

PROFESSIONAL MILITARY COMPTROLLER SCHOOL

# IDEA PAPER

TITLE

PROPOSAL FOR A FLEXIBLE WORK FORCE

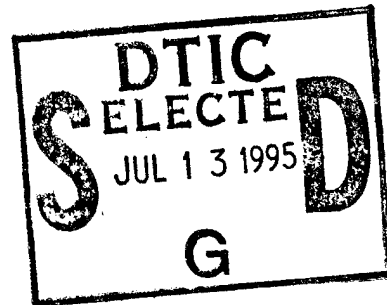
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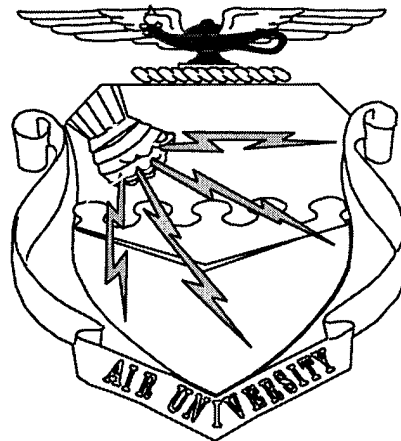
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**PMCS IDEA PAPER**

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**EXECUTIVE SUMMARY**

All the Air Force Materiel Command bases are experiencing excess capacity. Through “re-engineering” and applying the “reinventing government” concept, we can turn the idle time into productive time. This goal will be achieved by establishing a flexible work force. It will expand and contract based upon obtained workload levels from other services, state and local governments, and even the private sector. Operating instructions need to be developed, which include the following: full and open competition, a dedicated cost accounting system, and applying reimbursement methodologies. Both the local base and DoD as a whole will benefit. The local base may be kept off the Base Realignment and Closure Commission list. The DoD will benefit by requirement cost reduction due to increased competition and achieve private sector technology integration. Finally, I recommend my proposal for a flexible work force be considered for implementation with a step by step approach.

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## **PROPOSAL FOR A FLEXIBLE WORK FORCE**

### **INTRODUCTION**

Over the past few years, the Federal Government has gone through a philosophical transition. There is now an emphasis on enabling the bureaucratic system to model the private sector. Under the Bush administration, a number of Defense Management Review Decision's were enacted with the purpose of streamlining government and reducing the deficit. The Clinton administration has retained that focus. In fact, the President and Vice President have charged us to "radically change the way the government operates -- to shift from top-down bureaucracy to entrepreneurial government." (1:1). The concepts of "reinventing government" and re-engineering have become new DoD buzzwords. DoD's downsizing initiatives and focus on changing the way we do business creates a good opportunity for change.

I have a proposal for a new way of doing business that will correct a downfall I believe currently exists in Air Force Materiel Command (AFMC). At the same time, we will implement the administration's "reinventing government" approach. Admittedly or not, workload decreases exist at all five AFMC bases. In effect, we are wasting human resources and technological capabilities. We can reverse this trend by implementing a new business strategy that will foster competitiveness and integration with the private sector. This new business strategy involves establishing a flexible work force.

The basis of the proposal is establishing two unified but different work forces at each AFMC base. One work force would be dedicated to the specific mission of the base.

The other work force, flexible in nature, would be allowed to compete the unique capabilities of the base (i.e. technological, industrial, developmental, etc.) to other services, state and local governments, and the private sector. Rules of the dual work force need to be defined. In doing so, numerous issues will arise at the local level and all the way up to Congress. If a dual work force can be established to any degree, the flexible component will obtain beneficial results.

## **DISCUSSION**

The work force dedicated to compete the excess talents and capabilities of the base will be flexible in nature and involve many issues. The core aspect will be that this flexible organization will expand and contract based on the amount of workload received. If the workload expands, the work force expands. Similarly, if the workload contracts, the work force contracts. Any civil service worker can become part of this organization. While in this organization, normal civilian personnel rules will apply (i.e. pay grade system, retirement benefits, cost of living adjustments, etc.). The sole difference will be that if this flexible work force organization did dissolve, the employee has the opportunity to lateral to another base assignment or relocate to another base or agency. However, if no open position is available, the employee is terminated and placed on a stopper list. This flexible work force aspect is a new way of doing business in relation to the civilian personnel system.

The charter that describes the rules of operation for this flexible work force coincides with the "reinventing government" theme. For a work force project of this type, the base must have no restrictions to full and openly compete its expertise on any

job. The rules of who the base can and can not enter into business with shall be thrown out for this organization. The organization will be run like a private business with no competition restraints. A cost accounting system (whether newly developed or commercial off-the-shelf) needs to be used to track all costs of the project and maintain a Federal Managers Financial Integrity Act accredited audit trail. Overhead and operating expenses will be collected by using one or more of the following methodologies: hourly rates, square footage, number of people, etc. The flexible organization's civilian pay expense will first be paid with government funds and then be reimbursed by the customer. All other expenses (i.e. TDY, supplies, studies, etc.) will be paid directly by the customer's funds. The operational details I've mentioned here exemplify our administration's "reinventing" policy.

