statute? Are there potential unintended consequences for which we should prepare?

As currently administered, DOPMA, and the analogous practices applied by policy to the enlisted force, create very effective leadership cadres for one of society's most respected institutions, the American military. It's an institution on which Americans depend to protect their society from attack, and to help advance their interests internationally. It's an institution to which they turn for support in domestic emergencies, as the National Guard so frequently provides. And it's an institution whose virtues are widely celebrated as worthy of broader emulation.

But DOPMA's also seen as overly restrictive, part of a "one size fits all" management paradigm. Coupled with the (just abandoned) cliff-vesting retirement system, the result is a set of military careers too much bunched between 20 and 30 years of service, especially for officers, regardless of whether the resulting experience mix is "optimal." As the need for technical skills increases, the Services may need some individuals with longer periods of service. Conversely, in some skill areas, shorter periods of service may be desirable—perhaps because the demands of that service are particularly arduous.

The technical nature of military capabilities is increasing steadily. That can be seen in the allocation of defense resources by major force program. Over the long trajectory since the end of the Cold War, force elements subsumed under "Command, Control, Communications, Intelligence, and Space" (Major Force Program 3) have grown markedly at the expense of others.²

The DOPMA paradigm used to tailor the force is advancement through operational experience of increasing responsibility, especially command, with a requirement that one move up or out. That path

¹ See, for example, Panetta, Leon, et al, Task Force on Defense Personnel Co-Chairs. *Building a F.A.S.T. Force: A Flexible Personnel System for a Modern Military. Recommendations from the Task Force on Defense Personnel*. Bipartisan Policy Center: March 2017, pp. 20-25; Rostker, Bernard. *Reforming the American Military Officer Personnel System: Addendum*. Santa Monica, CA: RAND Corporation, 2016. <https://www.rand.org/pubs/testimonies/CT446z1.html>; Philpott, Tom. "Rumsfeld Wants Longer Careers, Fewer Moves." *Kitsap Sun* 22 August 2001; "Ensuring Quality People in Defense," David S. C. Chu with John P. White, in Ashton B. Carter and John P. White, eds., *Keeping the Edge: Managing Defense For the Future*. Hollis, NH: Puritan Press, 2001.

² MFP 3 was the second largest major force program in FY2017 at 15% of DoD Total Obligational Authority (including Overseas Contingency Operations), versus 9.7% in FY1989. See Office of the Under Secretary of Defense (Comptroller). *National Defense Budget Estimates for FY18*. Revised August 2017, pp. 105-106.

nicely develops senior unit leaders, but it ignores the reality that only a few officers are going to be selected for such roles. That path inevitably creates a tension between the development of technical expertise and upward mobility. And for most officer communities, it's really advancement that brings increased compensation. (In contrast, the enlisted force benefits from the wide use of bonuses as an instrument of compensation, in addition to the rewards from advancement.)

For a select set of skills the Services have long recognized that tension, and relieved it by adopting separate systems for clinicians (especially doctors), for lawyers, and for the clergy. Those separate systems also facilitate lateral entry (i.e., recruiting at an advanced grade individuals who already have the skill needed). For doctors, the compensation issue is resolved via special pays and bonuses. And for pilots, the Army recognizes that not every pilot should be a candidate for senior leadership, with a significant fraction of its pilot force recruited and retained using the warrant officer system, which facilitates long careers in the cockpit.

As the treatment of the professions demonstrates, DOPMA does provide a mechanism for recognizing differences across skill areas, quite apart from the (largely underutilized) warrant officer provisions: creating separate competitive categories. The Navy also uses that authority for Supply Corps officers, among other skill areas, and the Army has recently adopted it for cyber ("Information Dominance"). But it's not as widely employed as it might be. Moreover, illustrating that the "one size" used for so much of the officer corps is driven by more than DOPMA, the Supply Corps experience profile is still importantly shaped by the (just-abandoned) retirement system.

The limited used of existing DOPMA flexibilities (including selection out, and selection for retention in grade) underscores that the current "one size" is a key part of Service cultures. Those cultures have much to recommend—after all, they're part of the institutional success the country properly admires. Change will only succeed to the extent that the Services are comfortable in embracing new authorities the Congress might grant, and adopting a wider variety of cultural norms.

