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Using Civilian Personnel for Military Administrative and Support Positions: Can More Be Done? FPCD-78-69; B-146390. September 26, 1976. 26 pp.

Report to Secretary, Department of Defense; by H. L. Krieger, Director, Federal Personnel and Compensation Div.

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The Department of Defense's (DOD's) longstanding policy has been to use civilians in positions which do not require military personnel, and the services have established policies, regulations, and guidelines compatible with this policy. DOD undertook major civilianization programs in fiscal years 1964-68 and 1973-75; since fiscal year 1964, over 100,000 jobs have been converted from military to civilian. Findings/Conclusions: Even though DOD and the services have had conversion programs, their views have been more negative than positive, reflecting a traditional reluctance to reduce the number of military personnel and the need for programs to adjust the mix of military and civilian personnel. A 1977 DOD study suggested that the potential existed for converting about 50,000 more military positions to civilian positions. The Navy indicated that it was considering the conversion of 12,000 positions, but the Army, Air Force, and Marine Corps viewed a major civilianization program as detrimental to their readiness capability. Although the services are concerned about maintaining the ability to accomplish their missions effectively, DOD policy on the use of military and civilian personnel has not been revised.

Recommendations: The Secretary of Defense should direct the military services to initiate, without further delay, a program to replace military personnel with civilians in accordance with DOD policy. If the congressional-authorized ceiling on civilian personnel for the DOD constrains the Department from fully implementing a civilianization program, the Secretary of Defense should request the Congress to adjust the appropriate authorizations and appropriations to accommodate increases in civilian personnel and decreases in military personnel. (RRS)

REPORT BY THE U.S.

7825

General Accounting Office

Using Civilian Personnel For Military Administrative And Support Positions--Can More Be Done?

For many years Department of Defense policy has been to use civilian personnel in positions which do not require military incumbents.

Defense and the services have converted many jobs from military to civilian. However, opinions differ as to the extent to which civilians should be used and what types of positions they should fill.

The services should initiate without further delay a program to replace military personnel with civilians in accordance with Defense policy.

If the year-end civilian personnel ceiling set by the Congress is in fact a major constraint, Defense should request the Congress to adjust authorizations and appropriations to accommodate increases in civilian personnel and decreases in military personnel.



FPCD-78-69

SEPTEMBER 26, 1978



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

FEDERAL PERSONNEL AND
COMPENSATION DIVISION

B-146890

The Honorable
The Secretary of Defense

Dear Mr. Secretary:

This report summarizes our study of recent actions and proposals to convert military administrative and support positions to civilian positions. We have informally discussed our findings with headquarters officials at the Department of Defense and the Army, Navy, Air Force, and Marine Corps.

This report contains a recommendation to you on page 26. As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on action taken on our recommendations 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 and to the House and Senate Committees on Appropriations with the 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, House and Senate Committees on Appropriations and Armed Services; the Chairmen, House Committee on Government Operations and Senate Committee on Governmental Affairs; and the Secretaries of the Army, the Navy, and the Air Force.

We wish to acknowledge the courtesy and cooperation extended by your staff to our representatives during the study.

Sincerely yours,

A handwritten signature in black ink, appearing to read "H. L. Krieger".

H. L. Krieger
Director

D I G E S T

For many years Department of Defense (DOD) policy has been to use civilian personnel in positions which do not require military incumbents. The services have established similar policies, regulations, and guidelines.

Presidential and congressional concern about the mix of military and civilian personnel in support activities prompted DOD to initiate special programs to convert military support positions to civilian positions--since fiscal year 1964 over 100,000 jobs had been converted from military to civilian. (See p. 3.)

DOD follows three principles in determining the mix of the defense labor work force:

- The active military manpower in peacetime should be kept at the minimum level necessary to satisfy national security objectives.
- The private sector should be relied on to provide goods and services to the maximum extent possible.
- The Government should conduct its operation in the most effective manner possible. (See p. 5.)

Opinions differ widely as to the extent to which civilians should be used rather than military personnel, and in what types of positions. Even though DOD and the services have had conversion programs, their views have been more negative than positive. This reflects a traditional reluctance to reduce the number of military personnel and the need for programs to adjust the mix of military and civilian personnel. (See p. 11.)

A 1977 DOD study suggested that potential existed for converting about 50,000 military positions to civilian positions. The Army, Air Force, and Marine Corps viewed a major civilianization program to be detrimental to their readiness capability. The Navy indicated that it was considering the conversion of 12,000 military positions. (See p. 10.)

In reviewing the DOD appropriations bill for fiscal year 1978, the Senate Committee on Appropriations suggested that the services could convert at least 50,000 military positions. (See p. 1.)

The services are concerned about maintaining the ability to accomplish their missions effectively and about the appropriate mix of military and civilian personnel for this purpose. Nevertheless, DOD policy on the use of military personnel and civilians has not been revised. GAO knows of no official DOD decision that the maximum practicable or desirable civilianization has been achieved. (See p. 26.)

