

**NAVAL POSTGRADUATE SCHOOL**  
**Monterey, California**



**THESIS**

**CLOSING THE GAP BETWEEN BUDGET  
FORMULATION AND EXECUTION**

by

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June 2000

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FORMULATION AND EXECUTION**

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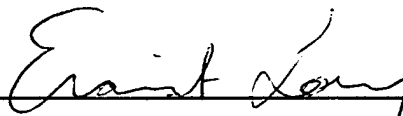
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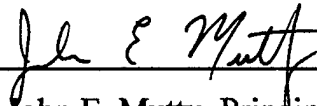
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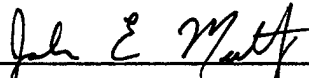


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## ABSTRACT

This thesis is a case study analysis of the Resource Management Office of the Bureau of Naval Personnel (PERS-02). Specifically, an analysis of projected versus actual budget figures was conducted. The purpose of the research was to explain anomalies in the budget formulation figures as compared to actual budget execution figures and define ways to improve the protocol between budget activities. Based on model comparisons, document reviews, and semi-structured interviews of PERS-02 leaders and managers, there were indications that PERS-02 had been severely stressed due to personnel reductions, a partial relocation to Millington, TN, and less than anticipated time savings from information technology management changes. Recommendations are offered to assist leaders and managers in making systematic changes to improve the efficiency and effectiveness of PERS-02 with the goal of increasing accuracy during budget formulation. Specific recommendations include: creation of realistic training programs tailored to enhance individual knowledge and skill sets, increased use of automated data systems geared to budget formulation and execution such as budget Builder and FASTDATA, and work schedule changes using shifts for both days and evenings.

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## I. INTRODUCTION

### A. OVERVIEW

The Bureau of Naval Personnel (BUPERS) is one of twenty-two Major Claimants under the Secretary of the Navy. A major claimant is a bureau, office, command, or Headquarters, U.S. Marine Corps which is designated as an administering office under the Operation and Maintenance appropriation in the Navy Comptroller (NAVCOMPT) Manual, Volume 2, Chapter 2. Navy major claimants receive operating budgets directly from the Chief of Naval Operations Fiscal Management Division (N-82). Sub-claimants are bureaus/offices/commands designated as an administering office which receive a sub-claimant operating budget from a major claimant.<sup>1</sup> The department responsible for all of the BUPERS' Major Claimant functions is designated by an organizational code referred to as PERS-02; the Comptroller/ Resources Management Office. The 1995 Base Realignment and Closure (BRAC) Committee's decision to relocate BUPERS from Washington, DC to Millington, TN divided the Resources Management division, leaving one small section, the Claimant Budget Liaison Office, in Washington, DC, while the majority of the staff, Comptroller/Director, Resources Management Office transferred to Millington, TN.

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<sup>1</sup> Naval Postgraduate School, Systems Management Department, Practical Comptrollership Course, Student Text, Naval Postgraduate School, Monterey, CA, p. AA-12.

The inability to retain, for various reasons, at least seventy percent of the well trained, experienced staff in the transition from Washington, DC to Millington, TN has increased the strain on the Resources Management Office's ability to maintain continuity of operations. In almost all Comptroller and Resources Management Offices a certain amount of stress and strain occurs during budget formulation and the end of the fiscal year (FY) budget execution cycle. These events are cyclical and happen every year just like clockwork. The stresses and strains are evidenced externally through the budget formulation process figures and their variance from actual execution figures. In addition to having a staff which is not as experienced as the original DC staff, the transitioned personnel are encountering growing pains as they try to adapt to their new organizational structure and learn to work together as a team.

This thesis answers the following Research Questions:

1. Is there a lack of alignment between budget formulation and execution figures for BUPERS (i.e., specifically for customers within the Military Manpower and Personnel Management (4A4M) and Other Personnel Support (4A5M) accounts?
2. What are the trends over time?
3. What are the underlying causes of the organization's performance?

PERS-02 has a responsibility to the Chief of Naval Personnel (CNP) for budget, financial, and policy matters. It integrates command-generated civilian and military personnel management changes into the Programming and Budgeting cycles. It provides policy, guidance, and assistance in developing cost benefit,

cost effectiveness, and cost trade-off studies associated with Naval Personnel Command programs/activities. PERS-02 has a major impact on readiness and the Navy's ability to meet real-world requirements by the way it takes care of sailors and their families. BUPERS endorses the concept "while one ship won't make or break readiness, the morale and quality of our people will adversely affect readiness."<sup>2</sup>

For the past year, the Deputy, Chief of Naval Personnel (DCNP) has worked hard to improve the quality of service and life from within the Naval Personnel Command in hopes that the enthusiasm and spirit would project a positive impact on the Fleet in terms of working conditions, support services, and internal customer service. A major customer service initiative was launched to give the customer what he/she wants called, "Give'em the Pickle." It equates to the idea if you give the customer what he/she wants then they will be back. The initiative was customized by Mr. Robert E. Farrell the owner of Farrell's Ice Cream Parlor who reminded the Navy Personnel Command of the following:

BECAUSE THE SAILOR	
Has needs ....	You have a job to do.
Has choices...	You have to be the better choice.
Has sensibilities...	You have to be considerate.
Has a sense of urgency...	You have to be quick.
Is unique...	You have to be flexible.
Has expectations...	You must excel.
Has influence...	The Sailor can create new customers.
BECAUSE OF THE SAILOR, YOU EXIST <sup>3</sup>	

<sup>2</sup> Information from BUPERS web page.

<sup>3</sup> E-mail correspondence to BUPERS Millington, "FARRELL'S CREDO FOR NPC," dated 18 February 2000.

DCNP reiterated “we are part of a very unique and special organization that reaches out and touches Navy lives every day, around the world – Sailors and their families...nobody else can make that claim.”<sup>4</sup> As a result, attention is focused on all PERS codes to improve the quality of service and life provided, but in particular on PERS-02. Their task has been complicated by reductions in their claimancy budgets, which have decreased from \$422,270K in FY 1993 to \$184,244K in FY 1999 in both the Military Manpower and Personnel Management (4A4M) and Other Personnel Support (4A5M) accounts. Programs are not fully funded, and the need for projected numbers to closely match execution numbers becomes paramount to the survival of the customers’ programs. Solutions that have been applied in the past (more money and personnel) are no longer readily available and PERS-02 must now look at other ways to solve emerging issues and recurring problems. This analysis uses several models to identify and explain anomalies between formulation and execution, and define ways to improve processes.

## **B. METHODOLOGY**

First, relevant organizational and management literature was reviewed to provide the tools necessary for the analysis. Second, a framework for research methodologies was applied to explain the type of organizational assessment performed on PERS-02. Third, an Organizational Systems Framework was

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<sup>4</sup> E-mail to BUPERS Millington, “NAVY LIFE...GETTING BETTER EVERY DAY!,” dated 11 April 2000.

examined to describe the PERS-02 organization. Fourth, a context for understanding the PERS-02 organization is provided through a description of the Federal budget process that it must utilize. Reviews of the President's budget, Funding Authorizations, and adjustments were assessed to identify trends or patterns. Fifth, interviews with key personnel were used to help decipher reasons for anomalies found in the data. Finally, recommendations for improvement are provided based on model comparisons, document reviews, questionnaire responses, and personal interviews.

### **C. BENEFITS OF THE STUDY**

The study describes organizational problems and offers approaches for improvement. Specific areas discussed include the knowledge base lost during the relocation, from Washington, DC to Millington, TN, and the system structure needed to create a closer match between budget formulation and execution for the field support level. Consequently, this thesis can serve as a model for other Comptroller divisions to optimize efficiency, effectiveness, and representation of their organization.

### **D. ORGANIZATION OF THE THESIS**

Chapter II describes the organization assessment. Chapter III describes the PERS-02 organization. Chapter IV provides a case analysis of PERS-02 based on BUPERS' Military Manpower and Personnel Management (4A4M) and Other Personnel Support (4A5M) data over a seven (7) year period (i.e., FY 93-99). Chapter V provides conclusions and recommendations.

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## II. ORGANIZATIONAL ASSESSMENT

### A. INTRODUCTION

Since 1999, the PERS-02 organization has undergone an empirical research study to determine what actually happens within their organization during a normal budget cycle as opposed to what people say has happened, is happening or may happen. Beginning with a limited background in the financial field, the author's observations were annotated, summarized, and reported throughout this thesis based on events relative to the Federal budget process.

This organizational assessment was conducted using the framework seen in Figure 2.1 "A Framework for Research Methodology."<sup>5</sup> The framework is a strategy or architectural design by which the researcher maps out an approach to problem-finding or problem-solving. It serves as a conceptual outline to aid the researcher in designing and conducting work in a systematic way.

The research methodology contains six stages: Problem Genesis, Problem, Mode, Strategy, Domain, and Techniques. Each stage guides the researcher through the steps necessary to conduct such assessments using various approaches and models. In addition to describing the steps needed to conduct assessments, this Chapter will explain the value of each research strategy and the strategy selected for this thesis.

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<sup>5</sup> Buckley, Buckley, and Chiang, *Research Methodology & Business Decisions*, National Association of Accountants, 1976, p. 15.

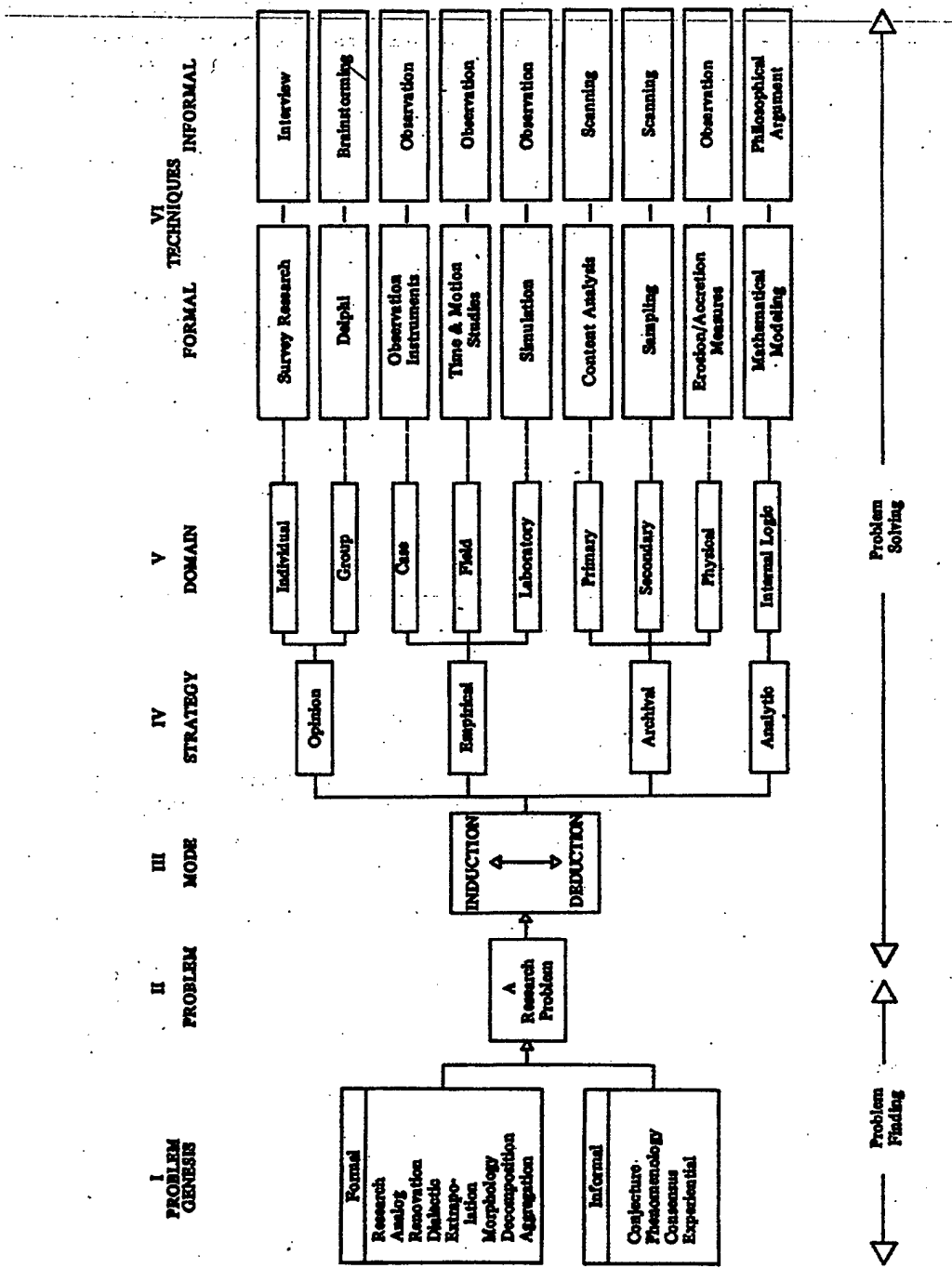


Figure 2.1. A Framework for Research Methodology

## **B. PROBLEM GENESIS**

The first stage required to conduct an assessment, based on Buckley, Buckley, and Chiang's "Research Methodology & Business Decisions," is to determine the origin of the problem using formal and/or informal approaches. The categories listed below can be used to assist the researcher in identifying the method needed to solve the problem and ultimately determine the approach (i.e., formal or informal). The following eight methods used for formal approaches to problem-finding are: (1) Research, (2) Analog, (3) Renovation, (4) Dialectic, (5) Extrapolation, (6) Morphology, (7) Decomposition, and (8) Aggregation. Research allows the researcher to be in a continuous learning stage. As they discover answers to problems they uncover new problems and explore ways to solve them. An Analog approach associates knowledge obtained from one problem-area, where the two environments are similar, and uses that information to generate or extrapolate on other research questions. Renovation replaces dysfunctional units or processes with new information technology compatible with the environment and generates efficiencies through increased productivity. A Dialectic approach takes an adversarial approach to proposed theories by developing opposition plans to challenge, refine, or refute proposed theories. Extrapolation uses current data that have trend indicators to project future performance and pose questions relative to the predicted outcome. Morphology is mathematically based and analyzes the different combinations and possibilities found in complex problems. Decomposition dissects a system down into its integral parts as displayed in flowcharts, network analysis, algorithms, and

computer programming. Aggregation takes problem-solving techniques developed to research simple problems and applies them toward the definition or resolution of more complex problems.

