

**Statement of Dr. Tim Kane  
before the  
Senate Armed Services Committee  
Hearing on Officer Personnel Management and the Defense Officer  
Personnel Management Act of 1980  
January 24, 2018**

**Date: Wednesday, January 24, 2018 Add to my Calendar**

**Time: 03:00 PM**

**Location: Room SR-222, Russell**

Chairman Tillis, Ranking Member Gillibrand, and members of the Committee, thank you for this opportunity. And thank you for working together on a truly non-partisan issue and showing the country what real leadership and teamwork looks like.

My colleague and President Reagan's Secretary of State George Shultz recently wrote, "Over forty years ago, Milton Friedman and his friend Martin Anderson put forward the idea of ending the draft and recruiting volunteers for the armed forces. Since the draft ended in 1973, the concept of the volunteer armed forces can now be said, unequivocally, to have succeeded." And yet, as Secretary Shultz noted, despite the heroic volunteers who have vindicated this concept during the past decade and a half of war, and despite the world-class leadership culture of the US military, the nuts-and-bolts personnel bureaucracy still treats the troops like interchangeable muscle widgets, like conscripts, like draftees. It is not only disrespectful, and wrong, and short-sighted this idea of "the needs of the military come first" but is inefficient. The Pentagon has a talent problem, and it cannot fix that problem until Congress changes the archaic law known as DOPMA, which is short for the Defense Officer Personnel Management Act of 1980.

### **The Problem with Military Management**

The success or failure of any organization hinges on the quality of its people. This is true of every small business in America, true of the Air

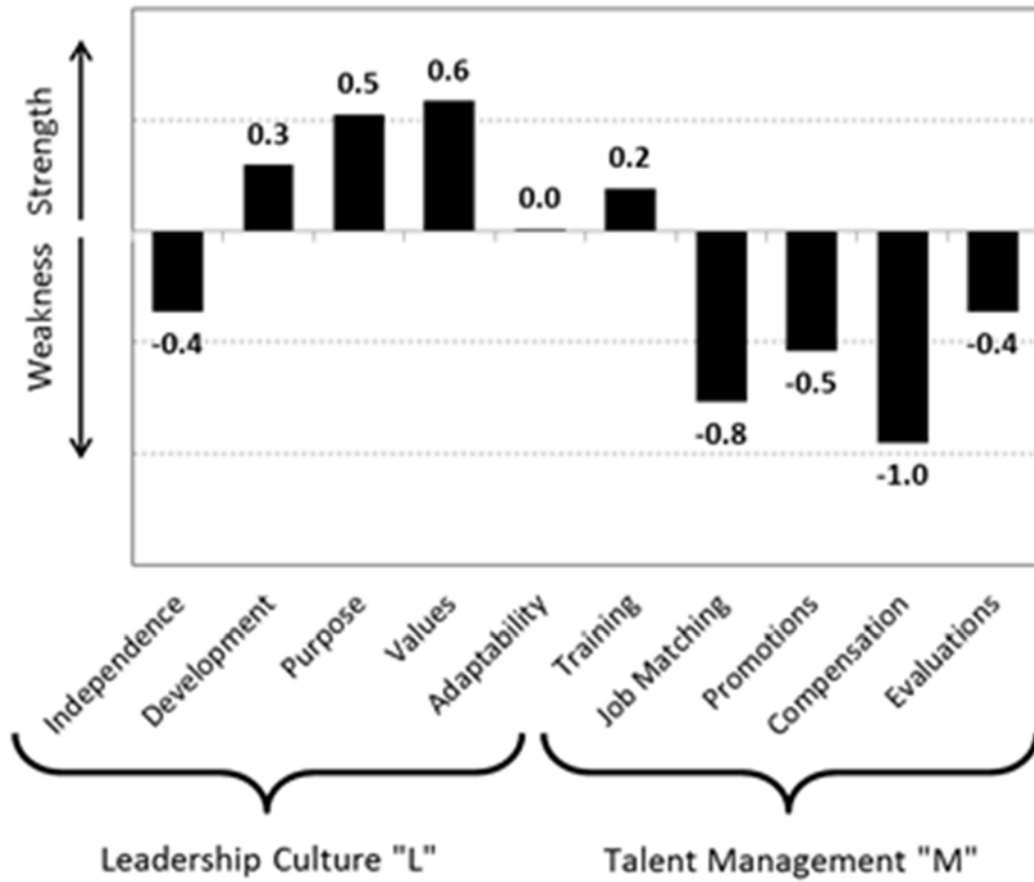
Force, and true of the Congress. But no organization in America except one employs over one million employees and rotates everyone every eighteen months using a centralized process with no input from local commanders and no control by individuals. That would be the Pentagon.