In adopting the details of a flexible work force to compete the talents and resources of an AFMC base, numerous issues arise at the local base and Congressional level. For a successful organization, people from various disciplines (financial management, industrial, contracting, etc.) are required. It might be hard to collect a core set of individuals. Thus, the most basic problem may be that nobody will want to work in this type of environment that is driven solely by customer orders. Without the security of being in the protected civil service system, people may be reluctant to join this organization. Linked to this problem is the fact that the personnel system will have to be modified for this special organization. New skill code identifiers and program element codes are required to track this unique work force. Managers will also have to change their mentality of management. They will have to focus on total costs and try to

minimize cost drivers. In general, a private-industry mentality will have to be adopted. A different set of concerns exist nationally.

On the Congressional side, the issues are more broad and basic. The obvious problem is if DoD should even be allowed to compete with the private sector for other Federal, State, and local workload. The private sector will argue that DoD has an advantage because of its technology-sharing abilities (with other DoD agencies) and assumed lower overhead costs. Another argument likely to surface will be that DoD should stay on its own turf and not invade the private sector domain. Another major area of concern is that government employees will be getting paid by other government agencies and maybe even private companies. Concerning this issue, the concept in question is that the AFMC base has already been allotted funds to pay for its employees. When these workers' payroll expenses are reimbursed from another source, the providing base has actually made money to spend elsewhere. The solution to this particular problem is to simply not allocate direct dollars to fund the competition organization employees. These core issues strike at the foundation of the DoD's bureaucratic system. However, we have been given the opportunity to change and improve our way of doing business. These concepts need to be addressed if a flexible work force is adopted and implemented.

## **CONCLUSION**

Issues exist throughout the entire spectrum of this proposal for a flexible work force that competes for workload. However, I do believe many benefits will be derived from such a venture. Like the problem areas above, benefits will also be felt at the local and Congressional level. If each base embraces the concept as a growth and

enhancement opportunity, the concept can in fact save the base from possible closure by obtaining workload. Enough additional workload can be established to justify a base remaining operational instead of falling to any future Base Realignment and Closure (BRAC) Commission list. After all, working with technologies for industry can also help DoD. An example might be researching the reduction of harmful automobile emissions. DoD will be able to apply the learned technology to all of its various gas and other-powered engine systems. With this organization focusing on cost control, the presence of idle personnel (an oversupply of workers) will be less likely. The organization will be lean and mean, which is another focus in this day and age of downsizing. The beneficial effects are not only felt locally, but they will be experienced nationwide as well.

The effects of a flexible work force will also derive benefits at the DoD and Congressional levels. A flexible work force definitely falls in line with the “reinventing government” theme of today. It is a new way of doing business that demands proactive management concepts; a move to business-like practices. If the public sector verses private sector competitive issues can be somehow resolved or eliminated, our entire country could benefit from adopting this type of a work force. With more companies, now including AFMC and possibly other DoD agencies, competing for the same workload, the positive aspects of the supply and demand rule take over. More supply feeding the same amount of demand decreases prices, increases quality, and increases product availability. DoD might be able to eliminate the astronomical prices for all kinds of items, from hammers and toilet seats to technology enhancements and engineering studies. Over the long run, this increased competition will reduce the price our

government pays for its requirements. One additional DoD-wide benefit can also benefit the local AFMC base.

The implementation of a flexible work force is also a possible solution to the BRAC dilemma of how to deal with the current excess capacity issue at every AFMC base. Obtaining outside workload will enable a base to fully utilize its wasted resources (human and non-human) and may, after time, even grow. Teaming with private industry provides at least two benefits. The first is the assurance that DoD will remain on the cutting edge of technology. Secondly, we will learn how to integrate commercial and military applications to benefit the entire nation. In this situation, everyone benefits: bases, DoD, private industry, and the entire nation. The answer to the question of what to do with a half-utilized base might be as simple as competing its talents and creating its own unique workload.

The idea of a flexible work force is somewhat different to DoD and is attainable with a methodical implementation approach. Regulations will have to be changed and new concepts adopted. However, fair and open competition always seems to bring out the best in people and a society as a whole. I don't believe this scenario is any different.

## **RECOMMENDATION**

Adopting a flexible work force will be a difficult concept to sell because of the currently accepted standards of doing business. The doors of common concepts and parochial practices will have to be knocked down.

Though revolutionary, I recommend that my proposal for a flexible work force be considered for implementation. A change of this magnitude can not happen overnight.

However, some of the basic public laws that govern competition between DoD and the private sector can be reviewed. Perhaps the concept can be introduced and implemented step by step. In this fashion, appropriate systematic and procedural changes can be fully developed to avoid unnecessary rework and confrontational exchanges at the DoD level.

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