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**RESERVE FORCES
POLICY BOARD**

August 11, 2015

MEMORANDUM FOR UNDERSECRETARY OF DEFENSE (PERSONNEL & READINESS)

SUBJECT: Department of Defense Force of the Future Initiative

At the June 9, 2015 meeting of the Reserve Forces Policy Board, you asked for input, within the limits of the Federal Advisory Committee Act (FACA), regarding the integration of the Reserve Components into the Department's Force of the Future initiative. Thank you for the opportunity to provide our thoughts on this historic effort to adapt the civilian and military personnel management systems to better meet the needs of an evolving defense workforce in a period of dramatic change. This memorandum serves as the requested input. It is not formal advice or recommendations of the Board; it is simply independent input focused on the Reserve Component military system based in large part on my own experience from years on the Hill working personnel issues, serving on and chairing the RFPB, chairing the Commission on the National Guard and Reserves, and chairing the National Defense Industrial Association where we have done extensive work on industry best practices. Consistent with the independent nature of the Board, this document has not been formally coordinated with outside offices or agencies of the Department of Defense. The Board, at the request of the Secretary of Defense, will provide formal advice and recommendations regarding this initiative at a later date.

Context

Much has changed since our personnel management system was established at the outset of the Cold War, but defense personnel management statutes, policies and information systems have not kept pace. The last time the Department was looked at comprehensively was the late 1970's and the joint duty provisions are 30 years old. We have an industrial era system in the information age. It is long past time to modernize the Department of Defense and its system for assessing and recruiting; developing and utilizing; and sustaining and retaining its military manpower. International, domestic and social trends now necessitate this adaptation. The world is a complex and unstable place with a myriad of state and non-state actors challenging American security interests at home and abroad. Our domestic political and fiscal environment is equally challenging with its political division, unsustainable debt, and sequestration. It is generally acknowledged that the cost-growth considering the all-inclusive, fully-burdened and life-cycle costs of the All-Volunteer Force, under current policies, is unsustainable. Simultaneously, demographic and social trends are reducing both the propensity and the fitness of military service eligible men and women to serve. Those who do decide to serve rely more heavily on access to information, technology and the use of social media than ever before. Today, the force – increasingly made up of millennials – lives within a personnel management system established by baby boomers and their predecessors. Young adults entering the work force today are less likely to stay with employers than their parents or grandparents and the private sector and other non-defense public sector opportunities now represent serious

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competition for the best and the brightest both within the military and among those considering military service. The work force has changed and the system used to assess, manage, and sustain them needs to change as well.

Different Active and Reserve Systems

While the fundamental statutory and policy frameworks governing the Active Component (AC) and Reserve Component (RC) are the same, the Services use and manage their reserve components differently. Their personnel systems are inherently different based on the simple fact that members of the National Guard and Reserves generally perform their duties on a part-time basis while also maintaining employment in the private/public sector. The RC personnel system offers greater flexibility than the AC system to accommodate this difference.

The AC personnel management system is dominated by the requirements of the Defense Officer Personnel Management Act (DOPMA) and centralized accession, training, assignment and promotion from entry to separation; up or out advancement within a rigid time-in-service structure; pay based on time-in-grade; and cliff vesting for retirement. It is a system that former Secretary of Defense Thomas Gates, who led the commission in 1970 that recommended moving from the Draft to the All-Volunteer Force, stated had to be changed for the AVF to be sustainable. That was 45 years ago and none of the changes the commission recommended have been made.

The RC personnel management system can be characterized as having greater decentralization and choice. The RCs must comply with the Reserve Officer Personnel Management Act (ROPMA), like DOPMA, with its up or out advancement system. Unlike the active force, Reservists and Guardsmen receive pay for duty performed and have deferred retirement until age 60. But more significantly, RC accession, training, assignment and promotion are much more decentralized than in the active force. A member can enter the reserves at mid-career (from another Service, component, or special branch); he or she can take a sabbatical when they want/need to (by transferring to their Service Individual Ready Reserve); they have assignment flexibility except for tenured jobs (they can move when they want to or need to and compete for the jobs they want); and there are opportunities for accelerated merit based (vacancy position) promotions - although they are more limited than they could be.

A New System – General Thoughts

The Secretary of Defense, you, and others have indicated that it's time for a new system, and I strongly agree. This new system must be viewed by potential entrants as a desirable and competitive career option; attracting high quality recruits and maintaining the best and the brightest of them for advancement and leadership of our Nation's military services. It must develop professionals, promote institutional values, embrace diversity, and maintain key elements of service culture. It must produce a force that both represents and is connected to the Nation it protects. The system must be fair with transparent policies, practices and processes. It should be cost effective, produce ready service members, and be seamlessly integrated across components. It must be much more flexible and incorporate world-class business practices in terms of assignments, advance schooling and training, family considerations and non-traditional

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opportunities. Ultimately, however we adapt the personnel system, the U.S. Military must remain capable of deploying and sustaining military power rapidly in response to a variety of threats at home and abroad to win the Nation's wars, support our allies, and defend our interests.