RECOMMENDATION

In view of congressional concern over this matter, the Secretary of Defense should direct the military services to initiate without further delay a program to replace military personnel with civilians that is in accordance with DOD policy.

The Congress has set a fiscal year-end civilian personnel ceiling for the Defense Department. If this authorized ceiling does in fact constrain Defense from fully implementing a civilianization program, the Secretary of Defense, through the Office of Management and Budget, should request the Congress to adjust the appropriate authorizations and appropriations to accommodate increases in civilian personnel and decreases in military personnel.

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ABBREVIATIONS

DOD	Department of Defense
GAO	General Accounting Office

CHAPTER 1

INTRODUCTION

In April 1964 the President directed the Department of Defense (DOD) to make a comprehensive study of the military manpower system. On August 1, 1965, he requested that the Secretary of Defense:

"* * * review the functions now being performed by military personnel with a view to eliminating unnecessary functions or, where functions are necessary but do not have to be performed by military personnel, accomplishing them in other ways."

In response to the President's request, DOD initiated a program to convert military positions to civilian positions and substitute civilians for military personnel. This is referred to as civilianization.

DOD and the military services have converted military positions to civilian positions; however, opinions differ widely as to the extent to which civilians should be used rather than military personnel and in what types of positions.

In its July 1, 1977, report on the DOD appropriations bill for fiscal year 1978, the Senate Committee on Appropriations said that it:

"* * * believes that at least 50,000, and possibly more, military positions could be filled with civilians without affecting military readiness in any way."

The Committee urged DOD to consider civilianizing additional military positions and directed that it:

"* * * submit a special and detailed justification of military vs civilian staffing required for each of the categories within the auxiliary, mission support and central support categories in the manpower planning and programming categories."

Although the Committee requested that the report be submitted with the DOD fiscal year 1979 budget proposal, data for the report was not assembled in time. When DOD sent its report to the Committee on July 27, 1978, the

Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics) said that a large civilian substitution should not be made at this time because of a potential shortage of trained military people.

SCOPE OF REVIEW

In view of congressional interest, we studied recent actions and proposals to convert military administrative and support positions to civilian positions. We met with and obtained information from headquarters officials at DOD and the services. We did not visit any field installations.

CHAPTER 2

DOD CIVILIANIZATION POLICIES AND PROGRAMS

Although the Senate Committee on Appropriations and DOD suggested that the services convert a substantial number of additional military positions to civilian positions, only the Navy proposed to take this action. The Army, Air Force, and Marine Corps considered a new civilianization program to be detrimental to their readiness capability.

In his March 15, 1978, testimony on the defense civilian work force before the Senate Armed Services Committee, the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics) said that DOD had converted over 100,000 jobs from military to civilian since fiscal year 1964. Other testimony by DOD and service officials since the January 1978 submission of the 1979 budget proposal has reflected concern about the proper mix of military and civilian manpower. However, DOD and the services plan little action to replace military personnel with civilians.

CIVILIANIZATION POLICY

DOD's longstanding policy has been to use civilians in positions which do not require military personnel. DOD Directive 1100.4, "Guidance for Manpower Programs," dated August 20, 1954, states:

"Civilian personnel will be used in positions which do not require military incumbents for reasons of law, training, security, discipline, rotation, or combat readiness, which do not require a military background for successful performance of the duties involved, and which do not entail unusual hours not normally associated or compatible with civilian employment."

This policy was reaffirmed in DOD Directive 1400.5, "Statement of Personnel Policy for Civilian Personnel in the Department of Defense," dated January 16, 1970:

"The Department of Defense is responsible for the security of our country. Civilian employees share fully in that responsibility. Use of civilian employees affords abilities not otherwise available, assures continuity of administration and operation, and provides a nucleus of trained personnel necessary for expansion in any emergency. Civilian

employees shall, therefore, be utilized in all positions which do not require military incumbents for reasons of law, training, security, discipline, rotation, or combat readiness, or which do not require a military background for successful performance of the duties involved."

DOD Directive 1100.9 "Military Civilian Staffing of Management Positions in the Support Activities," dated September 8, 1971, updated this policy as it applies to management positions:

"Effective management of commercial and industrial-type support activities within the Department of Defense requires staffing policies which:

1. adequately recognize the knowledge, experience and skills possessed by both military and civilian personnel;
2. relate this knowledge, experience and skill to job requirements; and
3. promote the most effective military-civilian team effort.

"Within this framework, it is the purpose of the Directive to establish Department of Defense policy with regard to military-civilian staffing of management positions in the support activities and provide attractive career opportunities for both military and civilian personnel."

* * * * *

"Criteria for designating management positions as military or civilian in the support activities:

1. Military personnel normally will be assigned to management positions when required by law, when the position requires skills and knowledge acquired primarily through military training and experience, and when experience in the position is essential to enable the officer personnel to assume responsibilities necessary to maintain combat-related support and proper career development.