The following four methods, identified by Buckley, Buckley, and Chiang in "Research Methodology & Business Decisions," are used for informal approaches to problem-finding: (1) Conjecture, (2) Phenomenology, (3) Consensus, and (4) Experiential. Conjecture generates research problems as a result of suspicion with insufficient evidence. Phenomenology's research problems originate as a result of new technology. Consensus identifies research problems as a result of group activity. Experiential research problems are initiated through experiences.

The BUPERS' Comptroller/Resources Management Office organizational assessment spawned from two informal approaches: conjecture and experiential methods.

### **C. PROBLEM**

The second stage required to identify the problem is to clearly state the problem. John W. Buckley, Marlene H. Buckley, and Hung-Fu Chiang characterize the following important attributes needed to define a research question in their book "Research Methodology & Business Decisions:"

1. The problem needs to be defined properly. It needs to be labeled and described accurately.
2. The problem needs to be posed in solvable terms.

3. The problem needs to be connected logically to the environment from which it is drawn and the solution can be applied within that environment.
4. The problem has been screened against the existing body of knowledge to assure its uniqueness, i.e., it has not been solved previously.
5. The solution to the problem must be viewed as making a potential contribution to the body of knowledge, i.e., the problem must be significant.<sup>6</sup>

The three following research questions contain the characterized attributes discussed above by Buckley, Buckley, and Chiang:

1. Is there a lack of alignment between budget formulation and execution dollars for BUPERS (e.g., specifically for customers within the Military Manpower and Personnel Management (4A4M) and Other Personnel Support (4A5M) accounts (SAG)?
2. What are the trends over time?
3. What are the underlying causes of the organization's performance?

#### **D. MODE**

The third stage required to conduct an assessment is to determine if the problem is inductive or deductive in nature. Induction deals with fact-finding or investigative work to reach a conclusion whereas deduction involves testing a theory or hypothesis that will lead you to a definitive conclusion.

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<sup>6</sup> Buckley, Buckley, and Chiang, *Research Methodology & Business Decisions*, National Association of Accountants, 1976, p. 19.

The three previously stated research questions posed to the BUPERS' Comptroller/Resources Management Office fall into the induction category. Initially, a hypothesis or theory could have been developed and tested; however, when the opportunity presented itself to work in the PERS-02 organization, an inductive mode seemed more useful. The inductive mode takes into consideration the humanity involved in systems and organizations, whereas the deductive mode (i.e., hypothesis) is strictly facts and figures.

#### **E. STRATEGY**

The fourth stage required to conduct a problem solving assessment is concerned with the decisions and choices a researcher makes in generating or testing theory. In Figure 2.1, four possible ways are identified: (1) opinion, (2) empirical, (3) archival, or (4) analytic research. Each strategy has its own strengths and weaknesses that assist researchers in selecting one strategy over the others.

##### **Opinion Research**

Research problems require answers, many times it is very quick, easy, and convenient to solicit views, judgments or appraisals from those closest to the problem. The method described above is called opinion research and inherent to opinion research are advantages and disadvantages. Sometimes advantages to opinion research can be obtained through attitudes, impressions and beliefs of

organizational employees to generate a better understanding of the organization and processes that take place. It is the easiest means to obtain a sample of data, from a large group of people in the form of questionnaires and interviews. This method produces data that are quantifiable and can be analyzed using standard statistical procedures. Also, opinion research allows the researcher to validate or predict future events based on the questionnaires and interviews. Disadvantages to opinion research are associated with systematic and inherent biases that are incorporated in the design, response, and order questionnaires and interviews are conducted and presented. In addition, peoples' opinions change over time, which makes it hard to consider them factual in nature. Also, group consensus is difficult to analyze based on individual tendencies to "go along to get along."

Initially, a small group of people were interviewed within the PERS-02 organization to assess the organization's physical condition and climate that pertain to the overall working conditions, organizational structure, people, job functions, etc. The participants were selected at random, based on the occasions the researcher visited the organization on thesis travel. Each participant was asked a series of questions in an informal setting to extract their attitudes, impressions, and beliefs associated with the relocation from Washington, DC to Millington, TN.

## **Empirical Research**

The empirical strategy allows the researcher to gather information firsthand using information acquired through questionnaires, interviews, documentation, observation, and experience. The method produces the best results when the researcher can co-exist in the research environment to analyze actual behavior, make inquiries to understand the organization's reality, and get involved. Some weaknesses associated with the empirical strategy are: (1) There is an inability to observe past or future events, (2) it requires a time investment, and (3) it requires a commitment to the research project. Other weaknesses identified with the empirical strategy pertain to limitations associated with what the researcher may have rights or access to being an employee vice a research intern. Consequently, the researcher cannot control the environment to deal with only those situations, circumstances, and events that solely pertain to his/her research problems. An important weakness to this whole process is that the researcher or observer has inherent and systematic biases that may make him/her an agent of change within the organization. Systematic biases are attributed to the way the researcher chooses to observe their research environment, as a: (1) participating party, (2) non-participating party, (3) obtrusive party, or (4) non-obtrusive party. Participating and non-participating are self-explanatory. Obtrusive is defined by the researcher entering an organization and making everyone fully aware that

he/she is conducting a research study on that organization. Non-obtrusive is when the researcher does not tell the research environment that a study is being conducted to limit the superficial change that occurs when people know they are being watched.

The PERS-02 organization was a good candidate for the empirical research strategy. Initially, circumstances and time did not permit field study, until a job announcement, followed by a subsequent hiring, presented the opportunity for the author to work, learn, and research the integral parts of the organization. Inherent and systematic biases surfaced based on the non-obtrusive mode chosen to enter the organization, although a small group of employees was aware of the preliminary research conducted on the organization. Others accepted me (the researcher) as a budget analyst, as a new addition, with no known prejudice to the organization. The Military Manpower and Personnel Management (4A4M) and Other Personnel Support (4A5M) accounts used in this study were managed by more than one person, one for 4A4M and the other for 4A5M. That prevented the researcher/observer from becoming a change agent. However, the researcher (myself) was given the Recruiting and Advertising (3C1L) account to observe and experience the Federal Budget Process while learning the PERS-02's environment, organization, tasks, job functions, technology, structure, people, culture, outputs, outcomes, and performance indicators.

Observer deficiencies inherent to the empirical research strategy were realized during long hours and late nights focusing on budget exhibits. Eventually sensory errors developed as the researcher's tolerance level decreased with those exhibits that were extremely detailed and required attention to minute details. Errors in recording, manipulating, and researcher's bias surfaced as a result of the limited background the research had based both in prior education and working knowledge of the Federal Budget Process. Also, the researcher found it hard to isolate observations and experience encountered within PERS-02 to solely those that pertained to the research questions under study.

### **Archival Research**

Several processes can be used to obtain information, archival research is one in which historical information or records are examined to validate facts and information. Some advantages to the archival strategy are that this strategy primarily deals with analyzing information and data contained in documents, official files and records, and data banks. Most information referenced in archival research comes from authoritative and/or documented opinions. This research strategy allows the researcher to perform historical analysis on past events and project future occurrences without involving a large group of people. Most of the data can be subjected to statistical analysis to lend credibility and generalizations are accepted. Disadvantages to the archival strategy crop up when the researcher has to dig through archives to retrieve data. Normally, in most organizations,

filling is considered a chore and is saved for last. As a result, problems are encountered when it is time to retrieve information, such as: (1) documents were incorrectly or improperly filed, (2) missing documents, and/or (3) parts of the documents are present and the rest requires someone to fill in the gaps.” Other archival weaknesses worth noting are problems with communication and the researcher’s tendency to extract data that supports his/her bias.

### **Analytic Research**

An analytic strategy relies on the researcher’s logic, reasoning power, and discipline to carry out an investigation without allowing biases to affect his/her decision-making ability. The strength associated with the analytic strategy is the human brain. Cerebral activity allows for the imagination and creativity to propose theories, which transcend impressions or present reality through the problem-researcher. Analytic research is best adapted to structured techniques used with mathematical logic, philosophy, operations research techniques, flowcharting, network analysis, decision strategies, algorithms, and heuristics. One disadvantage to analytic strategy is that when criticism is rendered it is often directed towards the researcher personally. Also, the researcher has to be in a mentally- sharp condition, which is hard to maintain. Another disadvantage has to do with credibility, analytic research has a reputation for being sloppy and corrupt. The reasons this strategy is plagued with a substantial amount of criticism are due

to items referenced in Buckley, Buckley, and Chiang's "Research Methodology & Business Decisions:

- Logical errors,
- Problems of semantics,
- Failure to meet epistemological criteria,
- Failure to meet methodological criteria,
- Failure to meet metaphysical criteria, and
- Focusing on irrelevant problems.

#### **F. DOMAIN**

The fifth stage required to conduct an assessment is concerned with the data source and environment. Each strategy has its own set of domain types. Opinion research allows the researcher to solicit views, judgments, or appraisals from individuals or groups because they define the population pool in which an opinion poll can be used to measure results. Empirical research occurs in one of these domains: (1) a case, (2) field, and (3) laboratory setting. The requirements criteria necessary to design and conduct work in a systematic way are different for each of these domains.

A case study has neither experimental design or control. There is no significant advance planning and no attempt to manipulate or structure the research settings. A field study has experimental design but not control. The researcher enters the field knowing what he is seeking and the manner in which he intends to collect and

analyze his data. But no attempt is made on-site to control the variables in the research environment. A laboratory study is accompanied by experimental design and control. Detailed planning precedes the experiment and there is a conscious effort to isolate and manipulate variables so as to study certain possible causal relationships.<sup>7</sup>

Archival Research consists of three domains: (1) primary, (2) secondary, and (3) physical. Primary archives is meant to connote original documents or official files and records while secondary sources are thought of as publications of data gathered by other investigators. Analytic research uses internal logic, as its domain, which requires a strong self discipline in philosophy, logic and formal reasoning. Two procedures used in formal reasoning are inductive and deductive modes. An inductive argument takes information from the specific, i.e., incomplete data or inadequate information to the general and if supported time and time again becomes a part of a person's belief system. A deductive argument takes information from the general to the specific.

In an attempt to assess the Comptroller/Resources Management, PERS-02 organization, several domains were used to view the organization from different perspectives. Opinion research was conducted at the onset using a restricted number of individuals, then a field study was conducted to add credibility and overcome weaknesses attributed to opinion research. A field study of the organization and the Federal Budget Process was undertaken to obtain answers to

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<sup>7</sup> Buckley, Buckley, and Chiang, *Research Methodology & Business Decisions*, National Association of Accountants, 1976, p. 24.

the proposed research questions. Once inside the organization, a primary archival research was performed to overcome some of the weaknesses inherent to empirical research such as exploring historical data and events. Ultimately, the weaknesses associated with archival research required the researcher to take the retrievable reports and fill in the gaps based on the disorganized historical filing system.

### **G. TECHNIQUES**

The sixth stage required to conduct an assessment is concerned with the technique (i.e., formal or informal) which is used to find and analyze data.