Three years ago, I conducted a survey of 360 active duty officers and NCOs and veterans in order to identify what they think the strengths and weaknesses of the Pentagon management system are. The name of the instrument developed for this broad-spectrum analysis is the Leader/Talent matrix. The matrix includes forty elements spread across five leadership categories and five management categories. One of the elements, for example, is the statement “Abusive bosses are not tolerated and are removed”. Each element is rated on a scale from +2 (always true) to -2 (always false). Categories in the cultural dimension are independence, development, purpose, values, and adaptability, which contrast with talent management categories such as training, job-matching, promotions, compensation, and Evaluations.

Respondents gave high marks to the US military’s leadership culture but low marks to talent management, shown in Figure 1. Across the board, respondents see promotion and job-matching practices in the most negative light.

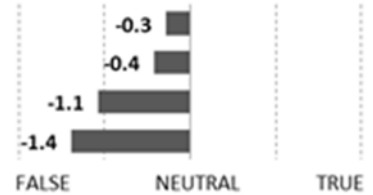
In a critical 2010 report, the Defense Science Board highlighted DOPMA’s inflexibility and blamed it for “wasting human capital.” A Rand study in 2006 claimed unequivocally that DOPMA-based practices “will not meet the needs of the future operating environment” and called it a “cold war- era personnel system” that was outdated.

**Figure 1. Leadership and Talent in the U.S. Military.**



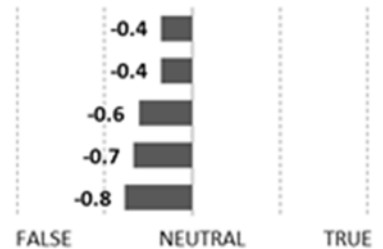
**Figure 2. Job-matching in the U.S. military**

Job requirements and personal skills are usually well-matched.  
 Jobs are flexibly redefined whenever the operating environment changes.  
 Poorly performing employees can be easily removed, relocated, or fired.  
 Local supervisors have primary hiring authority, not the central bureaucracy.



**Figure 3. Promotions in the military**

Individuals are free to specialize rather than seek managerial promotions.  
 Promotions are based on merit, not on seniority or favoritism.  
 Abusive bosses are not tolerated and are removed.  
 Great talent is promoted quickly.  
 Poorly performing employees are never promoted.



Because of DOPMA, local commanders have been stripped of their personnel authority. Commanders cannot hire, cannot flexibly adjust their people, and in fact are left with empty billets for up to a year when removing an abusive co-worker. Furthermore, promotions are completely lock-step based on seniority not merit, and promotion boards are completely centralized and dehumanized. The consequences are dire and, I believe, costs lives and can lose wars. One of the side-effects of the constant rotations and short job cycles and lack of command authority is that sexual predators can hide in plain sight. There is a crisis of sexual assault in the ranks which occurs at ten times the rate of comparable civilians or on campuses. This is the system that the DOPMA law mandates.

### **Key Reforms the Senate Should Make**

1. Kill the “up-or-out” rule, and the “up-or-out” culture, which is completely broken. Essentially no one is forced out after ten years on active duty, but the rule has nurtured perverse incentives. The key to fixing DOPMA is to replace that rule with one that works to enhance talent, retention, and lethality: **Excellence-or-out**. Allow services to institute recurring competition for military jobs so that poor performers cannot stay indefinitely.
2. End mandatory use of year groups after 10 years, and end forced retirement after non-promotion.
3. Restore balance to command authority. Decentralize promotions and assignments. Give local commanders a voice in hiring so they can do informal reference checks on three candidates for each open billet.
4. Allow innovation and flexibility by services. Allow services to waive DOPMA mandates for specific career specialties (e.g. intelligence, cyber). In other words, don’t require the Navy to look like the Army. And please, with all due admiration for my former colleague Secretary of Defense Jim Mattis, don’t make Airmen look like Marines!