If the forward challenge is recognizing that the experience mix of military personnel might usefully differ across skill communities, then inviting the Services to identify the communities that might benefit from a different experience mix (including experience gained in the civil sector) would be an obvious first step. For enlisted personnel (and perhaps warrants), it might be possible to achieve desired results with few if any statutory changes. But for officers it is likely to require separate statutory authority.

In designing such authority, even the harshest critics, one hopes, would agree that we should emphasize performance as a condition of continued service. The current mechanism, "up or out," effectively serves as the equivalent of "perform to stay" if selection rates are high (as they have been for officers recently through grade O4). But in other situations it could prune talent prematurely.³ DOPMA does permit convening boards for selective retention, but that provision tends to be used only when the Services need to reduce cohorts, which may damage its reputation as a general management tool. One of the most significant challenges in designing new authority is how to sustain a constructive emphasis on performance if "up or out" is ill-suited to the new career track being created.

³ In "up or out" as practiced, one typically is allowed just two chances, bunched together at times of the institution's convenience. This can disadvantage individuals who have pursued non-standard career paths—for example, unusual assignments, including graduate school.

The new authority would also need to address the adequacy of compensation for the selected skill communities, both to recruit (especially for lateral entry), and to retain. A different compensation table could be considered (much as compensation for officers with prior enlisted service has differed). To the extent that lateral entry is an issue, a “time in grade” approach might substitute for the current “time in service” (which could also assist if it’s desired to cap grade progression).⁴ Bonus authority like that now used for enlisted management could be employed.

If grade limits for the skill community are part of the structure, it would be best to start with the experience mix desired, then solve for the combination of grade, special pay, bonus and retirement compensation necessary to produce what’s needed. (Yes, retirement compensation could be adjusted as necessary, perhaps by larger payment to Thrift Savings Plan accounts.) If grade structure is limited by considerations of supervisory relationships, one could rely more on the other instruments to achieve desired results. The package would obviously differ if the desire is for a pyramid like that at which today’s practice aims (large entry cohort, small numbers of highly experienced personnel), vice an inverted pyramid (mostly experienced personnel, e.g., as acquisition managers, perhaps recruited from the private sector), or a “Michelin man” (i.e., many mid-career members, but limited numbers of both junior and senior personnel), or a cylinder (equal cohorts across experience levels). Some of the more unusual profiles might benefit from the skillful use of Reserve appointments, including provisions to move seamlessly back and forth between active and Reserve status (“continuum of service”).

Two restrictions in today’s DOPMA probably should not be part of such special authority: The requirement that an entering officer should be able to retire based on years of service, which effectively bars lateral entry beyond age 42; and the bar to more than 30 years of commissioned service if not selected for general officer or flag rank (assuming a “perform to stay” feature is included). The former unduly constrains lateral entry; the latter discourages benefitting from those with long experience.

As argued earlier, the Services could try for “non-standard” enlisted experience profiles with existing statutory authority, which would create a way to identify some of the issues that might arise in the officer community, especially unintended consequences. Some of those consequences will involve how individuals react to new opportunities, perhaps in ways not now envisaged. Some will involve demands from sister communities that they enjoy similar benefit improvements (to the extent these are offered), even if they might not be needed so widely.

That there could be adverse (as well as welcome) unintended consequences should not lead to curtailing the horizon for use of new authority. Put differently, a time-constrained pilot would not likely yield the desired results, because individuals will be reluctant to join an enterprise with a limited horizon. There’s no need for a “sunset clause”: Amendments can provide necessary course corrections.

As we look at the wide range of skills the American military needs, it is implausible that a single experience profile correctly describes what ensures success. What’s best for line operational units is unlikely to create what’s best for certain technical and functional communities. Can we break from “one size fits all” and tailor talent management paradigms to those differing needs, melding the best of the existing system with new approaches that will better sustain the continued excellence of American military forces?

⁴ A time in grade pay table could also help in those situations where you’d like to reward rapid advancement in grade more handsomely.