There are a variety of techniques appropriate for each domain type. Opinion research uses Survey research, Delphi, Interview, and Brainstorming. Questionnaires and opinion polls directed at individuals or groups can be examples of Survey research and Delphi techniques that are considered formal procedures which result in quantity data. The Delphi technique is an interactive group process that allows experts who may be located in different places to render opinions or make forecasts. Interviews or meetings are examples of interview and brainstorming techniques that are considered informal techniques and produce quality data. Brainstorming sessions entail: (a) focusing on a single, well-defined problem, (b) considering any idea, regardless of apparent relevance or feasibility, (c) not criticizing any idea, and (d) not exploring the implication of any idea.<sup>8</sup>

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<sup>8</sup> Buckley, Buckley, and Chiang, *Research Methodology & Business Decisions*, National Association of Accountants, 1976, p. 24.

The principal technique used in empirical research is observation. The purpose of observation is to witness factual situations and perceive reality without significantly changing the process or course of events. Observation can be a formal or informal process. If the researcher uses observation instruments such as a camera or a tape recorder then the process is formal, anything else non-instrumental would be considered informal. Characteristics of a good observer would be someone who can distinguish the relevant from the irrelevant, identify causal relationships, and derive theories, which could be researched in the future.

Formal techniques of archival research according to Buckley, Buckley, and Chiang consist of content analysis, sampling, and erosion/accretion measures and informal techniques include scanning and observation. Content analysis evaluates written or oral communications. Sampling is a formal technique that extracts a small group of data or opinions from a larger population pool and uses the information obtained as the basis to prove or disprove a premise, theory or hypothesis. Erosion and accretion are formal techniques that use instruments and procedures to measure erosion and accretion in the physical world.

PERS-02 was subjected to archival research using the formal technique of content analysis to cross-check information gathered while using other research strategies to determine the validity of the information.

In Chapter III, an examination of the Comptroller/Resources Management organization compared to the Organizational Systems Framework reveals

important organizational attributes (e.g., environment, tasks, structure, outputs etc.) derived from the organizational assessment. The analysis in this thesis relies on an understanding of the Organizational Systems Framework discussed further in Chapter III. This model was created from a similar model developed at Harvard Business School to define an organization using a holistic approach. The Organizational Systems Framework begins with those attributes outside of management's control, then considers those attributes within their control that influence output and outcomes.

### **III. BUPERS' COMPTROLLER/RESOURCES MANAGEMENT ORGANIZATION**

#### **A. INTRODUCTION**

The Comptroller/Resources Management Office within the Bureau of Naval Personnel is a major lifeline to all BUPERS functions. Internally, the Comptroller/Resources Management Office is identified by its PERS code 02 (PERS-02). It is the critical link used to convert mission requirements (dreams) into approved budgeted programs (reality). A snapshot of the current PERS-02 organization is described in terms of the Organizational Systems Framework.

The methodology for conducting an organizational assessment of PERS-02 included literature and archival data reviews combined with semi-structured interviews and formal questionnaires. Excerpts from four interviews and nine Chief of Naval Personnel (CNP) questionnaires are interspersed throughout the chapter to enhance understanding of this complex organization based on the perceptions of leaders, managers, and key personnel. Respondents' names are omitted to preserve anonymity.

#### **B. ORGANIZATIONAL SYSTEMS FRAMEWORK**

In order to understand the organization, a framework or model is used to compare theory versus reality. The Organizational Systems Framework<sup>9</sup>

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<sup>9</sup> Nancy Roberts, "Organizational Systems Framework," Naval Postgraduate School, unpublished, 2000.

illustrated below in Figure 3.1 establishes the baseline to measure the Comptroller/Resources Management, PERS-02 organization.

The framework in Figure 3.1 illustrates the organizational attributes examined while studying the PERS-02 organization; isolating management inputs, throughputs and results. This chapter will explain the Organizational Systems Framework and describe PERS-02's organization within the context of that framework.

The Organizational Systems Framework consists of three (3) sections: Inputs, Throughput, and Results that contain a total of eleven (11) attributes: Environment/Context, Key Success Factors, System Direction, Tasks/Jobs, Technology, Structure, People, Process/Subsystems, Culture, Outputs, Outcomes. The first three attributes are considered management inputs and fall outside of a manager's control with the exception of accepting the situation and providing direction to guide the organization. The next five attributes are considered management throughput and managers can control them by adding, modifying, or deleting attributes. The last three attributes are considered management results and reflect the efficiency and effectiveness of the organization. A brief description of each factor and its relationship to the PERS-02 organization follows:

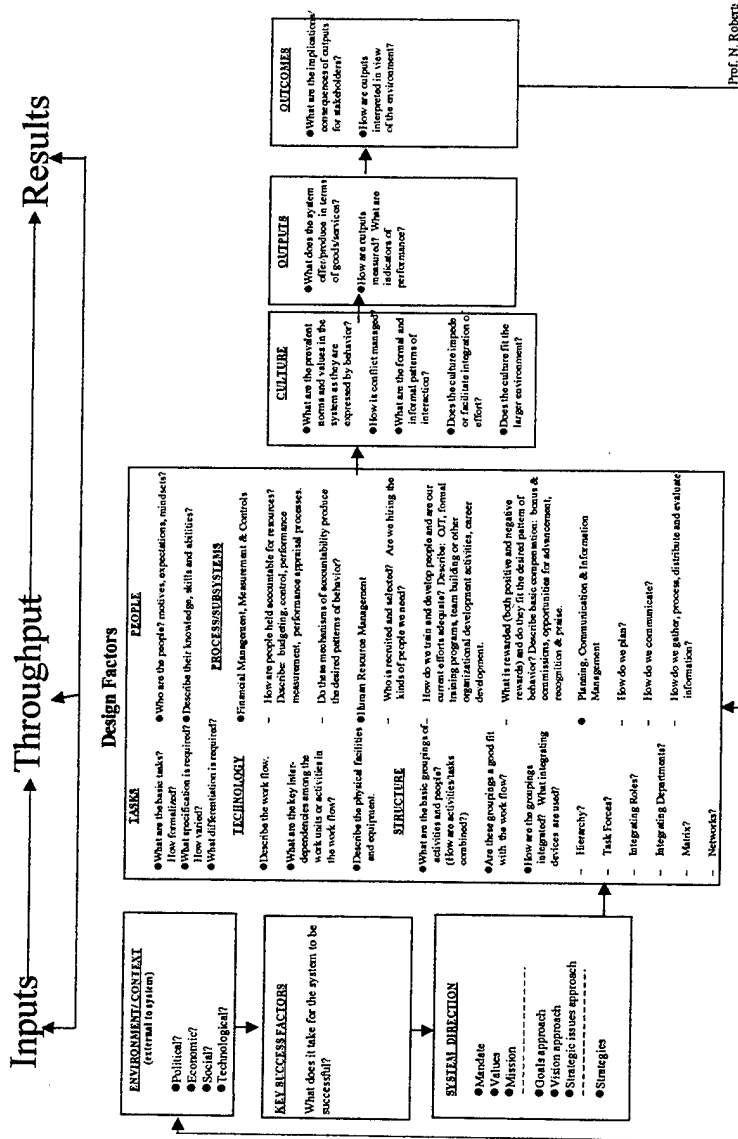


Figure 3.1. Organizational Systems Framework

## **1. Environment/Context**

Environment/Context examines an organization's internal and external environment, resources and history. Environment pertains to those factors outside the organization such as individuals, groups, or other organizations, in addition to political, economic, social, and technological influences that affect how an organization performs. When analyzing an organization, each factor is viewed as creating a supply, demand, constraint, or opportunity. Through the economic supply and demand process, resources such as employees, technology, capital, and information do not remain constant. An organization is only as good as the resources or assets it retains. The organization's ability to obtain, retain, or get rid of assets is dependent upon the organization's life-cycle development, history, and major impacts of past events.

The Comptroller/Resources Management Office has several internal and external customers such as the Naval Personnel Command and Field Support Activities that have Program Managers, Comptrollers, budget analysts internal and external to the PERS-02 organization, the Office of Budget (FMB), the Office of the Secretary of Defense (OSD), the Office of Management Budget (OMB), and Congress. In addition to the internal and external customers, PERS-02 is faced with political, economic, social, and technological influences. The changes in military leaders who occupy key positions every 2 to 3 years can disrupt the

organization's direction setting progress. Economically, reductions in the Operations & Maintenance, Navy (O&M,N) claimancy funds examined for this paper decreased from \$422,270K in FY 93 to \$184,244K in FY 99. The Military Manpower and Personnel Management (4A4M) and Other Personnel Support (4A5M) combined accounts (SAG) potentially jeopardizes BUPERS' ability to service their customer base.

The 1995 Base Closure and Realignment Commission's (BRAC) decision to move BUPERS to Millington, TN impacted the resources which brought about a change in the social, and technological aspects of the Resources Management Organization. Only those BUPERS personnel who were considered "unmovable," due to the close working relationships with others in the Washington area, remained in Washington, DC under the Operational Navy (OPNAV) structure. All others relocated in support of the BRAC decision.<sup>10</sup>

Until 1998, the Arlington Annex, in VA was the home to the Bureau of Naval Personnel, where the majority of the Resources Management Office was located in close proximity to other Navy and Department of Defense (DOD) organizations located in Washington, DC. Today, a portion of PERS-02, the Claimancy Budget Liaison Office, still resides in room 1617 of the Arlington Annex under PERS - 02L/ 00Y.

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<sup>10</sup> Bradley D. Bruner, "An Organizational Analysis of the Military (Navy) Personnel Plans and Policy Division (N13)," Master's Thesis, Naval Postgraduate School, Monterey, CA, pp. 21-24.

However, PERS-02's resources were severely affected when seventy percent of their experienced workforce would not relocate. Many did not concur with the "politics" involved in the decision and were anticipating major problems.

One employee stated:

I don't know the logic behind why they wanted to move BUPERS down there in the first place, but I think it's going to be very challenging to provide the same level of service both to the member and to the Navy, and I think a lot of the communities are now coming to this realization.<sup>11</sup>

Although the number of civilians and sailors in the Navy to be managed has been reduced, the number of functions to be managed has remained essentially the same.

Social attitudes of those who relocated switched from the fast-pace "northern" mentality i.e., business first, socialization later to the relaxed "southern" mentality i.e., socialization first, business later. Technology, in terms of the organization's infrastructure went from a state of organized chaos to disorganized chaos. In the first year and a half, since the relocation, the PERS-02's staff has had to concentrate on overcoming obstacles such as: (1) the backlog of tasks from DC; (2) disorganization caused by transitioning of personnel, belongings, office equipment, and files; (3) and maintaining the current workload with antiquated technology.

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<sup>11</sup> Bradley D. Bruner, "An Organizational Analysis of the Military (Navy) Personnel Plans and Policy Division (N13)," Master's Thesis, Naval Postgraduate School, Monterey, CA, pp. 21-24.

## **2. Key Success Factors**

Management is responsible for assessing their organization and determining factors that will make a difference in the success or failure of the organization.

PERS-02 elected to promote and fund information technology, quality of service, and quality of life initiatives as determining factors within the organization that will make a difference in the success of the Bureau of Naval Personnel (BUPERS) and Comptroller/ Resources Management Office, PERS-02.

## **3. System Direction**

Once management has assessed their organization, a system direction can be charted based on the environment/context and key success factors. However, political, economic, social, and technological influences such as top-down directives and specific goals, vision statements and guiding principles, funding increases and decreases, positive and negative attitudes, organized or disorganized working environment will facilitate or impede progress.

Direction Setting and Planning stem from mandates passed down from Navy Comptroller (NAVCOMPT) to the Bureau of Naval Personnel (BUPERS). These mandates are provided to the Comptroller/Resources Management Officer to implement within his department based on his own personal value system and technical expertise.

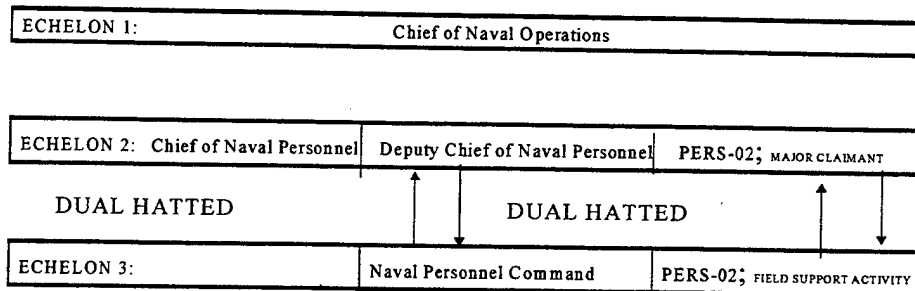
## **4. Structure**

Structure is the basic grouping of activities and people. This includes the basic shape and coordinating mechanisms and also refers to integrating devices

(i.e., hierarchy, task force, integrating roles and departments, matrix, networks) that are used to coordinate between the various groupings.