### **DOPMA: Background**

Many of the legal constraints governing military personnel were instituted following the passage of the Defense Officer Personnel Management Act (DOPMA) in 1980. In concert, its reforms standardized careers across the

services and had the effect of institutionalizing a relatively short “full” career of twenty years.

### **The Roots of Personnel Inefficiency**

For most of its history, the United States military was haunted by seniority. Perhaps the most extreme example came after the Civil War when a large cohort of naval officers held onto senior and even middle ranks— refusing to retire— causing a severe shortage of promotion opportunities for younger officers. Top graduates of the Naval Academy’s class of 1868 remained lieutenants for twenty-one years.

The Army and Navy attacked this problem in different ways, first with a paid retirement for Army officers who reached thirty years of service, enacted by Congress in 1870, and later the Navy’s mandatory “plucking” (forced retirement) in the 1880s. In the Army, mandatory non-disability retirement could not be imposed on officers under the age of sixty- four. Despite these new retirement programs, there were no changes to seniority as the dominant factor in promotions until 1916, when the Navy adopted “promotion by selection” of impartial central boards. The use of selection as a policy was denounced as “scoundrelism” by many officers, reflecting a timeless concern about subjective bias and nepotism.

When Congress passed the Officer Personnel Act of 1947 (OPA), it formalized the battlefield flexibility of assigning and promoting officers based on the judgment of commanders rather than garrison seniority. That act formally gave the Army and newly created Air Force the power to promote by selection, although the selections were limited to cohorts of officers of the same age. The flip side of selection-based promotion was the mandatory retirement of officers non-selected for promotion.

This was the “up- or- out” system pioneered by the Navy and extended to the Marine Corps by an act of Congress of 1925. The principle was limited to senior officers who failed to make flag rank, but it has crept down the ranks over the decades. In the aftermath of World War II, General Dwight Eisenhower testified before Congress, saying that lockstep promotions until the grade of general officer were a serious problem.

Unfortunately, the up- or- out remedy of 1947 became a uniform straitjacket across all of the services in 1980. The enshrinement of a strict promotion timetable in the Defense Officer Personnel Management Act (DOPMA) of 1980 pushes all officers on active duty through the same career track and pressures nearly all to retire at their moment of peak productivity.

Other laws have further reformed military personnel practices. In response to changes in manpower patterns in the military, Congress passed another law seven years later: the Officer Grade Limitation Act of 1954 (OGLA). OGLA established grade tables for the armed forces, which limited the percentage of officers who could serve in the rank of major and above.

The Selective Service program, which administers conscription in the United States, was established in 1940, disbanded in 1947, then reestablished with the Selective Service Act of 1948. All men are required to register for the draft, or justify an exemption from it, at the age of eighteen. The draft was activated during World War II (1941–45), the Korean War (1950–53), and many years of the Vietnam War (1963–73). President Nixon approved the use of a draft lottery for the first time in December 1969. In 1971, Nixon essentially ended the draft by asking for a two- year extension of the expiring law’s authority, so that the last American was drafted in 1973. Many service chiefs resisted the adoption of an all- volunteer force, but it was implemented and became a success after 1973. Two years later, President Gerald Ford took executive action terminating draft registration as well, but his successor, President Jimmy Carter, brought back Selective Service in 1980. It remains in force today.

The Goldwater- Nichols Act of 1986 was the last major piece of legislation to reform military personnel practices. The act shook up the operational command chain, taking the service chiefs out of the direct operational command. Its primary effect on personnel was a requirement that officers could not be promoted to senior ranks without a minimum of one joint duty assignment (e.g., an Army major serving in a job that involves coordination with Navy, Air Force, and/or Marine units) of two to three years in length. The requirement is strict, but bureaucratic definitions of what assignments count often matter more than actual interservice experience.