A New System – Specific Thoughts

To create a personnel system that improves the career management, fluidity and flexibility of service options, and makes better use of civilian and military skills found in the Reserve Force, the Department should consider:

- Embracing the “Total Force.” In the past, the Department has paid lip service to the notion of a Total Force. The notion that Reservists and Guardsmen are somehow less capable, less committed, or less professional continues to persist among some senior leaders in the Department. The Department's culture needs to change to embrace Active and Reserve members and civilian employees as members of the same team – not separate competing teams. To that end, the Department should encourage and incentivize continued service in the reserves to preserve talent from the AC that would be lost with total force reductions or otherwise routine transitions from the active force.
- Easing Transitions. Not only should the Department encourage transitions between components, we should make it easier. The Board has previously recommended the establishment of a Continuum of Service to facilitate the transition of service members between service components. We, again, suggest that the Department promote a Total Force personnel system that allows for the seamless transition of members within DoD - between the Services and their components. Statutory impediments and bureaucratic administrative requirements should be reduced to ease transitions.
 - Create an integrated pay and personnel system. The Department should create an integrated Total Force pay and personnel management system that is modernized and accessed through mobile technology. An integrated pay and personnel systems will enable transitions between components and improve the ability of Reservists and Guardsmen to manage their careers by enabling seamless movement of all administrative and other records between components/services:
 - Create single “cradle to grave” personnel record from recruitment to retirement, accessible regardless of component.
 - Improve inter-connectivity of IT systems to reduce redundant information requirements and flow between components/agencies.
 - Improve access to these systems, especially for RC personnel, who have limited access to personnel management systems necessary to monitor, manage and advance their careers.
 - Eliminate “scrolling” requirements for AC personnel transferring to the RC.
 - Eliminate redundant medical screening requirements.
 - Enable portable qualifications between services and components. Qualifications achieved for like fields in one service or component should be recognized or otherwise streamlined for acceptance during transition. Time and money is wasted retraining experienced personnel who could otherwise add immediate value.

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- Streamline processes to ‘cross-certify’ or provide constructive credit for civilian-acquired knowledge, skills and abilities.
 - Establish “Reverse MEPS” transition centers within or collocated with RC facilities and partner with government and non-government organizations to provide “one stop shops” across the United States to facilitate a more robust and smoother transition from military to civilian life. A number of pilot programs could be established to do a “proof of concept.” We have a more detailed concept paper available on this topic.
- **Reduced Duty Statuses.** The Department should reduce the number of RC Duty Statuses to ease the transition between RC Categories - on and off active duty. Again, the Board has recommended this in the past as have other advisory commissions including the Congressional Commission on the National Guard and Reserve, the National Commission on the Structure of the Air Force and the recent Military Compensation and Retirement Modernization Commission (MCRMC). There are currently 30 different RC Duty Statuses. This structure is overly complex and inefficient; the number of duty statuses can and should be reduced to six as proposed by the MCRMC and as previously agreed to by Secretary Gates when the Commission on the National Guard and Reserves made a similar recommendation in 2008. OUSD P&R has been the major bureaucratic stumbling block since and no real progress has occurred.
 - **Assignment Flexibility and Choice.** Employ best practices from the private sector to advertise, apply for, review and select best qualified candidates for assignment to positions across the Reserve Force. The Reserve Components already advertise vacancies and accept applications for assignment to many positions. This practice should be expanded and enabled by a Monster.com-like real-time web accessible position vacancy search and application system.
 - **Developmental Opportunities.** Ensure the Reserves have opportunities to compete for special assignments or educational opportunities to provide access to deepest talent pool possible. Headquarters and funding reductions have the potential to reduced RC opportunities for combined, joint, service headquarters and deployment experience. Funding reductions may also reduce access to training and educational opportunities. These opportunities are essential for effectively developing RC senior leaders.
 - **“Downtime” – Sabbaticals.** The Services are experimenting, on a very small scale, with sabbatical programs to allow service members on active duty to “take a knee” for educational or other personal reasons. RC members already have the ability to do this by transferring to an inactive status (Individual Ready Reserve or Inactive National Guard) however they are disadvantaged by doing so. Reservists, like their active counterparts, should have increased opportunities to “take a knee” based on the changing demands in their personal lives for fulltime educational opportunities or family and employment obligations.
 - Increase ability for RC members to pause promotion clocks during periods where they would be less available for military service. During periods where personal needs or civilian professional requirements make military service difficult,

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pausing promotion clocks would prevent members from being forced out due to lack of competitiveness for promotion and allow members to continue service once these demands subside.

- Modernizing the Individual Ready Reserve (IRR). The Services maintain Individual Ready Reserves - pools of pre-trained talent - accessible for use in both peace and war. The Department should gather best practices and explore alternative management structures and methods to improve efficiency and enable more effective use of the IRR in support of the Total Force. This is a large pool of pre-trained manpower that is largely ignored.
- Enabling Use of Civilian Acquired Skills. Reservists and Guardsmen bring with them unique civilian acquired skills. Some of these skills compliment their military specialties and some do not. The Department has taken advantage of these skills in a sporadic and haphazard way principally because we lack visibility of the civilian knowledge, skills and abilities resident in the Reserve Components. An example of the successful use of civilian skills was the deployment of farmers and members with food supply chain experience with Agriculture Development Teams in Afghanistan. The Department should collect civilian skills data residing in the RC (as a condition of service) to enable access to critical civilian skills. The creation of a civilian skills database has been a perennial recommendation for several decades but to date, the Department has failed to produce a useful system.

Again, thank you for the opportunity to share our thoughts and ensure the equities of the Reserve Components are considered in this important initiative. I am happy to clarify, expand upon or discuss further at your convenience. I can be reached directly at (703) 942-5770 or by e-mail at apunaro@punarogroup.com, or through my Military Executive, Major General Walt Lord, at (703) 681-1270 or by e-mail at walter.t.lord.mil@mail.mil.



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