2. Civilian personnel normally will be assigned to management positions when the specialist skills required are usually found in the civilian economy and continuity of management and experience is essential and can be better provided by civilians. Proper civilian career development will be essential in these determinations.
3. Military and civilian personnel assigned to management positions must be qualified by training and experience for such positions and be expected to perform fully the duties of the positions to which assigned.
4. Maximum utilization of personnel will be effected and no more than one person will be assigned to perform duties which can be effectively performed by one individual.
5. The line of authority and supervision in support activities need not necessarily be military. Any level of supervisory authority may be exercised in support activities by either civilian or military personnel. The exercise of supervisory authority by civilian personnel over military personnel does not preclude superior officers of such military personnel from exercising military discipline or other military-type obligations pertaining to uniformed personnel."

The Services have established policies, regulations, and guidelines compatible with DOD policy.

According to a 1976 report, "The Mix of the Defense Labor Force," prepared for the House Committee on Armed Services by the Office of the Assistant Secretary of Defense (Manpower and Reserve Affairs), DOD follows three principles in determining the mix of the defense labor work force:

- The active military manpower in peacetime should be kept at the minimum level necessary to satisfy national security objectives.
- The private sector should be relied on to provide goods and services to the maximum extent possible.

--The Government should conduct its operation in the most cost-effective manner possible.

DOD believes that its policy conforms with the intent of the Congress as stated in Public Law 93-365, section 502:

"It is the sense of Congress that the Department of Defense shall use the least costly form of manpower that is consistent with military requirements and other needs of the Department of Defense. Therefore, in developing the annual manpower authorization requests to Congress and in carrying out manpower policies, the Secretary of Defense shall, in particular, consider the advantages of converting from one form of manpower to another (military, civilian, or private contract) for the performance of a specified job."

CIVILIANIZATION PROGRAMS

Presidential and congressional concern about the mix of military and civilian personnel in support activities prompted DOD to undertake special civilianization programs. Two major programs have been initiated in the past 15 years. Since completion of the second program in 1975, the services have converted relatively few military positions. The services feel that they have achieved a manpower mix that needs no major adjustment.

1964-68 program

In response to the President's April 1964 and August 1965 memorandums, the Secretary of Defense approved a two-phase program for each of the services to substitute civilians for military personnel. As a goal DOD assigned to each service a specific number of conversions and support position deletions to be made under the program. Phase I goals were to be accomplished during calendar year 1966 and phase II goals were to be accomplished in fiscal year 1968. The goals assigned to each military service follow.

<u>Military service</u>	<u>Total</u>	<u>Goals</u>	
		<u>Position deletions</u>	<u>Conversions</u>
Phase I:			
Army	36,500	8,000	28,500
Navy	15,000	2,500	12,500
Marine Corps	2,800	300	2,500
Air Force	<u>20,000</u>	<u>3,000</u>	<u>17,000</u>
Total Phase I	<u>74,300</u>	<u>13,800</u>	<u>60,500</u>
Phase II:			
Army	15,000	1,705	13,295
Navy	15,381	2,542	12,839
Marine Corps	620	98	522
Air Force	<u>15,190</u>	<u>1,172</u>	<u>14,018</u>
Total Phase II	<u>46,191</u>	<u>5,517</u>	<u>40,674</u>
Total	<u>120,491</u>	<u>19,317</u>	<u>101,174</u>

The difference between the number of military personnel and civilian employees represents the estimated reductions of military manpower made possible by eliminating requirements for training and support personnel associated with military personnel.

Subsequently, DOD revised the phase II goals:

<u>Military service</u>	<u>Total</u>	<u>Goals</u>	
		<u>Position deletions</u>	<u>Conversions</u>
Phase II:			
Army	8,004	910	7,094
Navy	15,381	2,542	12,839
Marine Corps	620	98	522
Air Force	<u>15,910</u>	<u>1,892</u>	<u>14,018</u>
Revised total Phase II	<u>39,915</u>	<u>5,442</u>	<u>34,473</u>
Revised Total	<u>114,215</u>	<u>19,242</u>	<u>94,973</u>

DOD summarized its experience for both phases of the program as follows:

	<u>Military reduction</u>	<u>Civilian substitution</u>
Army	44,504	35,600
Navy	30,381	25,339
Marine Corps	3,420	3,022
Air Force	<u>35,910</u>	<u>31,018</u>
Total	<u>114,215</u>	<u>94,979</u>

The services were authorized to increase their civilian personnel ceilings by the number of conversions completed. However, the Congress enacted Public Law 90-364, which established restrictions on civilian employment; because of these restrictions about 5,000 civilians could not be substituted for military personnel.

In evaluating the 1964-68 program, DOD reported that:

"The most notable short-term benefits were reduced draft calls during the Vietnam build-up, although the net effects of the substitution efforts were somewhat obscured by overall military strength addition."