The Navy has an over-arching hierarchy that all organizations fall under. All of the Navy is aligned based on echelons. Echelon one (1) is the Chief of Naval Operations (CNO). Directly under CNO is echelon two (2) that includes: the Chief of Naval Personnel (CHNAVPERS), more commonly known as (BUPERS); the Commander, Naval Personnel Command (COMNAVPERSCOM) as the Deputy, Chief of Naval Personnel (DCNP); and the Major Claimant; the Comptroller; PERS-02. It is important to note CHNAVPERS is the Major Claimant for BUPERS, but those functions are delegated to the Comptroller/Resources Management organization, PERS-02 to manage on a daily basis. COMNAVPERSCOM, and PERS-02 are both dual hatted and have responsibilities that place them in echelon three (3). Echelon three (3) includes the Naval Personnel Command (NAVPERSCOM), more commonly known as NPC. Also, included in echelon three (3) are the Resources Management, PERS-02 functions at the Field Support Activity level. The difference between echelon two and three is that the group in echelon two is considered claimant level and the group in echelon three is considered field component level. The BUPERS echelon structure is shown in Figure 3.2.

# BUPERS ECHELON STRUCTURE



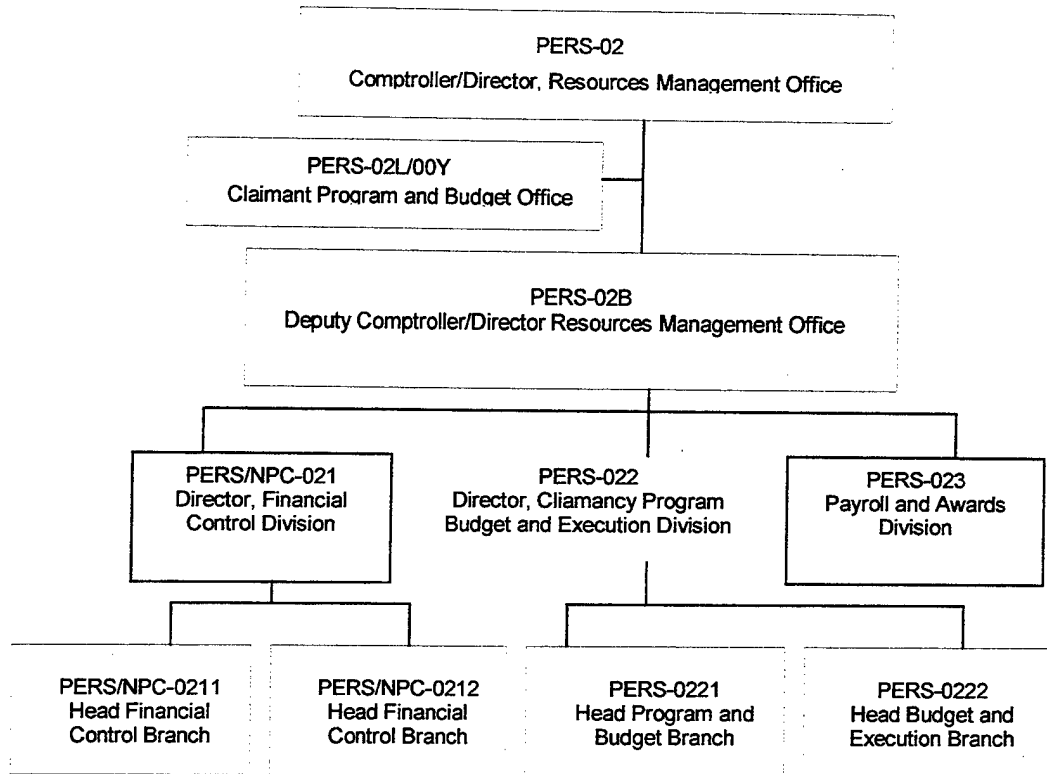
**Figure 3.2. BUPERS Echelon Structure**

The organizational structure of PERS-02 is shown in Figure 3.3.

## 5. Tasks/Jobs

The basic tasks each division within an organization performs, along with the specification and differentiation required, reveal compatibility issues that must be taken into consideration when designing the overall organizational framework. The identification of organizational compatibility or incompatibility between divisions within the organization depends on an understanding of the basic tasks to be performed.

## PERS-02 ORGANIZATIONAL STRUCTURE



**Figure 3.3. PERS-02 Organizational Chart**

The Comptroller/Resources Management Office is divided into five different divisions; PERS-02, 02L, 021, 022, and 023. That organization is, in part, due to the relocation from Washington, DC to Millington, TN. Each division requires a certain level of expertise, although, some tasks are standardized in nature, others are not.

- PERS-02: Comptroller/Resources Management Office provides input into the Planning, Programming, and Budget System (PPBS), advises the DCNP on resources management, budget formulation, budget execution,

budget execution, and financial matters while maintaining administrative control of appropriated funds for which the (CNP)/ (COMNAVPERSCOM) is responsible.<sup>12</sup>

- PERS-02L: Claimancy Budget Liaison Office maintains a Washington, DC – based liaison function for PERS-02 on Claimancy budget and financial management matters which provides guidance in the preparation of the Naval Personnel Command (NPC) budget, and the Department of Navy (DON) budget. The division is responsible for liaison with Office of Management and Budget (OMB), and Congress; attending hearings, and assisting in the review of the budget execution of programs within the Claimancy.<sup>13</sup>
- PERS-021: Headquarters Financial Control Division processes documentation for procurement of goods and services through government procurement agencies. They maintain, review and validate associated accounting records; provide input for the Naval Personnel Command's budget formulation process; prepare financial plans; compare performance plans; recommend appropriate financial restructure; and monitor Defense Finance and Accounting Service (DFAS) accounting reports for approximately 200 programs.<sup>14</sup>
- PERS-022: Claimancy Programming, Budget and Execution Division provides input to the Planning, Programming, Budget System (PPBS), in addition to abiding by the Federal budget process which encompasses budget formulation and budget execution functions.<sup>15</sup>
- PERS-023: Civilian Pay and Services division manages the civilian Performance Management Program (PMP); develops and administers other performance related/incentive award programs; and provides payroll services for the Commander Naval Personnel Command (COMNAVPERSCOM) civilian personnel.<sup>16</sup>

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<sup>12</sup> Information obtained from the BUPERS' web page.

<sup>13</sup> Information from BUPERS web page.

<sup>14</sup> Information from BUPERS web page.

<sup>15</sup> Information obtained from the BUPERS' web page.

<sup>16</sup> COMNAVPERSCOMINST 5400.1, p. 023-1.

## **6. Technology**

Technology is the process that converts raw materials i.e., inputs into finished products i.e., outputs. It takes into account the interdependencies among the activities and individuals involved in the workflow as well as the condition of the infrastructure. Information systems are not included in this attribute.

In light of many factors, organizational leadership made a decision, prior to relocating from Washington, DC to Millington, TN, to renovate existing buildings and infrastructure in Tennessee to meet the standard set in DC. As a result, all Comptroller/Resources Management Office personnel were relocated into brand new modernized buildings pre-wired to department head specifications. Job functions were transformed from decentralized (i.e., cradle to grave) to centralized (i.e., specialized).

The PERS-021 budget analysts, which are at the field component level, interact with PERS-02, PERS-02L, PERS-022, PERS-023, and Naval Personnel Command's Program Managers to set-up and enter data documents with approved lines of accounting into the Standard Accounting and Reporting System/Field Level (STARS/FL). They play an important role in the overall budget process by building the official accounting database, STARS/FL, used to validate program execution and provide ad-hoc reports.

PERS-022, which is at the claimancy level, has two divisions, PERS-0221 and PERS-0222 that work with PERS-02, PERS-02L, PERS-021, PERS-023,

Naval Personnel Command's Program Managers, Field Support Activities' Comptrollers, FMB, OSD/OMB, and Congress to produce defensible and justifiable budget submissions and budget execution data. PERS-0221 has budget demands and constraints placed on them by DCNP, FMB, OSD/OMB, and Congress, in the form of budget deadlines. Table 3.1, BUPERS' budget timeline depicts the major events that occur during the budget formulation cycle.

*a. FMB's Data Call*

The process starts with a budget call from FMB. Table 3.1 displays data calls; the Program Objectives Memorandum (POM), the Department of Navy (DON), the OSD/OMB, Actuals, and Presidents Budget Submissions. FMB issues budget guidance to all Major Claimants for budget preparation. This guidance contains the following: (1) instructions and guidance for the content of budget estimates, (2) the budget submission schedule, and (3) differences in requirements as contained in the DON Budget Guidance Manual. Additionally, the budget call contains control numbers that are stated in terms of dollar limits for each budget year that cannot be exceeded when formulating budget estimates for these years.<sup>17</sup>

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<sup>17</sup> Naval Postgraduate School, Systems Management Department, Practical Comptrollership Course, Student Text, Naval Postgraduate School, Monterey, CA.

**Table 3.1. BUPERS' Budget Timeline**

<b>DATES</b>	<b>EVENTS</b>
JAN-FEB	President's Budget submitted to Congress
JAN-FEB	Resource Sponsor's Published Planning , Programming, and Supplemental Guidance
FEB-MAY	Submit Program Objective Memorandum (POM) issue papers and justify resources
APR-MAY	FMB's Department of the Navy (DON) Budget and Supplemental guidance is issued
APR-MAY	BUPERS DON data call is issued
MAY-JUL	Preparation of DON submit
JUL-AUG	Questions/Answers, Hearings, Marks/Reclamas on DON submit required
AUG	FMB issues OSD/OMB Budget and Supplemental guidance
AUG	BUPERS OSD/OMB data call is issued
SEP	Preparation of OSD/OMB submit
SEP	DON Budget submitted to OSD/OMB
SEP-OCT	Hearings and PBD/Reclamas on OSD/OMB submit required
SEP-OCT	FMB requests Actuals to validate current year spending
SEP-OCT	BUPERS reports Actuals to FMB
OCT-DEC	Program Budget Decision (PBDs) issued
NOV-DEC	BUPERS Claimancy POM call is issued
NOV-DEC	Major Budget Issues (MBI) meetings are held to resolve outstanding issues
DEC	BUPERS Presidents data call is issued

**b. BUPERS' Data Call**

Table 3.1, depicts data calls and requests for POM, DON, OSD/OMB, Actuals and Presidents. These budget submissions occur at various times throughout the year and are coordinated with the Chief Information Office, PERS-07 for Information Technology issues. BUPERS automated their data call procedures by standardizing the OP-32 and OP-5 in a Microsoft Excel template. The OP-32 (Summary of Price and Program Changes) displays funds by type of purchase called object classes over a three year period. The Program Objectives Memorandum (POM) which initiates the Planning, Programming, Budgeting, System (PPBS) cycle displays six years of data and dictates the years reviewed on

an OP-32 depicted by an eight year period: historical or prior year (PY) data, execution or current year (CY) data, and six years of projected or budgeted year (BY) data. An example of the POM 01 timeline in terms of years is illustrated in Table 3.2.

The OP-5 (Detail by Activity/Sub-activity Group) provides a summary of and justification for changes in the level of direct funding resources identified on the OP-32. In addition to the data call letter, Naval Personnel Command's Program Managers and Field Support Activities' Comptrollers receive an OP-32 and OP-5 template customized by their appropriation and programs to assist them in developing budget estimates via e-mail. Once inputs are received from Program Managers and Comptrollers, PERS-0221 analyzes the information with regards to: (1) total funding available for each program, (2) inflationary changes, (3) category assignment of funds, (4) validation of historical execution, and (5) the need for future funding. Then, they justify significant increases and decreases in the spending plan with an OP-5 (Detail by Activity/Sub-activity Group).

