

DOCUMENT RESUME

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[Department of Defense's Efforts to Develop and Implement New Military Service Guidelines for Assembling and Reporting Statistical Data on Enlisted Retention]. B-160096. November 17, 1976. 4 pp.

Report to Rep. Les Aspin; by Clifford I. Gould (for H. L. Krieger, Director, Federal Personnel and Compensation Div.).

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Congressional Relevance: Rep. Les Aspin.

The Department of Defense (DOD) has developed new military service guidelines for assembling and reporting statistical data on enlisted retention. Findings/Conclusions: Revised instructions for retention rate reports provide for three reporting formats: Quarterly Reenlistment and Retention Rate Report; Quarterly Report on Separation Not Eligible to Reenlist by Reason Not Eligible; and Semi-Annual Report on Reenlistment and Retention Rates by DOD Occupational Group. Significant changes in the reporting requirements of the new instruction include: a personnel retention measure in addition to a reenlistment measure; more definitive categorizations of reasons for separations and ineligibilities; and the segmenting of data by terms of service. There are no specific control procedures within the statistical compilation process that would inhibit the manipulation or misrepresentation of statistics. No audit work has been conducted to verify the accuracy of data or review the statistical compilation procedure. Recommendations: With regard to the potential for manipulating statistics, reliance should be placed on those responsible for compilation, but such reliance should not be without a reasonable measure of verification. (Author/QM)

00644



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

FEDERAL PERSONNEL AND
COMPENSATION DIVISION

PC-4023
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The Honorable Les Aspin
House of Representatives

Dear Mr. Aspin:

In accordance with your December 4, 1975, request and as subsequently agreed with your staff, we obtained information on the Department of Defense's (DOD's) efforts to develop and implement new military service guidelines for assembling and reporting statistical data on enlisted retention. The process of reviewing and approving the new guidelines within DOD is lengthy so that an earlier response to you on this matter was not possible. We also obtained information on the controlability of the statistical compilation process.

We obtained our information from Accession and Retention Program, Military Personnel Policies, Office of the Assistant Secretary of Defense (Manpower and Reserve Affairs). This office is responsible for developing instructions for retention rate reports submitted by the services and for reviewing these reports. Similarly we made inquiry to and obtained information from the Office of the Deputy Assistant Secretary of Defense (Audit).

The military services currently follow DOD Instruction 1304.3, "Reenlistment Rate Reports" (dated July 29, 1964). This instruction requires the submission of monthly, semi-annual, and annual reports on enlisted personnel reenlistments and separations. These reports are used for (1) personnel planning and program review, (2) analysis of the career attractiveness of military service, and (3) releases to the press, congressional committees, and other interested agencies.

The instruction established five reporting formats.

- Monthly Reenlistment Rate Report
- Semi-Annual Report on Reenlistment Rates by DOD Occupational Group
- Semi-Annual Report on Unadjusted Reenlistment Rates by Pay Grade
- Annual Report on Separates Not Eligible to Reenlistment by Reason Not Eligible

FPCD-77-6

--Annual Report on Total Separations by Type of Separation

As early as 1972 some consideration had been given to modifying reenlistment statistics reporting requirements and format. According to DOD officials there has been a need for (1) improving the specificity of the statistical information compiled and (2) establishing a uniform measure of the services' ability to retain trained, experienced enlisted personnel.

For about the last 18 months DOD has been developing a revised instruction in an attempt to provide more comprehensive and uniform statistical data on reenlistments. This new instruction, entitled "Reenlistment and Retention Rate Reports," has been developed through an extensive coordination and review process with the services and has received their concurrence. We are advised that the new instruction will be implemented during November with the third quarter of FY 77 identified as the first reporting period.

The new instruction provides for three reporting formats.

--Quarterly Reenlistment and Retention Rate Report

--Quarterly Report on Separation Not Eligible to Reenlist by Reason Not Eligible, and

--Semi-Annual Report on Reenlistment and Retention Rates by DOD Occupational Group

Significant changes in the reporting requirements of the new instruction include (1) a personnel retention measure in addition to a reenlistment measure, (2) more definitive categorizations of reasons for separations and ineligibility, and (3) the segmenting of data by terms of service. The new quarterly reenlistment and retention rate report format provides for the presentation of two retention measures. The first measure, i.e. the "unadjusted retention rate" is a ratio of reenlistments and extensions to net separations and extensions expressed as a percentage. The second measure, the "adjusted retention rate" excludes the effects of early separations eligible or ineligible to reenlist; early reenlistments; and the effects of mass involuntary retention.

The quarterly report on separations not eligible to reenlist provides for the presentation of data by (1) reason ineligible, (2) personnel category, (3) race and (4) sex. This data is also assembled by time period of separation, i.e. during training, after 180 days but prior to expiration of term of service (ETS) and separation at ETS. In addition, the quarterly reporting formats for separations, and reenlistment and retention rates also provide data by terms of

service. According to DOD officials the new instructions will provide more meaningful statistical data to aid in the review of the services recruiting and other personnel management activities.

Regarding your concern about manipulation or misrepresentation of data, an Accession and Retention Program official stated that there are no specific control procedures within the statistical compilation process that would inhibit the manipulation or misrepresentation of statistics. This official expressed the opinion that reliance must be placed on those involved in the data assembly process. After the several statistical reports are received from the services, they are analyzed to determine if there are any significant changes in the data which would warrant an inquiry. These reports have shown trends and fluctuations but according to this official none were significant enough to warrant a formal inquiry concerning the services' data.

The Director for Interservice Audits, Office of the Deputy Assistant Secretary of Defense (Audit), told us that DOD has not performed any audit work to verify the accuracy of data or to review the statistical compilation procedure and that the individual services have not conducted such audit work. He also said he could see no reason for manipulating data and no significant financial implications if data were being manipulated. In addition, according to the same official, any effort to audit the process would involve, at a minimum, an examination of personnel files of those personnel whose term of service would expire during a given period. According to him such an exercise would be both exhaustive and expensive. If the activity would be considered for audit, it would probably be addressed as one small element of a comprehensive review of the total manpower statistical assembly and reporting network. An audit of this magnitude is not scheduled or contemplated in the near future.

We agree that the new instruction and reporting formats are an improvement, and that they will provide more meaningful and comprehensive statistical information when they are implemented. With regard to the potential for manipulating statistics, we also agree that reliance must be placed on those responsible for compilation, however, we believe that such reliance should not be without a reasonable measure of verification.

The effort to develop a new instruction was not predicated on the sensitivity of statistics to manipulation. However, the more definitive reporting under the instruction should at a minimum more clearly identify the reasons for reenlistment declinations, and/or service explanations of separations ineligible to reenlist. At the same time, it is important to note that the reenlistment rate is a result of a prior management decision concerning the size and grade structure of the enlisted force.

We have informally discussed the contents of this letter with concerned DOD officials and they agree with the information provided. We trust this is responsive to your request.

Sincerely yours,

Clifford A. Gould
for *H. M. Krieger*
Director