1973-75 program

The 1973-75 civilianization program was initiated largely as a result of congressional views expressed during DOD's authorization and appropriations hearings for fiscal year 1973. The Senate Armed Services Committee report on the Department of Defense authorization bill said:

"As the cost of military manpower has increased and the difficulties of achieving an all-volunteer force become apparent, civilianization programs need to be reassessed. The greatest potential for civilian substitution appears to exist in the Air Force since a large number of base operations positions are located in the United States. The Gates Commission had indicated that of about 100,000 billets that were found to be appropriate for civilian substitution, about three-fourths were Air Force positions. The Committee therefore desires that

the Department of Defense conduct a thorough analysis of civilian substitution potential and include the results in next year's Military Requirements Report."

The House Appropriations Committee report on the Department of Defense appropriations bill for fiscal year 1973 also addressed civilianization:

"The Committee wants and expects to see military personnel out from behind desks and back in aircraft, ships and troop units. The Committee hopes to encourage the Department of Defense, at all levels, to move in this direction by setting aside \$25,000,000 of the transfer authority exclusively for this purpose. It should be noted that the amounts set aside does not constitute a limitation and such additional amounts of the transfer authority may be needed may be used for this purpose. [sic]

"While the Committee expects the Office of the Secretary of Defense to take the lead in directing the implementation of this program, all other elements of the Department of Defense should be encouraged to actively pursue the objective.

"Additionally, the Committee serves notice on all concerned that ceilings on civilian personnel, however imposed, are to be adjusted as and when necessary to permit this program to go forward."

On December 11, 1972, the Secretary of Defense announced a minimum objective of 31,000 military conversions by the end of fiscal year 1974. Most of the conversions were to occur in enlisted positions in the continental United States.

According to DOD officials, the program had a slow start but most of the objectives were met by June 1974. However, other DOD programs--to reduce the number of headquarters positions, to close or consolidate bases, and to reduce support requirements--were also in process during this period. DOD said that the combination of these activities made it difficult to assess the benefits of conversion actions.

During fiscal year 1974 DOD decided, in view of the program's progress, to replace an additional 10,000 military positions with about 8,700 civilian positions in fiscal year 1975.

By the end of 1975 DOD noted that it had replaced 47,898 military positions and established 40,022 civilian positions. Accomplishments for fiscal years 1973-75 are summarized below.

	<u>Total</u>	<u>Army</u>	<u>Navy</u>	<u>Marine Corps</u>	<u>Air Force</u>	<u>Defense agencies</u>
Military positions converted	47,898	16,890	11,973	1,361	17,674	-
Civilian positions added	40,022	14,080	10,000	1,194	14,078	670

Commenting on the two civilianization programs, DOD officials said:

"The multiplicity of simultaneous and overlapping reduction programs within DOD during the past decade makes it difficult to isolate the specific consequences of each individual program. However, it may be concluded that the civilianization programs were of some value in easing the transition to the all-volunteer force by decreasing military strength requirements.

"Civilianization has also helped to reduce total manpower costs."

1977 DOD Study: civilian substitution potential

In January 1977 the Secretary of Defense directed that a priority analysis of military manpower be undertaken to determine where manpower requirements could be reduced and how manpower economies could be realized. The services were requested to (1) associate active military authorized positions with utilization criteria, (2) assess the impact of a 1-, 3-, and 5-percent civilianization action, (3) relate a 1-, 3-, and 5-percent civilianization action with utilization criteria, and (4) describe policies, assumptions, and procedures in computing rotation base requirements. By March 1977 all services had provided information to DOD.

The Army, Air Force, and Marine Corps expressed strong reservations about any further civilianization, primarily because of the impact this would have on readiness. The Acting Assistant Secretary of the Army (Manpower and Reserve Affairs) said the Army has "passed the point of being

able to realize any appreciable payoff from another wholesale civilianization program." Air Force and Marine Corps officials expressed similar views. On the other hand, Navy officials said they were considering converting about 12,000 military positions over a 3-year period beginning fiscal year 1979.

After assessing the data and views provided by the services, DOD suggested that there was potential for additional civilianization of 86,000 positions in the Army, Navy, and Air Force. DOD recognized, however, that a detailed review of rotation base requirements and other considerations could reduce this number to about 50,000.

In its May 3, 1977, report "Civilian Substitution Potential," the Office of the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), felt that a civilianization program in fiscal year 1978 would not be timely because of Presidential initiative to reduce DOD's civilian employment. The report recommended that (1) action on Army and Air Force civilianization be deferred until DOD has reviewed their proposed programs for fiscal year 1979-83, (2) the Navy be directed to complete its conversion of 12,000 positions by the end of fiscal year 1980, and (3) the Marine Corps' proposal to not convert any positions be accepted.

DOD VIEWS ON SUBSTITUTING CIVILIANS FOR MILITARY PERSONNEL

Although DOD and the services have conducted civilianization programs, they have tended to express more negative than positive views on the conversion of military positions. This reflects a traditional reluctance to reduce the number of military personnel and initiate special civilianization programs to adjust the military/civilian manpower mix.