**Table 3.2. POM 01 Timeline in Years**

Prior Year (PY)	2000 (00)
Current Year (CY)	2001 (01)
Budget Year (BY)ears	2002 (02)
Budget Year +1 (BY+1)	2003 (03)
Next 4 Years	04    05    06    07

***c. Program Managers and Comptrollers Data Call***

This call is generated by PERS-02 and sent to the Naval Personnel Command's Program Managers and Field Support Activities' Comptrollers to develop their budget estimates. There is often very limited time for cost centers to develop their budget estimates and submit them back to BUPERS. As a result, it has become common practice for local commanders to issue activity budget calls prior to receipt of the data call. Each budget call is normally based on the program control figures provided to Program Managers and Comptrollers during the Claimancy Budget Call. At a minimum, activity budget calls include (1) the commander's guidance, (2) budget guidance from higher authority (if received), (3) sample forms and exhibits to assist in budget preparation, (4) historical data

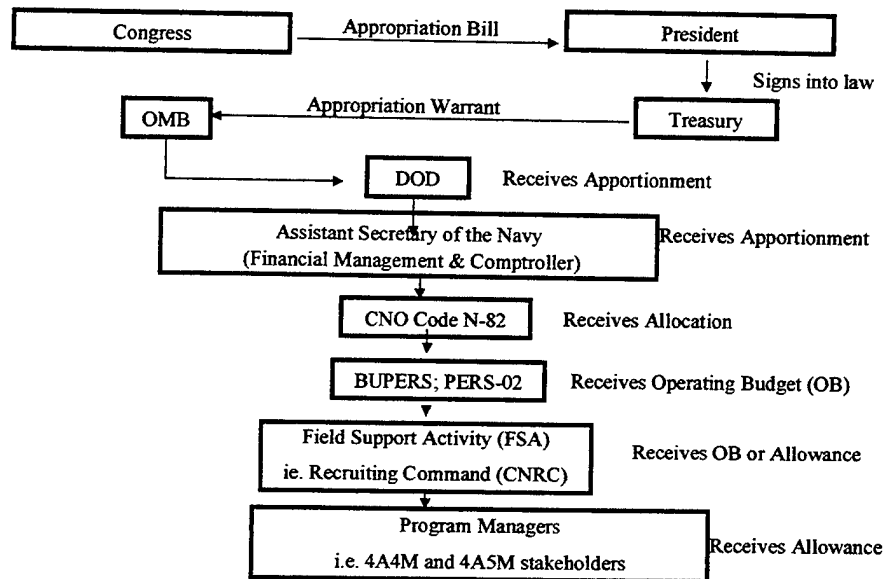
and (5) due dates and points of contact. The budget office within the Comptroller shop performs consolidation of cost center budgets and submission to BUPERS.

PERS-0222 provides Program Managers and Comptrollers with their funds based on budget authority and legal guidance. All funding for Naval Personnel Command's Program Managers and Field Support Activity Comptrollers are sent to the BUPERS' Resources Management Office in the form of an Operating Budget (OB) document. An operating budget contains the dollar figure required to perform the program's mission. The funds reach PERS-0222, from Congress, through OMB/OSD, FMB to PERS-02. Congress passes the Defense Appropriation Bill based on approved plans and programs accepted during the DON budget formulation process. The President signs the bill into law creating the Defense Appropriation Act and establishing statutory authority. It is then sent to the Treasury. The Treasury sends an appropriation warrant to OMB who maintains administrative authority over the funds until BUPERS requests their portion through the Secretary of Defense (SECDEF) and the Secretary of the Navy (SECNAV). Once approved by OMB, the funds are apportioned down the chain of command through the SECDEF, SECNAV, until they reach their final destination, BUPERS. SECDEF and SECNAV normally withhold part of the OMB apportionment that has been allocated to BUPERS. Initially, funds withheld by SECDEF and/or SECNAV are not available, but as the fiscal year progresses, BUPERS can submit justification for the release of a portion or all of the funds placed in reserve. The BUPERS' Resources Management Office receives the

funds in one of the three budget authority forms: (1) New Obligational Authority (NOA), (2) Total Obligational Authority (TOA), or (3) Continuing Resolution Authority (CRA). NOA provides authority to incur new obligations for the current year. NOA's are normally passed to Commanding Officers and Field Activities as a resource authorization, better known as a funding document. Resource authorizations are normally received and executed by each financial quarter in accordance with the apportionment plan. TOA provides funding available for programming in a given year, regardless of the year the funds were appropriated. CRA is the legislation enacted by Congress to provide budget authority for Federal agencies to continue in operation until regular appropriations are enacted should they not be passed prior to the start of the fiscal year (FY).

The Commanding Officers and Field Support Activities delegate financial responsibility to Program Managers and Comptrollers who receive the resource authorization as an allowance or operating budget. Prior to receiving the resource authorization Program Managers work with PERS-021 to establish lines of accounting to commit, obligate, and expend funds. Once resource authorizations are received Program Managers can begin executing the dollars. An example of BUPERS' Flow of Funds is illustrated in Figure 3.4.

## BUPERS FLOW OF FUNDS



**Figure 3.4. BUPERS Flow of Funds**

Operating budgets and allowances held by Comptrollers and Program Managers have legal responsibilities associated with them. The obligational authority requires that the funds be used for the purpose, time, and amount for which the funds were programmed and appropriated. A violation of the 31 U.S. Code Section 1301 can occur when the procurement of goods is made using the wrong appropriation. Another violation that can occur is the 31 U.S. Code Section 1517 which deals with the over-commitment, over-obligation, or over-expenditure of obligational authority. PERS-02, Comptroller/Resources Management Office holds the financial responsibility for all funds. However,

those who receive operating budgets vice allowances from PERS-02 have the 1517 responsibility passed down to them in the funding document and are subject to fines and penalties based on a 1517 violation.

Numerous unexpected changes occur during the fiscal year that substantially impact the financial plan. As a result, funding requirements need to be realigned, reprogrammed or additional funds (supplementals) need to be requested from FMB. BUPERS conducts one or more of the following budget reviews to deal with emergent requirements/contingencies.

(1) **Unfunded Requirements Review.** Programs that cannot be performed within the constraints of allocated funding, but are considered vital to mission of the command, become known as unfunded requirements. PERS-0221 submits unfunded requirements as part of their DON budget. These programs are identified as deficiencies in original budget requests and may be submitted again during mid-year review.

(2) **Mid-Year Review.** PERS-0222, along with Program Managers and Comptrollers, identifies emergent requirements or deficiencies in current program execution. The goal of this review is to seek ways to realign funds within PERS-02 to satisfy the deficiencies and/or pay for emergent requirements in accordance with established thresholds. If, after a thorough mid-year review, some deficiencies still remain, a request is made up the chain of command seeking additional funds.

PERS-023, which is at the field component level, interacts with all of the Naval Personnel Command from the field component level to the Deputy, Chief of Naval Personnel to process primarily payroll and awards.

PERS-02L, which is at the claimancy level, works with PERS-02, PERS-021, PERS-023, the Naval Personnel Command and Field Support Activity Program Managers and Comptrollers still located in Washington, D.C, FMB, OSD/OMB, and Congress in a advisory service liaison capacity.

PERS-02, which is at the claimancy level, interacts with PERS-021, 022, 023, 02L, Program Managers, Comptrollers, FMB, OSD/OMB, and Congress. The Director, Resources Management is dually responsible for the Programming, Budget & Execution Division at the Claimancy level, and also wears the hat of the Comptroller, at the Field Support Activity level. He is accountable for Operation and Maintenance, Navy (OM&N), Operation and Maintenance, Navy Reserve (OMNR), Research, Development, Test and Evaluation (RDT&E), Other Procurement, Navy (OPN), Foreign Military Sales (FMS), and Base Realignment and Closure (BRAC) appropriation matters within the Bureau of Naval Personnel.

## **7. People**

The knowledge, skills and abilities (KSAs) of the people along with the demographic background and experience of the workers facilitates management's goal to steer the organization in a certain direction.

When located in DC, the Comptroller/Resources Management Office had three employee categories. The first category consisted of those original Washington, DC staffers who were willing to relocate to Millington, TN. Some relocated because of the following reasons: (1) they could not get another job, (2) it was easier to get promoted, and (3) for altruistic reasons (i.e., continuity of the organization). The second category were those employed from other agencies and activities nation-wide in preparation for the BRAC move. Most of the people hired in category two were displaced civil-servants trying to reunite their families once again. Some of PERS-02's workforce were in category two because another Major Claimant, the Chief of Naval Technical Training (CNTECHTRA), displaced thousands of workers, a few years prior, when they consolidated with the Chief of Naval Education and Training (CNET) and relocated everyone from Millington, TN to Pensacola, FL. Most of CNTECHTRA's budget analysts temporarily relocated to Pensacola, FL leaving their families in Tennessee. Once BUPERS announced vacancies for budget analyst positions nation-wide, most of the displaced budget analysts applied with the hopes of returning to Millington, TN. The only stipulation that BUPERS put on the category two hires was that they had to relocate to Washington, DC to learn the PERS-02 organization and culture prior to the government relocating. Finally, the third, category consisted of employees whom the new management team selected vice employees that were

assigned to them. All the applicants had accounting and/or budgeting experience; therefore, the over-riding qualities that management sought in the selection process were those attributes that would facilitate direction setting: (1) a positive attitude, (2) willingness to work long hours, and (3) ability to learn the Planning, Programming, and Budgeting System (PPBS).

#### **8. Process/Subsystems**

This attribute refers to: (1) Financial Management, Measurement & Controls, (2) Human Resource Management, and (3) Communication Information Planning and Decision Making. Financial Management, Measurement & Controls are the mechanisms designed to hold individuals accountable for behavior and resources. Also, includes performance measures and budgetary controls. Human Resource Management (HRM) deals with the selection, training, and development of the people to meet the needs of the organization. How people are rewarded is also part of HRM. The purpose of the reward system is to align the goals of the employee with the goals of the organization. Communication Information Planning, and Decision Making deal with how the organization gathers, processes, distributes, and evaluates information. This is where the information systems fit into an organization's design.

PERS-02's Financial Management, Measurement & Controls, hold their people accountable for resources based on penalties associated with 1517 violations of statutory law. However, the organization has a large number of new

employees and the emphasis is placed on learning from mistakes. On-the-job training allows budget analysts to explore and learn any aspect of the PERS-02 organization, provided they complete their own tasks in a timely manner. Otherwise, formal class settings are provided through the BUPERS' training and education department that offers a myriad of classes all year round. Career development is managed through individual development plans (IDP) and is handled on a case by case basis. Formal rewards are given in the form of time-off or cash awards. The organization believes in promoting from within.

The Human Resource Office located in Stennis, MS performs the official recruiting, selecting, promoting, terminating, and retiring of employees. However, through formal rewards and upward mobility opportunities, the organization tries to retain and rotate good employees within the organization. Recognition is given in the form of praise in front of co-workers.

Communication is handled through formal and informal lines of communication. Most formal lines of communication used to gather, process, distribute and evaluate information require the use of the local-area-network (LAN). Each division uses different software applications that reside on the LAN. A total of 17 applications are needed to manage the Comptroller/ Resources Management organization. Other forms of formal communication are sent in a memorandum or provided during "All Hands" meetings. Daily conversation

provides the informal lines of communication, (i.e. networking). Most tasks are planned in advance by decomposing the end result into manageable sections and assigning an analyst to produce a given section. Decisions are made differently depending on the supervisor. Overall, group consensus dictates the outcome.

## 9. Culture

The culture of an organization is an important factor to consider when analyzing the organization. Culture pertains to the prevalent norms and values found in a system. One definition of culture is "a pattern of basic assumptions, invented, discovered, or developed by a group as it learns to cope with its problems of external adaptation and integration-that has worked well enough to be considered valid, and therefore has to be taught to new members as the correct way to perceive, think, and feel in relation to their problems."<sup>18</sup> In a systems approach, culture must be analyzed in terms of whether it impedes or facilitates integration of effort within an organization.

PERS-02 has three distinct cultures and management styles due to the nature of the work environment. PERS-021 is micromanaged and the employees do not feel trusted to perform their daily tasks without seeking guidance. As a result, they start and end work exactly at their designated time and don't associate with other budget analysts for fear of reprisal.

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<sup>18</sup> E.Schein, *Organizational Culture and Leadership: A Dynamic View*, Jossey-Bass: San Francisco, CA, 1985.

PERS-0221 provides his budget analysts with autonomy. They have the freedom to come to work early or late provided they put in the required 40 hour work-week , are available to customers when needed, and complete tasks on time. They prioritize their workload throughout the day and take anywhere from 30 minutes to an hour for lunch. This group of individuals because of the non-standardized work, is required to work in a team-based environment.

PERS-0222 is literally caught in the middle. They are physically located in the section with PERS-021 and maintain workload functions similar to PERS-0221. Even though PERS-0222 has enjoyed the freedom of being managed under an autonomous supervisor, the pressure and strain of those in PERS-021 has placed the supervisor in a difficult position. Finally, after DCNP received numerous complaints about civilian time and attendance, he set a command policy that describes standard working conditions and rules for everyone. Conflict is managed at the lowest possible level. Informally, claimancy budget analysts are provided the freedom to interact with one another at will. However, PERS-021 field component analysts are subjected to clearing everything through their supervisor.

Sub-cultures do exist within PERS-02, unfortunately, they impede integration efforts by reporting complaints to the IG, jumping the chain of command to report their negative information, and decreasing the moral of the organization. The office is a typical budget office that creates stresses and strains in an attempt to meet deadlines. They are torn between old management

techniques i.e., micro-management style and new management techniques i.e., autonomous management style.