## **Specific Recommendations**

In my book, *Total Volunteer Force*, I offered 20 recommendations to shift from a centralized personnel system to a modern talent management organization. The following are aimed directly at fixing DOPMA.

### **1. Restore Service Chief Authority over Promotion Timetables**

DOPMA's "up- or- out" principle is so rigid that every branch of the armed forces promotes officers on the exact same timeline for the first ten or more years of service, and roughly the same for the second decade. Promotion up to the rank of O-3 is largely automatic. Indeed, the promotion timelines are so rigid that the career trajectory of most officers looks identical to most outsiders. More specifically, the law allows service secretaries to extend but not reduce time in grade requirements for ranks O-3 and above. It does this in order to make sure that officers get at least two opportunities for promotion board consideration. This law should be revised to allow service flexibility so that the chief of staff of the Army, commandant of the Marine Corps, chief of Naval Operations, and chief of staff of the Air Force can establish promotion rules that are best for their men and women. Even if the Army prefers to maintain the rigid timeline, the Navy (for example) would be allowed to loosen its up- or- out timeline, while the Air Force would be able to end the use of year-group promotion zones entirely. In general, promotion zones hinder the optimization of job matching and specialization.

Furthermore, if mandatory timelines remain in place, then other reforms will be impeded. However, one mandate should not replace another: each service should be allowed the flexibility to continue using strict cohort promotion zones. If Congress does not amend DOPMA's mandatory up- or out timelines, it should at a minimum loosen the rigidity of the promotion zones by offering service chiefs flexibility on the issue. Each service should have expansive authority to use below-the-zone promotions for up to 40 percent of its officers in each cohort (double the current range).

## **Background of Promotion Timetables**

In most organizations, an individual who is hired to fill a job is simultaneously promoted to the rank affiliated with the job. Because the military long ago cleaved the two, the complexity of conducting promotions followed by assignments has few outside comparisons. Getting a promotion does not mean you are getting a new job, and vice versa. Rarely does an officer's change in rank coincide with a new role. Indeed, pinning on a higher rank usually occurs while in one's current job. The carefully orchestrated three-phase process is meant to maximize a theoretical fairness among all officers during every step while maximizing the needs of the military. Promotions occur first. Screening for job types (including command roles) comes second. Job-matching comes third. In retrospect, the actual "promotion" in rank really serves as a necessary qualifying step for future roles. It is hugely inefficient.

## **2. Restore Command Authority for Hiring**

Any commander at the rank of O-5 and above should be given final authority on who serves in his or her unit. Personnel centers/commands will provide a slate of no fewer than three candidates for the unit to interview and choose for key roles. Commanders should have limited authority to directly hire, whereas most hires will be through the centrally provided slate of candidates. Many key developmental roles should still be directly assigned centrally— meaning that a single candidate shall be recommended by personnel centers in many instances (e.g., honoring follow-on assignment commitments)— but the unit commander should retain the right to veto a limited number of such assignments.

## **3. Excellence-or-Out**

Services should be given more flexibility over rank tenure. For example, a service should be able to allow any service member the option to stay at any rank for the remainder of his or her career. This reform would go beyond ending rigid promotion timelines and would, in fact, allow an open-ended timeline and longer careers of forty years or longer instead of the current thirty- year cap. The only standards for continuation of service should be competence, performance, and the support of the command chain. To avoid the pre-1941 problem of excessive seniority, all service



members would have to continually re-apply and be rehired into any billet on a biannual basis.

#### **4. Expand Information Transparency for Job- Matching**

Centralized personnel processes in place constrain information to an extreme degree so that gaining commanders know very little about incoming personnel, and even promotion boards are permitted to see only a fraction of the information available. The current standard is for gaining commanders to be given access to job histories (officer record briefs in the Army), but not performance evaluations or other background. Each service should allow greater transparency and record preservation so that gaining commanders at all levels (division/brigade/battalion) see all possible information on individuals who are inbound or applying to their units. Commanders should be allowed to request additional information to include LinkedIn profiles, letters of recommendation, and communications with references. Likewise, command selection and promotion boards should have broader authority to see this information as well.