Several factors significantly influence the nature and extent of civilianization. These factors, categorized by DOD as incentives or disincentives, are considered during the manpower mix determination process.

Incentives

DOD regards the principal incentive for substituting civilians for military personnel as the savings resulting from reductions in support costs. DOD and others who have

studied manpower costs: elements generally agree that a civilian is less costly than his military counterpart. DOD's 1976 report entitled "The Mix Of The Defense Labor Force" states that:

"* * * least cost is an implied criterion in the guidance concerning military-civilian determinations because civilians currently are generally less costly than military manpower. This results primarily from the fact that military personnel generate more secondary support requirements than civilians. * * * Thus, a military person generates a requirement for some fractional part of another person to maintain base housing, operate hospitals, schools and perform other necessary personnel support functions."

In a more recent study, "Civilian Substitution Potential," dated May 1977, DOD said that:

"* * * savings from conversion of military jobs are primarily indirect savings such as recruiting expenses and initial training-related costs. Additionally, there may be some modest savings in medical expenses and other personnel support. These dollar savings include military strength reductions in training and recruiting activities in addition to the jobs converted."

Savings also may be realized by contracting for services, where appropriate, instead of using either military personnel or civilian employees. Relying on the private sector for the provision of goods and services to the maximum extent consistent with effective and efficient accomplishment of agency program objectives is Federal policy. DOD's position is that the private sector will be used to provide the goods and services it needs unless there is a compelling reason not to. Guidance on this matter is provided in DOD Directive 4100.15, "Commercial and Industrial Activity," dated July 8, 1971:

"DOD commercial and industrial activities may be continued or initiated as new starts only when one or more of the following compelling reasons exists:

- a. Procurement of a product or service from a commercial source would disrupt or materially delay an agency's program.

- b. It is necessary to the Government to conduct a commercial or industrial-type activity for purposes of combat support or for individual and unit retraining of military personnel or to maintain or strengthen mobilization readiness.
- c. A satisfactory outside source is not available and can not be developed in time to provide a product or service when it is needed.
- d. Procurement of the product or service from an outside source will result in a higher total cost to the government.
- e. Procurement of the product or service from a commercial source will result in higher total cost to the government."

Disincentives

The factors which DOD regards as disincentives include (1) loss of civilianized positions because of simultaneous or subsequent personnel reduction programs, (2) loss of mobilization flexibility, and (3) less management control of civilian employees and contractor personnel.

The argument most frequently advanced by the military services in opposing further civilianization is the possible loss of civilianized positions. This concern is supported by experience; the Congress or the executive branch have periodically reduced civilian personnel ceilings. According to service officials converting a military position is commensurate with losing it; first, the military position is converted, then it is eliminated because of a civilian reduction program or a personnel ceiling adjustment.

A second major disincentive is the impact of civilianization on mobilization. Service officials consider active duty military in nondeployable positions a "personnel hedge" in the event of mobilization. According to DOD officials, this factor is especially important today because of the inability of the Individual Ready Reserve to supply replacements for casualties until additional forces can be trained. These officials believe that potential mobilization needs cannot be met by a gradual build up of military forces over a long warning period.

A third major disincentive is that civilians are less responsive than their military counterparts. Service officials consider their personnel management flexibility threatened by the restrictions and protections afforded civilian employees. A recent Brookings Institution Study "Shaping the Defense Civilian Work Force," cited some such restrictions, including the authority to transfer and re-assign personnel, restraints of provisions of the civil service retirement system, restrictions on the management of the work week, and lack of mobility of the civilian work force. According to the Study, the validity of some of these concerns is debatable.

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Actions summarized in this chapter show that DOD and service officials disagree over how extensively DOD's civilianization policy can or should be implemented.

CHAPTER 3

OTHER VIEWS ON CIVILIANIZATION

In recent years we have issued several reports suggesting that DOD could use civilians more extensively in positions not requiring military personnel. Others interested in the defense work force have also reported on their perception of civilianization. Discussions of civilianization in some of these reports are summarized below.

GAO REPORTS

"Accomplishments Under the 1964-68
Civilianization Program" (B-146890,
Jan. 26 and Nov. 1, 1968)

We examined aspects of DOD's 1964-68 civilianization program at the request of the Chairman, Subcommittee on Manpower and Civil Service, House Committee on Post Office and Civil Service. On January 26, 1968, we reported a number of limitations in phase I of the program:

- The program did not achieve its full potential because of inadequate guidance and weaknesses in internal management controls.
- The program did not result in the immediate release of as many military personnel from military positions as planned because the services converted many positions already vacant.
- Military personnel who became available as a result of position conversion were not always assigned to duties which required military personnel.
- The services, in many cases, established civilian positions in areas not related to the military positions that had been converted.