## **10. Outputs**

The organization's outputs refers to the things that the organization offers in terms of goods and services. It is a measure of how well an organization meets its objectives and utilizes resources. The output is often based on the method of measurement and is typically the performance indicator for an organization.

The PERS-02 organization produces budget formulation and budget execution figures for FMB, OSD/OMB, and Congress. The outputs are measured in terms of alignment i.e., how closely the formulation and execution figures match. In the Government, the objective is to break-even. In a perfect world, if PERS-02 breaks-even, budget formulation and budget execution dollars should mirror one another. After a six-year time span when all obligations on the books expire the budget formulation and budget execution dollar amounts normally mirror each other or comes as close to matching as possible. Indicators of performance would be the difference between the budget formulation amounts and the budget execution figures and the percentage of differences between the two figures.

## **11. Outcomes**

Outcomes deal with the implications and consequences that outputs have on customers and how the outputs are interpreted in view of the environment. In

order to be an integrated system, the outcomes must feedback to the environment and to the design factors.

The implications and/or consequence of outputs to the customers, which are dollars funding claimancy programs, can be viewed in terms of either a fully funded or broken program. In the past, the funding existed within the overall BUPERS claimancy dollars, but needed to be realigned to fix specific programs. In these days of rightsizing when the claimancy dollars are shrinking, there are no excess funds to realign. As a result, customers, have to rely on outside sources identified in Figure 3.4 Flow of Funds to provide additional funds, or do without.

#### **E. A FINAL LOOK**

PERS-02 is an organization going through a great deal of change. The downsizing, the split of BUPERS, and the reduced budget have put the organization under a great deal of stress. The Organizational Systems Framework is referenced as a tool to aid the researcher in identifying the attributes that are not compatible with one another within this system. One PERS-02 person said many things get “dropped through the cracks.” Fewer personnel are available to do the same number of tasks, so sometimes the volume of work to do in a day becomes overwhelming. Another PERS-02 person mentioned that “today a budget analyst has to know more than understanding their program and what drives the dollars, they also need to be computer literate.”

PERS-02 is an organization stretched to the limits. Previous "successful" methods for dealing with problems typically involved more money and/or personnel. These methods are no longer readily available. New solutions are needed to solve recurring problems. Many PERS-02 personnel have ideas on how to improve the organization. Ideas are encouraged through brainstorming sessions and when appropriate incorporated into the organizational structure.

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## **IV. CASE ANALYSIS**

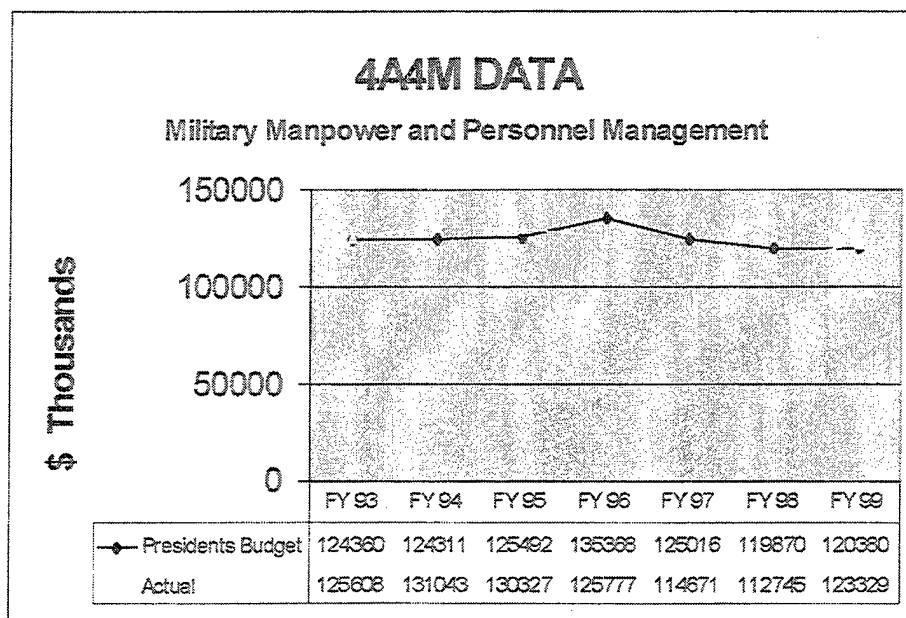
### **A. INTRODUCTION**

Reliant on data to perform its duties and functions, PERS-02 maintain six years worth of hard copy historical data on all Claimancy appropriations. The move from Washington, DC to Millington, TN left hard copy references, in particular 4A4M and 4A5M, disorganized and hard to obtain, but through various sources such as Financial reports, the Navy Headquarters Budgeting System, Program Objective Memorandum Submissions, Budget Estimate Submissions, and Admiral's Reports the information was reconstructed. The purpose of this chapter is to analyze 4A4M and 4A5M data, identify problems with outputs and outcomes, and determine underlying causes. Given the PERS-02 organization as described in Chapter III the data will be reviewed to determine if any of the causes are attributable solely to the organization's performance.

### **B. 4A4M AND 4A5M DATA BETWEEN FY 93-99**

The information shown in Figures 4.1 and 4.2 depicts a six-year representation of the 4A4M and 4A5M accounts. Together, they comprise data from 75 customers as seen in Appendix A. Each customer has its own fluctuation patterns within the 4A4M and 4A5M accounts that affect the overall amounts. Information presented in Tables 4.1 and 4.2 depict the organization's outputs, President's Budget submissions and Actuals, and performance measurement indicators, realignments and percent. The President's Budget figures reported to

FMB establish the baseline funding for the fiscal year, starting on 1 October for any given fiscal year. Actuals reported to FMB are the total dollars spent for the fiscal year ending 30 September for any given fiscal year. The difference between the President's Budget figures and the Actual Budget figures is the realignment needed to fully fund the programs Congress approved in the Defense Appropriations Bill. Resource realignment illustrated in Tables 4.1 and 4.2, displayed in then year dollars, are the result of the Federal Budget process that allows changes to occur during the DON, OSD/OMB, and POM budget submissions. The percent category shown in Tables 4.1 and 4.2 reflects, percentage wise, differences between the President's Budget submit and the Actuals reported to FMB.

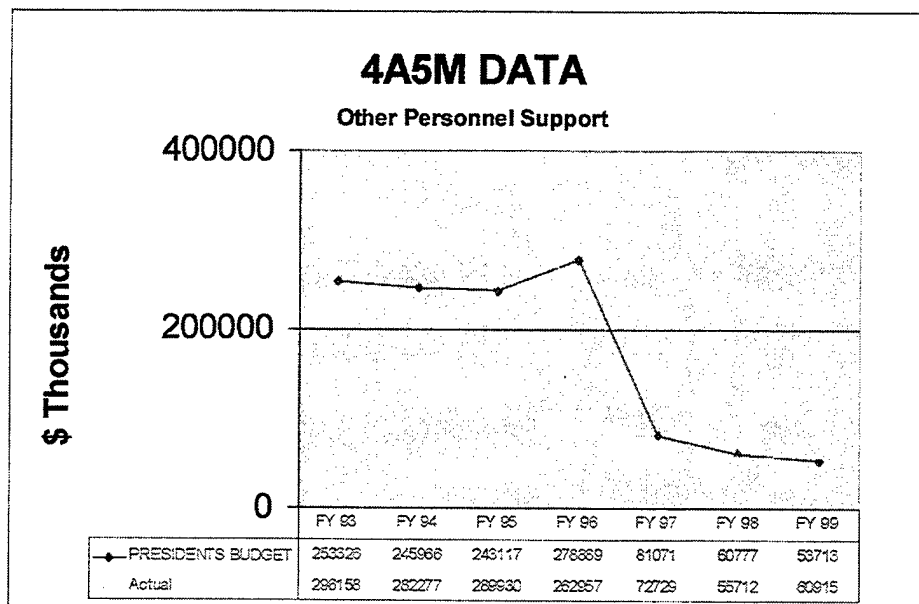


**Figure 4.1. Six-Year Presentation of 4A4M Data**

**Table 4.1. Performance Indicators for 4A4M Data**

**4A4M ACCOUNT**

	PRES BUDGET	ACTUALS	ACTUALS - PRES BUDGET DIFFERENCES	
			Claimancy Realignment	PERCENT
FY 93	124360	125608	1248	1.00%
FY 94	124311	131043	6732	5.42%
FY 95	125492	130327	4835	3.85%
FY 96	135368	125777	-9591	-7.09%
FY 97	125016	114671	-10345	-8.27%
FY 98	119870	112745	-7125	-5.94%
FY 99	120380	123329	2949	2.45%



**Figure 4.2. Six-Year Presentation of 4A5M Data**

**Table 4.2. Performance Indicators for 4A5M Data**

**4A5M ACCOUNT**

	PRES BUDGET	ACTUALS	ACTUALS – PRES BUDGET DIFFERENCES	
			Claimancy Realignment	PERCENT
FY 93	253326	296158	42,832	16.91%
FY 94	245966	282277	36,311	14.76%
FY 95	243117	289930	46,813	19.26%
FY 96	278889	262957	-15,932	-5.71%
FY 97	81071	72729	-8,342	-10.29%
FY 98	60777	55712	-5,065	-8.33%
FY 99	53713	60915	7,202	13.41%

**C. ANALYSIS**

The research conducted over the past year uncovered answers to the three research questions.

1. Is there a lack of alignment between budget formulation and execution figures for BUPERS (e.g., specifically for customers within the Military Manpower and Personnel Management (4A4M) and Other Personnel Support (4A5M) accounts?
2. What are the trends over time?
3. What are the underlying causes of the organization's performance?

As viewed in Figures 4.1 and 4.2, a lack of alignment between budget formulation and execution figures does exist, however, the trends of both the 4A4M and 4A5M accounts over time reflect an organization that is getting better at projecting and executing claimancy dollars. For this case analysis, the

researcher chose to look at those performance indicators that were 5% higher or lower than projected during the Presidents Budget submission. The reason the researcher chose 5% was to arbitrarily establish a 95% confidence level between what was projected vice actually executed. However, determining the absolute mean deviation, which is the sum of the performance indicators by percent divided by the accounts sample size (i.e., seven) provides a more accurate way to measure the confidence level between projected vice actual amounts. For example, the 4A4M account for the seven years examined has a negative 1.22% variance between projected and actual amounts reported. In essence, the 4A4M account has had a 98.78% accuracy level over the past seven years and has projected 1.22% over the actual program costs. Another example, the 4A5M account for the past seven years has a positive 5.71% variance between projected and actual amounts reported. Therefore, the accuracy level for the 4A5M account is 94.29% and projections have been 5.71% under the actual dollars needed to fund programs. Both accounts examined together to determine the 4A4M and 4A5M variance is a positive 2.24% with a 97.76% confidence level which means PERS-02 has a tendency to project lower than what actual programs will cost.

In the 4A4M account, fiscal year (FY) 93 and 95 outputs reflect good performance measurement indicators that suggest the PERS-02 organization managed their funds reasonably well. Fiscal year 94 presented a slight problem

because the performance indicator exceeded the 5% error set in this analysis and requires a closer examination of underlying causes which will be discussed later in this chapter. Initially, for FY 93-95, the organization projected lower costs for programs than Program Managers and Comptrollers executed. As the years progress, FY 96-98, PERS-02 adjusted projections to reflect higher program costs. Simultaneously, Program Managers and Comptrollers program execution dollars fell as a result of the changes associated with the anticipated relocation, which created significant differences in reported budget formulation and execution figures. During the FY 96-98 time-period, performance measurement indicators exceeded the 5% used for this analysis and require a closer examination of underlying causes which will be discussed later in this chapter. Signs of significant improvement occurred in fiscal year 1999 when performance indicators fell to 2.45% suggesting the PERS-02 organization has started to make changes within their organization to address the discrepancies between budget formulation and execution figures.

The 4A5M account, shows significant differences in FY 93-95. The performance measurement indicators reveal that in FY 96-99 the PERS-02's organization had a shift in not only resources but also in the alignment of funds. As illustrated in Figure 4.2 the dollars decreased and the accuracy of the budget projections appears to have increased, but in fact, outputs are well outside the 5%

margin adopted for this analysis. A closer look at reasons for discrepancies throughout the seven-year period will be explored later in this chapter.

Underlying causes for some of the organization's performance can be attributed to the Systems Organizational Framework discussed in Chapter III. Symptoms of output problems were evident in the FY 94, and FY 96-98 data in the 4A4M account and FY 96-99 data in the 4A5M account.