#### **5. Grant Cyber/Acquisition Workforce Exemptions**

The cyber domain has emerged as one of the top threat and battle spaces that conventional military forces were neither aware of nor prepared for a decade ago. Cyber skills are in sudden demand and, like acquisition skills, are ill- served by conventional military personnel rules. United States Cyber Command, currently headquartered at Fort Meade, Maryland, should be granted exemption from the DOPMA standardized “competitive category” career structure as a unique and critical workforce. The same exemption should be granted to active duty personnel in the acquisition workforce. Exemptions would free members from promotion timetables, tenure requirements, and compensation limits.

#### **6. Allow Veterans and Reservists to Apply for Active- Duty Roles**

Allow veterans and reservists to apply for open billets at any rank below general/admiral (O-7). The current lack of permeability eliminates from military jobs millions of fully qualified citizens who have already served honorably on active duty. If any veteran or reservist is physically and occupationally qualified, he or she should be part of the talent pool that the services can access. This would permit lateral reentry limited to honorably

discharged veterans, not lateral entry of civilians with no military experience. While reentry of a few individuals occurs under current laws, they are rare exceptions to the rule.

### **7. Allow Flexible Sabbaticals**

Another kind of permeability can be achieved by allowing active duty troops to take unpaid sabbaticals. A range of sabbatical options should be available to include (1) nascent programs that contract the individual to return to active status after a set period but also (2) open programs that offer individuals a right of reentry to active status within a set period of time that also amends their year- group. Current sabbatical programs tend to be inflexible, and should instead offer maximum control to individuals to have a choice over occupational and geographic preferences, rather than forcing them to pre- commit to return with uncertainty about those factors.

### **8. End Selective Service (Registration for Draft)**

Eighty- six percent of active duty troops are opposed to manning the force with conscription. Draft registration became irrelevant in 1973 when the All- Volunteer Force was enacted, but was maintained in case the AVF failed. President Gerald Ford terminated the program in 1975, but President Carter re-established it in response to Soviet aggression. The Cold War is over, yet the AVF proved doubters wrong by successfully manning a high- quality force during the past decade of war. It is long past time to recognize the draft is an outdated concept, particularly in light of comprehensive reliance on high- skill human capital in the modern professional military. First enacted in 1917, selective service should be terminated on its hundredth anniversary, saving taxpayers \$24.4 million a year and registrants millions of hours of wasted time and other resources. The prospect of a future national emergency that requires conscription should not be ruled out, however, so an emergency infrastructure should be maintained. The Department of Defense should retain a draft reinstatement plan for national emergencies, which would provide for a draft to be implemented if ever necessary.

### **9. Conduct Regular Personnel Policy Assessments**

The DOD should conduct a regular, transparent assessment of leadership culture and talent management in the armed forces. The goal is to assess organizational features, not personal or unit comparisons. Chapter 1

presents an initial methodology— the Leader/Talent matrix— that serves as a prototype for such an assessment. Systematic reviews of personnel practices should be conducted every four years, alternating between the Quadrennial Defense Reviews (QDRs). Service chiefs should institute a similar assessment of leadership and management practices in the form of exit surveys of service members upon discharge. The exit survey should include hard hitting questions that evaluate strengths and weaknesses quantitatively, rather than open- ended questions.

## **CONCLUSION**

The issues created by DOPMA have become increasingly harmful to the talent pool in the military. We have a volunteer force of 1.3 million heroic men and women, yet the law treats them like conscripts after day one. The service chiefs and battlefield commanders have less authority than business executives to shape their teams, but what's even more important is that they have less authority in the Navy of 2018 than Admirals had in the Navy of 1944. All four branches are clones of the same personnel hierarchy set in concrete during the early cold war. It's a new century with extraordinarily talented troops. They deserve better. Excellence-or-out will be better than the archaic and failed Up-or-out dogma. This Congress can create in the summer of 2018 a more respectful, ready, and accountable military talent management law to keep America secure. Thank you.