On November 1, 1968, we reported to the Chairman on DOD's accomplishments under both phases of the program. We also reported that as a result of the Revenue and Expenditure Control Act of 1968, DOD was not permitted to adjust the level of civilian employees by the number of positions converted.

"Extensive Use of Military Personnel in
Civilian-Type Positions" (B-146890,
Mar. 20, 1972)

If DOD's policy to use civilians to fill all positions not requiring military personnel were followed strictly, the services could make greater use of military personnel in military positions and could hold military manpower requirements at the minimum needed to safeguard the Nation's security.

This policy had not been followed consistently. In our opinion, this was caused by the failure of the military departments to determine the types and number of positions which should be filled by military personnel and the types and number which should be filled by civilians. Since these determinations had not been made, installation commanders were required to make subjective decisions concerning assignments.

Installation commanders were reluctant to recommend the use of civilians in certain positions occupied by military personnel because of limitations imposed by budgetary restrictions and by civilian employment ceilings. We recommended that the Secretary of Defense direct each military department headquarters to review all types of personnel positions, except those designated as being in deployable military units having a combat or combat-support mission and, for each type, determine whether:

- The position must be filled by military personnel.
- The position could be filled by either military personnel or civilians and the circumstances in which the position would be used for military personnel, such as for rotation or for career development.
- The position need not be filled by a military incumbent and should be filled by a civilian.

DOD did not agree that lack of staffing guidance at the installation level was the major restriction to full application of its policy. DOD said that the principal constraints had been restrictions on civilian employment and budgetary limitations. However, DOD said that it would consider our recommendation that specific guidelines be provided to all installations for use in determining whether individual positions should be filled by military personnel or civilians.

"Opportunity to Reduce Costs and Improve Efficiency by Employing Civilians Instead of Marines" (B-146890, June 19, 1974)

We reported to the Secretary of Defense on the work force at the Marine Corps Finance Center and Automated Services Center, Kansas City, Missouri. We reported that these facilities were not staffed in accordance with DOD policy on the use of civilian personnel:

- Marines were not required, by law, for rotation, training, security, discipline, or combat readiness.
- The Center's functions were mainly administrative in nature and could be performed by civilians.
- Use of civilians could result in potential savings of about \$1.6 million a year.

The Marine Corps has taken no action to civilianize any of these positions.

"Financial Operations of the Five Service Academies" (FPCD-75-117, Feb. 6, 1975)

More than 500 support positions currently occupied by military personnel could save about \$1.6 million a year if filled by civilians. The Merchant Marine Academy had all civilians except a few naval officers to conduct the Navy officer training program.

The services said that determining the potential of changing military to civilian positions could be made only after a complete review of positions at the academies.

"Maintaining a Military Presence in an Industrial Environment--Issues and Costs (FPCD-76-7, Apr. 12, 1976)

DOD operates about 90 commercial and industrial military support activities, excluding shipyards. Although the work forces are predominantly civilian, over 10,000 military personnel are assigned to them.

At the end of 1974, the Naval Weapons Support Center, Crane, Indiana, had a work force of about 4,500 civilians and a military complement of 68--19 officers and 49 enlisted men. Only 23 of the 68 military personnel were

doing center-related work; the remaining 45, plus 10 civilians, were providing support services for the military complement, including food and housekeeping, recreation, commissary and exchange stores, and health care. Maintaining a military presence at the center cost about \$1.2 million annually.

DOD policy for staffing support activities had not been fully implemented at the center. The Secretary of Defense agreed to review all commercial and industrial activities to determine if reductions in military staffing could be made or if the total cost of the military presence could be minimized by reducing the support overhead. In December 1977 the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics) stated that according to the DOD review, a reduction of military staffing at commercial and industrial installations was not appropriate at that time.

"Reserve Officer Training Corps: Management Deficiencies Still to be Corrected"
(FPCD-77-15, Mar. 15, 1977)

The services assign a large number of enlisted personnel to Reserve Officer Training Corps units and headquarters to perform operational and support functions; most functions are for support. Army and Navy units also employ civilians in support positions.

Training Corps officials agreed that these functions could be performed by civilians, but some enlisted personnel were needed to supervise audit work, counsel, and interact with students.

"Changes in Navy Ship Overhaul Practices Could Improve Fleet Capability and Crew Effectiveness" (FPCD-77-76, Apr. 8, 1977)

The Navy's longstanding practice of retaining crew members on board ships during lengthy overhaul periods results in inefficient use of highly trained and skilled personnel, many of whom are critically needed on operational ships. While the ship is in overhaul, the sailors do industrial work and normal administrative and support functions that are usually carried on to maintain Navy life aboard the ship as if it were at sea.

Use of these highly trained personnel for such tasks is a waste of training and experience that is needed elsewhere in the Navy. An advantageous alternative would be

to use civilians for the needed industrial work. This practice would, among other things, more fully comply with DOD policy which encourages the use of civilians.

The Navy did not agree with our conclusions.