Differences derived from the data during the time period of FY 94, and FY 96-98 for the 4A5M account exceeded the 5% percentage indicator limit for this analysis. There are many contributing organizational performance factors that help to explain the discrepancies in budget formulation and execution figures. First, in fiscal year 1994 Women's Policy was implemented as a result of the Tailhook scandal. Second, FY 96-98 was a time period when PERS-02 was preparing for their relocation to Millington, TN and determining how much of their resources i.e., employees, technology, capital, and information would be retained. PERS-02 lost a considerable amount of their experienced workforce, prior to the BRAC move, which was reflected in the number of gapped billets from FY 96-98 that produced a savings depicted in Table 4.3 Central Ops-62980. (Appendix A under the Central Ops President's budget vice Actuals).

**Table 4.3. Central Ops – 62980**

4A4M RECONSTRUCTED "PRESIDENTS" BUDGET PROFILE							
	FY93	FY94	FY95	FY96	FY97	FY98	FY99
<b>BUPERS</b>							
Central Ops-62980	46208	46547	48579	44999	45093	36586	26613
4A4M RECONSTRUCTED "ACTUAL" BUDGET PROFILE							
	FY93	FY94	FY95	FY96	FY97	FY98	FY99
<b>BUPERS</b>							
Central Ops-62980	48208	47849	47940	37999	39093	34586	26613

Additional understanding of the causes of the gapped billets and realized savings from FY 96-98 can be derived from a look at a simultaneous change in the Human Resource Office (HRO) functions. All HROs were on a time schedule to regionalize, which meant they were moving from a decentralized to a centralized working environment. The four months it took PERS-02's HRO, which was regionalized to fill a vacant billet compared to the one month it took other agencies, which had not regionalized, to select, rotate, or transfer PERS-02 applicants leaving due to the relocation was disproportional. Thus, the most significant difference to the 4A4M account was experienced in the PERS-02 Central Ops labor.

Efficiencies discovered through information technology resulted in savings that drove the execution costs down. Second, changes in organizational attributes such as organizational tasks and information systems shifting from a decentralized to a centralized environment hindered old forms of both formal and informal communications that would have signaled the need for adjustments in budget projections. Third, people, hired in preparation for the BRAC move, with diverse

backgrounds, knowledge, skills, and abilities needed time to assess the organization and culture. However, the environment did not permit that time because budget deadlines were unchanged or altered. Fourth, as part of the relocation, PERS-02 incorporated a new attribute to their list of key organizational success factors, information technology, which was forecasted to generate tremendous savings. As identified in Tables 4.4, and 4.5, and referenced in Appendix A, information technology only provided marginal savings.

**Table 4.4. Information Technology Presidents Budget Submission Figures**

	4A4M RECONSTRUCTED "PRESIDENTS" BUDGET PROFILE						
	FY93	FY94	FY95	FY96	FY97	FY98	FY99
<b>BUPERS</b>							
PASS	10	10	14	14	12	118	183
IRM	44	13	108	6	5	0	0
EMPRS	0	4160	2274	7218	5270	9142	9142
FINSYS	0	0	0	0	77	548	7
ITS (BUPERS)	17143	16250	16154	15539	14230	19013	3441
PERSNET	719	552	843	3672	2467	2864	6721
MAST	0	0	0	0	0	0	18
SDS	15211	14587	14507	12349	11250	10082	33856
NTRS	0	0	0	0	0	2400	0
NSIPS	0	0	0	4335	0	0	0
TFMMS/CDS	4422	4119	4859	4584	4894	2203	0
NMPDS	4418	2762	3945	6738	4768	1909	0
MAC/PRAMS	0	0	0	0	0	59	0
P01 COMM	5508	6001	3809	4947	3068	2929	4424
P3 COMM	860	690	634	380	0	0	2691
Washington Liaison Det (3157z	0	0	0	0	0	0	605
PCSVC	1641	1556	1590	1768	1725	1782	1765

**Table 4.5. Information Technology Actual Budget Submission Figures**

	4A4M RECONSTRUCTED "ACTUAL" BUDGET PROFILE						
	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
<b>BUPERS</b>							
PASS	10	10	14	14	12	118	183
IRM	44	13	108	6	5	0	0
EMPRS	0	6160	3374	7218	5270	9142	9142
FINSYS	0	0	0	0	77	548	7
ITS (BUPERS)	17143	16750	16154	14548	15357	18013	3441
PERSNET	719	652	843	3672	995	2544	6721
MAST	0	0	0	0	0	0	18
SDS	15211	14987	14507	12779	10250	9082	33856
NTRS	0	0	0	0	0	1400	0
NSIPS	0	0	0	4335	0	0	0
TFMMS/CDS	4422	4119	4859	4584	3894	2407	0
NMPDS	3418	4762	5945	6338	2768	909	0
MAC/PRAMS	0	0	0	0	0	59	0
P01 COMM	5508	6001	4809	3947	3068	2929	4424
P3 COMM	860	690	634	350	0	0	2691
Washington Liaison Det (3157z	0	0	0	0	0	0	605
PCSVC	1641	1556	1590	1768	1725	1773	1765

In the middle of relocation, several systems such as NTRS, NSIPS, TFMMS/CDS, NMPDS, and MAC/PRAMS were functionally transferred to New Orleans.

Examination of discrepancies over the entire seven years, in the 4A5M account revealed two separate causes for variations in the data for two separate time periods. A customer, known as, Subsistence in Kind (SIK) caused the most significant discrepancy in budget formulation and execution figures from FY 93-96 as illustrated in Table 4.6.

**Table 4.6. Subsistence in Kind (SIK)**

	4A5M RECONSTRUCTED "PRESIDENTS" BUDGET PROFILE						
	FY93	FY94	FY95	FY96	FY97	FY98	FY99
<b>OTHER PERSONNEL SUPPORT</b>							
Subsistence in Kind (SIK)	223369	211732	186312	231920	0	0	0
	4A5M RECONSTRUCTED "ACTUAL" BUDGET PROFILE						
	FY93	FY94	FY95	FY96	FY97	FY98	FY99
<b>OTHER PERSONNEL SUPPORT</b>							
Subsistence in Kind (SIK)	261766	243760	230587	215988	0	0	0

The discrepancy occurred because the forecasting model used to project Subsistence In Kind allowances was inaccurate. As a result, Subsistence in Kind was actually costing more to execute than expected. In fiscal year 1996, the dollars associated with Subsistence In Kind were functionally transferred to the Military Personnel, Navy (MP, N) account.

Dollar figure discrepancies in FY 97-99 were due to underlying organizational performance causes. One of the primary success factors for BUPERS is quality of life. As a result, DCNP has urged the Comptroller/Resources Management Office to fully fund these programs. Year after year, budget analysts would tell FMB, OSD/OMB, and Congress that they needed money for quality of life issues and year after year significant portions of QOL funds were diverted to pay for higher priority items. FY 99 is the first time that

PERS-02 received a significant plus-up in QOL issues based on key political military figures rotating in and out of high level positions and understanding that increased QOL equates to increased military retention.

#### **D. SUMMARY**

President's Budget Submissions and Actuals rarely match exactly, although that is the goal for all governmental Program Managers, Comptrollers, and Resource Managers. Data extracted from PERS-02 for two accounts, 4A4M and 4A5M, provide good examples of governmental organization's ability to successfully project program costs within 95% accuracy compared to the actual program costs. Performance measurement indicators identify changes that need to occur within the organization such as: structure, technology, tasks/jobs, people, and process/subsystems. Some attributes changed prior to the relocation between FY 96-98. Structural changes occurred between FY 96-98. For example, the Claimancy Liaison Office was established to take care of those left in DC. Technology, as referenced through the infrastructure, moved divisions from their traditional environment i.e., physically separated from other divisions, to an open space environment where divisions are considered equal but separate. Tasks and jobs went from being decentralized to centralized. Other attributes were changing as the researcher studied the organization in FY 99. PERS-02 management changed the structure of the organizations by adding PERS-023, the Payroll and Awards division, to get a better handle on the labor situation. "All hands"

meetings were called to keep everyone abreast of changes and to clarify divisional roles and functions within the organization. Specific attention was focused on each division to perform their job functions and tasks better. PERS-0221 worked on improving the IMPAC credit card purchases and liquidation process. PERS-0222 prepared and presented a PERS-02, Major Claimant, Budget Conference to Naval Personnel Command's Program Managers and Field Support Activities' Comptrollers. Group dynamics continue to change as people continuously bond, separate, and experience growing pains as they learn the new organization and strive for improvements within the organization. PERS-02 sets no limits on their people, everyone is encouraged to continually learn and grow. Individual Development Plans have been adopted to make sure all budget analysts are not deficient in any area. If needed, can they take Command sponsored training to improve themselves. The process/subsystem is continually changing as the organization finds better ways to achieve their mission. Financial Management, Measurement & Controls are slowly being developed and implemented following production of the PERS-02 Budget Guidance Manual in January 2000. Human Resource Management appears to have the right group of people performing the tasks because everyone is able to perform their functions and the atmosphere supports a professional, healthy working environment. Communication Information Planning and Decision Making is managed similar to a corporate executive environment. The divisions affected by change solve differences among

themselves or to coordinate job tasks and functions without hesitation. The results of those meetings, if needed, are put out during "All hands" meetings to get a group consensus and final determination. PERS-02 management believes everyone is entitled to their opinion and respects those opinions. They also believe in the art of negotiating, and pulling something good from conflicts and controversial debates. Three new off-the-shelf, information technology, financial management related re-inventions were incorporated with the Fund Administrator and Standardized Document Automation System (FASTDATA), Budget Builder, and Microsoft Office templates. FASTDATA supports the PERS-021 division by preventing a Program Manager or Comptroller from inadvertently creating a 1517 violation. Budget Builder supports the PERS-0221 division by getting a better handle on the Claimancy's labor situation. Microsoft Office templates in both Word and Excel assisted PERS-022 by increasing accuracy and expediting the transfer of information from Program Managers to Comptrollers via e-mail.

## V. CONCLUSIONS AND RECOMMENDATIONS

### A. INTRODUCTION

The Comptroller/Resources Management Office has struggled to maintain continuity of operations, as a result of the relocation from Washington, DC to Millington, TN. The evidence has been exhibited through organizational outputs such as President's Budget Submissions, Actuals, and the performance measurement indicators such as realignment of resources and the percent of realignment.

The problems that plague PERS-02 were not readily apparent to an outsider looking into the organization. The only indicators to potential problems were the misalignment of funds reported, the trend in dollars over a seven-year period, and the affects internal and external changes had on the dollars.

While overall, the organization's performing at a 97.76% accuracy level in the 4A4M and 4A5M account, over a seven-year period that figure is the average of some significant variances. There is still room to improve the alignment between projected versus actual output, in any given year, by identifying underlying causes viewed through performance measurement indicators. The trend in the combined 4A4M and 4A5M account indicates that the alignment at any one given fiscal year is between a minimum of 6% and a maximum of 10% variance between projected numbers reported in the President's Budget vice actual execution reported in the Actuals. Underlying causes identified were both external

and internal to the organization. Some of the major external causes, were: (1) FY 94 Congressional decision to implement a Women's Policy program as a result of the Tailhook scandal, and (2) FY 96-98 OSD/OMB functionally transferred programs from one Major Claimant to another. Other causes identified were based on internal attributes that management changed in preparation for the 1993 BRAC decision to relocate BUPERS from Washington, DC to Millington, TN. These changes included reorganizing the structure of the organization by leaving a liaison branch in Washington, DC and taking on new responsibilities with the Pay and Awards division. Technology changes experienced during the relocation came from a change from closed space to an open space infrastructure. Tasks were transitioned from decentralized to centralized functions, while jobs were switched from cradle-to-grave efforts to specialized efforts. Processes/subsystems are continuously being improved with off the shelf products such as FASTDATA, Budget Builder, and budget exhibit templates.

## **B. CONCLUSIONS**

The Comptroller/Resources Management Office has reorganized based on the 1993 BRAC decision. Changes in output during FY 96-98 were primarily the result of internal causes whereas changes during FY 93-95 can be attributed to external changes. While it appears that the organization is performing with a 97.76% accuracy level between budget formulation and execution figures, it is

important to realize that this figure is an average of some significant variations, both plus and minus. In FY 99, they only obtained 92% accuracy level. The goal set by the government is to reach 100% accuracy level, which implies that the budget formulation and execution figures matched exactly. Through information technology, PERS-02 hopes to come consistently closer to managing each program at a 100% accuracy level. However, until that time, performance measurement indicators will need to act as a signaling agent to initiate changes within the organization. PERS-02 will close the gap between budget formulation and execution over time, but better internal organizational controls or procedures need to be put into place to handle differences isolated to a given fiscal year.