"Development and Use of Military Services Staffing Standards: More Direction, Emphasis, and Consistency Needed"
(FPCD-77-72, Oct. 18, 1977)

About 1.67 million, or 53 percent, of DOD's military and civilian personnel are used in functions supporting combat forces. The military services use a variety of management tools, including staffing standards, in determining support personnel requirements. Significant differences exist both within and among the services in

- development of comprehensive policies and procedures for determining and applying staffing standards;
- direction, control, and monitoring of standards programs;
- assignment and training of personnel for standards development;
- personnel covered by staffing standards; and
- use of staffing standards in determining and managing staffing requirements.

Improved program effectiveness and retention of staffing standards personnel could be achieved by converting most positions now occupied by military enlisted personnel to civilian positions. Less training would be required and stability of assignments would permit staffing standards personnel to develop a greater knowledge of the functions and organizations they examine.

"The Naval Audit Service Should be Strengthened" (FGMSD-78-5, Nov. 11, 1977)

Despite DOD policy, the Navy has followed the practice of appointing high-ranking military officers to the positions of Director, Deputy Director, and District Office Director(s) of the Naval Audit Service. Because military officers are subject to periodic rotation, there have been many incumbents. Since 1970 the Audit Service has had four different military directors.

At the end of fiscal year 1976, the Naval Audit Service employed 35 military personnel, many in high-level policy and management positions. Based on discussions with Audit Service officials, apparently no audit specifically requires military staffing.

However, the Auditor General and several of the military staff believed that, as a result of the diversity of the work performed, the audit experience generally makes officers more effective in accomplishing their responsibilities at subsequent duty stations than officers who have not been assigned to the Audit Service. Also, audit officials believe that, as a result of their training and background, military personnel are more oriented toward combat-related functions and are thus better able to audit these areas than civilians of comparable grade.

Although appointing a small number of military staff as management interns or in training positions may be advantageous, military personnel are not needed to audit combat-related functions. Other defense audit agencies have, for a long time, successfully reviewed combat-related functions without military staffing.

Similar reports were issued on Army and Air Force audit services.

"The Five Service Academies: A Followup Report" (FPCD-77-78, Nov. 25, 1977)

Our previous study showed that the services could save about \$3,000 annually for each civilian that was substituted for a military person at the academies; other DOD studies confirmed this.

The services continue to assign large numbers of enlisted personnel to support positions at their academies. Academy officials said they have no requirement to review and convert military positions which could be filled by civilians. In response to our recommendation, however, the academies had converted 147 military positions to civilian, and more substitutions were planned.

Academy officials were concerned that using more civilians would eventually have an adverse affect on academy operations because of possible congressional cuts in civilian personnel strengths. They felt that the Congress was less likely to reduce military strengths; therefore, they were

reluctant to recommend converting military positions. These officials also believed that if they gave up military positions, civilian positions may not be returned. Thus, academy officials tried to retain as many military positions as possible.

"Opportunities Exist for Substantial Savings in Administration of Military Skill Training Programs" (FPCD-78-13, Feb. 14, 1978)

DOD could reduce training costs by millions of dollars annually by using more civilians and contracting for more skill training. It has long been the policy of the Congress, the Office of Management and Budget, and DOD to advocate increased use of these optional staffing methods; but the services have resisted.

DOD has published criteria to guide the services on the kinds of positions which civilians should occupy. Training officials said they had not converted positions from military to civilian because DOD had not required it.

"Reserve Officer Training Corps Programs" (FPCD-78-17, Feb. 23, 1978)

In response to a request from the Chairman, House Committee on Appropriations, we reviewed several aspects of the services' Reserve Officer Training Corps programs, including the number of military support positions which have been civilianized. According to service officials responsible for Corps programs, the following action has been taken:

- Army: the Army is considering civilianizing a total of 192 military positions in fiscal year 1980.
- Air Force: the Air Force has civilianized 55 positions. No further action is planned.
- Navy: the Navy reviewed military positions in the Training Corps and at headquarters, and does not plan to civilianize any positions.

OTHER REPORTS

"Report to the President and the Secretary of Defense on the Department of Defense" (Blue Ribbon Defense Panel, 1970)

One chapter of this report "Management of Personnel Resources," discussed the use of civilians in management positions. The panel recommended that:

"Those activities in the Military Departments now headed by a military officer with an immediate civilian subordinate should be surveyed to determine the necessity of military direction of the activity, and where no such requirement is found to exist, the position at the head of the activity should be civilianized or made optional for a military officer or a civilian to fill and dual staffing should be permitted only in exceptional cases."

"Shaping the Defense Civilian Work Force" (Brookings Institution, Sept. 1977)

This report, prepared for the Senate Committee on Armed Services, discussed issues relating to the defense civilian work force. It found that directives and guidelines established by DOD on use of civilian personnel were vague and left a great deal open to interpretation, permitting the military services to increase the size of the military component.

Considerable potential exists for further manpower mix adjustments. Civilian personnel could replace many of the military personnel without jeopardizing national security. The report said that about 390,000 billets then occupied by military personnel could be considered for substitution.

The report also said that there were considerable opportunities for advantageous transfer of various commercial and industrial activities, now being conducted in-house in base operations and depot maintenance activities, to private enterprise.

The report concluded that three important actions were needed to revise current practices and encourage DOD to seek a more efficient manpower mix:

- Formulation of a national policy with respect to the composition of the defense work force.
- Reexamination, in view of the Nation's security requirements and economic prospects, of constraints now imposed on DOD by the White House and the Congress which contribute to inefficiencies in the composition of the defense work force.
- Removal of disincentives inherent in the Pentagon's planning, programing, and budgeting process, which now discourage military managers from seeking a more efficient manpower mix.

"Military Manpower and the All-Volunteer Force" (Rand Corporation, Sept. 1977)

This report, prepared for the Defense Advanced Research Projects Agency, also discussed defense manpower issues. The chapter, "Resource Allocation: Manpower Requirements," states:

"The resource allocation issue that has received perhaps the most attention during the past 10 years is the substitution of civilian employees for military personnel, better known as civilianization. In the effort to reduce the spiraling manpower costs of the 1960s, a continuing dialogue centered on civilianization as a possible answer. Proponents of this policy brought considerable pressure to bear on the DOD to substitute civilians for military personnel wherever possible, with the result, for example, that 31,000 military billets were converted to civilian status during fiscal 1974.

"However, in the rush to identify potential civilian substitutions, critics of DOD policies have frequently been more concerned with whether civilians can be used than with whether they should be used."

* * * * *

"The problem of determining what positions could potentially be manned by civilian personnel is not a trivial matter, given the softness of the criteria that must be used to make these allocation decisions. Historically, manning decisions have been the result of numerous factors, including military requirements, personnel management constraints, cost-effectiveness, and tradition."

According to the report, DOD has substantially reacted to changing manpower cost:

"* * * as the cost of military manpower fell relative to the cost of direct hire civilians during the 1950s and early 1960s, the DOD responded by decreasing the use of direct hires relative to the uniformed personnel. Then as the cost of military personnel began to rise relative to the cost of direct hires during the late 1960s and early 1970s, the Services again responded - this time, by increasing the use of direct hires relative to the use of military personnel."

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The reports summarized in this chapter reflect our observations of specific instances in which it appears that civilians would be effective in positions filled by military personnel. Others who have studied and reported on the composition of the defense work force have made similar observations.

CHAPTER 4

CONCLUSIONS AND RECOMMENDATION

CONCLUSIONS

For many years DOD's policy has been to use civilian personnel in positions which do not require military incumbents. As recently as October 1976, the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics) stated in an article published in the Defense Manpower Journal that:

"Defense Department policy is that each position be filled by a civilian unless it can be proven that a military person is required. As a result, the burden of proof is on the Services to show that each position programmed as a military space can only be filled by a military person."

DOD undertook major civilianization programs in fiscal years 1964-68 and 1973-75. In March 1978 the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics) testified before the Senate Armed Services Committee that since fiscal year 1964 over 100,000 jobs had been converted from military to civilian. Regarding civilian strength changes between fiscal years 1978 and 1979, he said that:

"We have * * * adjusted the mix of in-house manpower by converting 1,500 jobs from military to civilian. In addition to the Congressionally-directed civilian substitutions in the Air Force Audit Agency and The Defense Investigative Service, we are converting jobs in communications, security policy, real property maintenance, and ROTC support."

The Senate Committee on Appropriations has urged DOD to consider civilianizing additional military positions. We, and others who have studied and reported on the composition of the defense work force, have identified several types of positions filled by military personnel in which it appears that civilians could be used effectively.

In its 1977 study on civilian substitution potential (see p. 10), DOD initially suggested that potential existed for civilianizing about 86,000 positions in the services, but reduced this number to 50,000 because of rotation base requirements and other considerations. Although the Navy

said it could convert 12,000 positions over a 3-year period, the Army, Air Force, and Marine Corps expressed strong reservations about any further civilianization, primarily because of the impact it may have on readiness.

We recognize that the services are concerned about maintaining the ability to accomplish their missions effectively and about the appropriate mix of military personnel and civilians for this purpose. Nevertheless, DOD's policy on the use of military personnel and civilians has not been revised. Further, we know of no official DOD decision that the maximum practicable or desirable civilianization has been achieved.

RECOMMENDATION

In view of congressional concern over this matter, we recommend that the Secretary of Defense direct the military services to initiate without further delay a program to replace military personnel with civilians that is in accordance with DOD policy.

We recognize that the Congress has set a fiscal year-end civilian personnel ceiling for DOD. If the authorized ceiling does in fact constrain DOD from fully implementing a civilianization program, we recommend that the Secretary of Defense, through the Office of Management and Budget, request the Congress to adjust the appropriate authorizations and appropriations to accommodate increases in civilian personnel and decreases in military personnel.