### **C. RECOMMENDATIONS**

PERS-02 should implement incentive awards based on performance measurements. They should move the labor functions currently handled by PERS-021 to their newly added division PERS-023 and increase personnel in that division if needed. PERS-021 employees' Individual Development Plans should be revised to include a time period scheduled to start rotational work assignments in PERS-022. Also, based on the level of customer service that Resource Management Offices are expected to provide. PERS-022 should be placed on rotating shifts or a flexible work schedule, which would eliminate overtime, facilitate the processing of information, provide better communication, and

provide the steps necessary to take a program through budget formulation to execution.

## **APPENDIX. BUDGET PROFILES**

1. 4A4M RECONSTRUCTED "PRESIDENT'S" BUDGET PROFILE
2. 4A5M RECONSTRUCTED "PRESIDENT'S" BUDGET PROFILE
3. 4A4M RECONSTRUCTED "ACTUAL" BUDGET PROFILE
4. 4A5M RECONSTRUCTED "ACTUAL" BUDGET PROFILE

4A4M RECONSTRUCTED "PRESIDENT'S" BUDGET PROFILE

	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
<b>BUPERS</b>							
Central Ops -00022	3122	3307	3436	3271	3134	2621	1074
Command Travel	0	0	0	0	0	0	310
BAH Survey	119	56	72	78	54	106	0
N1 Salaries	0	0	0	0	0	0	4338
N10/N12/N13/PERS-00/PERS00D	76	75	89	68	100	100	0
MILPERSCOMP	284	297	295	291	239	233	236
MPN Mgmt	200	151	147	154	139	149	224
Personnel Exchange Program (PEP)	131	180	173	185	141	157	255
Women's Policy	0	1	74	17	130	12	149
NAMALA	0	0	0	0	0	0	18
ASVAB	0	0	2751	0	0	304	235
Chaplain's Resource Board	93	82	85	122	122	117	118
Navy Personnel Survey Studies	603	329	378	399	425	429	434
Central Ops-62980	46208	46547	48579	44999	45093	36586	26613
Command Travel	292	268	235	393	465	774	835
Retention Travel	612	506	612	497	377	369	404
Mgmt & Organization	21	11	32	48	75	122	42
PASS	10	10	14	14	12	118	183
IRM	44	13	108	6	5	0	0
EMPRS	0	4160	2274	7218	5270	9142	9142
FINSYS	0	0	0	0	77	548	7
ITS (BUPERS)	17143	16250	16154	15539	14230	19013	3441
PERSNET	719	552	843	3672	2467	2864	6721
MAST	0	0	0	0	0	0	18
SDS	15211	14587	14507	12349	11250	10082	33856
NTRS	0	0	0	0	0	2400	0
NSIPS	0	0	0	4335	0	0	0
TFMMS/CDS	4422	4119	4859	4584	4894	2203	0
NMPDS	4418	2762	3945	6738	4768	1909	0
MAC/PRAMS	0	0	0	0	0	59	0
P01 COMM	5508	6001	3809	4947	3068	2929	4424
P3 COMM	860	690	634	380	0	0	2691
Washington Liaison Det (31572)	0	0	0	0	0	0	605
PCSVC	1641	1556	1590	1768	1725	1782	1765
NAVMAC	8193	7863	5395	8039	6925	6626	6887
EPMAC	7032	6805	6596	7604	9429	7835	4201
<b>CORRECTIONAL FACILITIES</b>							
Brig Charleston	3287	3221	3485	3480	3472	3274	2725
Brig Miramar	3395	3305	3659	3535	3584	3472	2946
Deserter Apprehension Program	354	134	143	133	134	198	139
CORMIS	225	357	343	382	328	320	360
Performance Project	137	116	176	123	163	176	231
ECECS	0	0	0	0	2721	2841	4753
<b>Total</b>	<b>124360</b>	<b>124311</b>	<b>125492</b>	<b>135368</b>	<b>125016</b>	<b>119870</b>	<b>120380</b>
	124360	124311	125492	135368	125016	119870	120380
	0	0	0	0	0	0	0

4ASM RECONSTRUCTED "PRESIDENT'S" BUDGET

	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
<b>HRMSS</b>							
NavLead	1212	614	917	392	550	345	663
Pro Relationship Div	0	0	0	0	0	0	206
Overseas Duty Supt Program	373	147	64	41	125	100	144
Exceptional Family Member	64	58	259	126	175	119	147
Alcohol HQ	203	194	672	77	415	878	1350
DAPMA San Diego	4014	4411	4841	4843	4990	3920	2583
DAPMA Norfolk	613	454	834	703	665	462	289
ADMITS	210	10	45	30	60	130	177
Personal Excellence	137	105	80	101	156	101	123
Health & Physical Readiness	163	143	114	132	183	180	264
<b>OTHER PERSONNEL SUPPORT</b>							
Minority Affairs (Pers-00J)	624	327	340	292	366	109	129
Chaplains	827	971	1295	1114	1225	1345	1356
Career Counseling	849	733	717	740	687	720	748
Comp Screen Model	261	265	191	204	288	296	265
Naval Postgraduate School	0	0	0	150	150	190	175
TCAFM	0	0	0	1200	2760	2734	2767
Forgotten Widows	0	0	0	0	1303	1260	1260
Fisher House	0	0	0	0	0	0	0
Music	1241	977	1711	1333	1582	1650	1410
Navy Band	736	846	969	1466	1296	1352	1060
SIK	223369	211732	186312	231920	0	0	0
Admin Discharge	7	7	9	12	13	17	12
Mess Mgmt Travel	118	107	155	1	0	0	2
CNP Miscellaneous	67	51	65	64	54	68	84
Law Education	9	13	26	10	16	12	15
PCO/PXO	6	3	6	3	8	17	19
Senior Enlisted Academy	89	138	175	164	270	229	283
Next of Kin Travel	202	145	162	135	94	188	60
Dependent Travel	141	122	106	107	101	90	395
Officer Selection Board	1074	1267	1351	862	2243	1195	2099
Enlisted Selection Board	911	1043	917	1082	1317	1486	1278
TDRL Physicals	225	167	318	268	259	291	291
Reserve Short Tours	273	51	6	2	4	6	6
Medals & Awards	112	151	128	139	133	172	193
Child Development	2122	2807	4800	6198	11185	11250	8930
Family Support	614	583	7222	1329	1779	1350	1220
SAVI	318	640	1621	1588	1501	1589	1691
Casualty/Retired Affairs	0	0	0	104	179	541	577
DCIPS	0	0	0	0	0	0	0
<b>MWR</b>							
Fleet Motion Pictures	9531	8501	7400	8550	7521	8480	7381
Fleet Shore Recreation	1436	1640	2219	2748	21657	5757	5761
Youth Center	394	365	4578	369	342	295	1140
PERS-65 HQ Support	155	80	590	81	75	65	255
Recreation Special Projects	626	6098	11902	10209	15344	11788	6905
Total	253326	245966	243117	278889	81071	60777	53713
	253326	245966	243117	278889	81071	60777	53713
	0	0	0	0	0	0	0

4A4M RECONSTRUCTED "ACTUAL" BUDGET PROFILE

	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
<b>BUPERS</b>							
Central Ops -00022	3122	3307	3436	3271	3134	2621	1074
Command Travel	0	0	0	0	0	0	310
BAH Survey	119	56	72	78	54	106	0
NI Salaries	0	0	0	0	0	0	4338
N10/N12/N13/PERS-00/PERS00D	76	75	89	68	100	100	0
MILPERSCOMP	284	297	295	291	239	233	236
MPN Mgmt	200	151	147	154	139	149	224
Personnel Exchange Program (PEP)	131	180	173	185	141	157	255
Women's Policy	0	1	74	17	130	12	149
NAMALA	0	0	0	0	0	0	18
ASVAB	0	0	3125	0	0	304	235
Chaplain's Resource Board	93	82	85	122	122	117	118
Navy Personnel Survey Studies	603	429	378	399	425	429	434
Central Ops-62980	48208	47849	47940	37999	39093	34586	26613
Command Travel	292	268	235	293	465	774	835
Retention Travel	612	606	612	497	377	369	404
Mgmt & Organization	21	11	32	48	75	122	42
PASS	10	10	14	14	12	118	183
P/PAC	0	0	0	0	0	0	0
IRM	44	13	108	6	5	0	0
DMS	0	0	0	0	0	0	0
EMPRS	0	6160	3374	7218	5270	9142	9142
FINSYS	0	0	0	0	77	548	7
ITS (BUPERS)	17143	16750	16154	14548	15357	18013	3441
PERSNET	719	652	843	3672	995	2544	6721
MAST	0	0	0	0	0	0	18
SDS	15211	14987	14507	12779	10250	9082	33856
NTRS	0	0	0	0	0	1400	0
NSIPS	0	0	0	4335	0	0	0
TFMMS/CDS	4422	4119	4859	4584	3894	2407	0
NMPDS	3418	4762	5945	6338	2768	909	0
MAC/PRAMS	0	0	0	0	0	59	0
P01 COMM	5508	6001	4809	3947	3068	2929	4424
P3 COMM	860	690	634	350	0	0	2691
Washington Liaison Det (31572)	0	0	0	0	0	0	605
PCSVC	1641	1556	1590	1768	1725	1773	1765
NAVMAC	8053	7863	6395	7539	6925	6626	6887
EPMAC	7420	6805	6596	7604	9429	6835	4201
<b>CORRECTIONAL FACILITIES</b>							
Brig Charleston	3287	3221	3485	3480	3472	3274	2725
Brig Miramar	3395	3525	3659	3535	3584	3472	2946
Deserter Apprehension Program	354	134	143	133	134	198	139
CORMIS	225	357	343	382	328	320	360
Performance Project	137	126	176	123	163	176	231
ECECS	0	0	0	0	2721	2841	7702
Total	125608	131043	130327	125777	114671	112745	123329
	125608	131043	130327	125777	114671	112745	123329
	0	0	0	0	0	0	0

4ASM RECONSTRUCTED "ACTUAL" BUDGET PROFILE

	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
<b>HRMSS</b>							
NavLead	1212	614	917	392	450	345	663
Pro Relationship Div	0	0	0	0	0	0	206
Overseas Duty Supt Program	373	147	64	41	125	60	144
Exceptional Family Member	64	58	259	126	175	119	147
Alcohol HQ	203	194	672	77	215	478	1350
DAPMA San Diego	5014	5411	4841	4843	3890	2720	2583
DAPMA Norfolk	613	554	834	703	565	462	289
ADMTS	210	30	45	30	60	130	177
Personal Excellence	137	125	80	101	156	101	123
Health & Physical Readiness	163	163	114	132	183	180	264
<b>OTHER PERSONNEL SUPPORT</b>							
Minority Affairs (Pers-00J)	724	327	340	292	366	109	129
Chaplains	827	981	1295	1114	1225	1345	1356
Career Counseling	849	733	717	740	687	720	748
Comp Screen Model	261	265	191	204	288	296	265
Naval Postgraduate School	0	0	0	150	150	190	175
TCAFM	0	0	0	1200	1960	2734	2767
Forgotten Widows	0	0	0	0	1400	1260	1593
Fisher House	0	0	0	0	0	0	5000
Music	1241	977	1711	1333	1582	1650	1410
Navy Band	736	846	969	1466	1296	1352	1060
SIK	261766	243760	230587	215988	0	0	0
Admin Discharge	7	7	9	12	13	17	12
Mess Mgmt Travel	118	107	155	1	0	0	2
CNP Miscellaneous	67	51	65	64	54	68	84
Law Education	9	13	26	10	16	12	15
PCO/PXO	6	3	6	3	0	17	19
Senior Enlisted Academy	89	138	175	164	270	129	283
Next of Kin Travel	202	145	162	135	100	118	60
Dependent Travel	141	122	106	107	101	90	395
Officer Selection Board	1074	1267	1351	862	1243	1195	2099
Enlisted Selection Board	911	1043	917	1082	1217	1396	1278
TDRL Physicals	325	167	318	268	259	291	291
Reserve Short Tours	373	51	6	2	4	6	6
Medals & Awards	112	151	128	139	66	142	193
Child Development	3122	4890	5800	6198	9685	10250	9930
Family Support	714	583	8222	1329	1779	1220	1220
SAVI	418	740	1621	1588	1501	1584	1691
Casualty/Retired Affairs	0	0	0	104	279	541	577
DCIPS	0	0	0	0	0	0	0
<b>MWR</b>							
Fleet Motion Pictures	11231	9001	7938	8550	6951	7480	8180
Fleet Shore Recreation	1436	2040	2219	2748	21657	5757	5761
Youth Center	394	365	4578	369	342	295	1140
PERS-65 HQ Support	155	110	590	81	75	65	255
Recreation Special Projects	861	6098	11902	10209	12344	10788	6905
Total	296158	282277	289930	262957	72729	55712	60845
	296158	282277	289930	262957	72729	55712	60915
	0	0	0	0	0	0	0

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