

# Enhancing Personnel Readiness in the Army Reserve Components

The personnel readiness of the Army Reserve Components (RC)—including both the Army National Guard and the U.S. Army Reserve—is an important national security issue. In fact, despite the Army's continued reliance on the RC in wartime, many of their units have long been manned significantly below wartime readiness requirements. This readiness shortfall gives rise to concerns for future contingencies: Will the Army be ready to deploy critical RC units at the required strength when they are needed? Drawing on findings presented in the RAND Arroyo Center report *Ensuring Personnel Readiness in the Army Reserve Components*, this research brief summarizes the efforts of Arroyo Center analysts to understand Army RC personnel readiness shortfalls, their implications, and their potential solutions.

## UNDERLYING CAUSES OF READINESS SHORTFALLS

In the typical reserve unit during the 1990s, only 63 percent of the positions required for deployment were filled with soldiers who were "duty MOS qualified" (DMOSQ).<sup>1</sup> As Figure 1 illustrates, the 37 percent shortfall is about equally divided among soldiers undergoing initial training, soldiers who need retraining for their current position, and positions that are vacant.

This shortfall imposes serious problems when a unit is mobilized for deployment. Army practice typically calls for 85 percent of a unit's positions to be filled by DMOSQ soldiers before it can be deployed overseas. As a result, upon mobilization many nonqualified soldiers must be removed from deploying units and replaced by

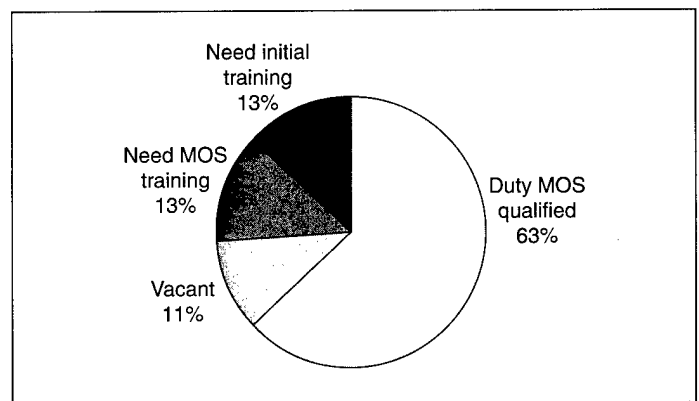


Figure 1—MOS Qualification Rates in Army RC Units

soldiers from other units. For units needed early in a fast-breaking contingency, this poses a real risk that deployment timelines will be missed. Not only must soldiers be moved, but time must be allowed for individual and collective training to permit performance of the unit's wartime mission. In addition, this process "breaks" many of the donor units, who may themselves be needed later in the deployment process.

Therefore, Arroyo Center researchers set out to understand the underlying causes of low DMOSQ rates and to model the effects of various policies that might improve them. The most important cause revealed by the analysis was *frequent personnel turnover*. Turnover includes substantial rates of attrition and job changes, which have been a persistent feature of the RC for the past two decades. These personnel movements exert a profoundly negative effect on DMOSQ rates. For example, 17 percent of reservists changed jobs during FY 1993; of them, only one-third were DMOSQ by year's end. In contrast, 85 percent

<sup>1</sup> MOS is "military occupational specialty."

of those who did not change jobs were DMOSQ. During the same year, another 20 percent left the RC altogether, further reducing readiness and creating substantial new training requirements.

## COSTS AND SAVINGS OF POTENTIAL READINESS STRATEGIES

Reductions in attrition and job turbulence appear promising for addressing shortages of DMOSQ personnel in the Army RC. What policies might accomplish such reductions?

Although relevant research is limited, results indicate that increases in military compensation significantly reduce the rate of attrition. A 10 percent raise in average drill pay, for example, is estimated to reduce attrition by 4.5 percent to 9.5 percent. Financial incentives may also help control job turbulence, since many reservists who change jobs do so to increase their promotion chances. Thus a bonus that makes up the pay differential to the next grade could be expected to reduce turbulence. Moreover, reductions in personnel movements would cut training requirements, perhaps paying back a large part of the bonus cost. RAND's analysis suggests that major improvements might be accomplished even by rather modest compensation changes, such as bonuses in the range of \$200 to \$1,000. These measures might also be "targeted"; for example, they might be paid only to soldiers in key MOSs or high-priority units.

Figure 2 shows the results that might be achieved by tackling both attrition and job turbulence. If the Army provided a bonus large enough to reduce attrition by 25 percent and job turbulence by 50 percent, the DMOSQ rate would improve substantially, rising to nearly 80 percent. Training requirements would simultaneously drop by about one-third.

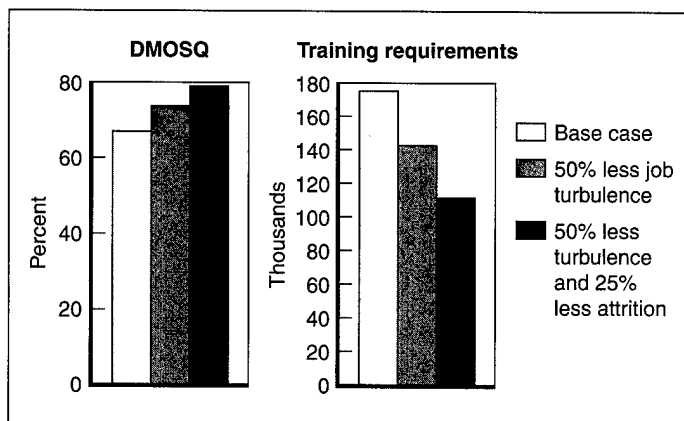


Figure 2—Effects of Reducing Attrition and Turbulence

Arroyo Center analysis indicates that such a policy would cost the Army less than \$3.5 million per 10,000 soldiers. It might even save money, depending on the true impact of bonuses and the amount of savings realized in training costs. In addition, increased stability would sharply increase the job experience of RC soldiers. Finally, having more stable units would reduce the risk that the deployment of units would be slowed by extensive personnel movements and retraining.

## RECOMMENDATIONS

Given the promise of turnover-reduction strategies, it would be to the Army's advantage to more systematically evaluate their effects and costs, preferably in a controlled field test. Such a test would settle questions related to the exact size of the bonuses required to reduce attrition and job turbulence, the payoffs for targeting bonuses, and the overall scope of the readiness enhancement program that is economically practicable. Changing policy in this direction could make major improvements in reserve force readiness.

*RAND research briefs summarize research that has been more fully documented elsewhere. The research summarized in this brief was carried out in the RAND Arroyo Center; it is documented in Ensuring Personnel Readiness in the Army Reserve Components, by Bruce Orvis et al., MR-659-A, 1996, 122 pp., \$15.00, ISBN: 0-8330-2342-X, available from RAND Distribution Services (Telephone: toll free 877-584-8642; FAX: 310-451-6915; or Internet: order@rand.org). Abstracts of all RAND documents may be viewed on the World Wide Web (<http://www.rand.org>). Arroyo Center URL: <http://www.rand.org/organization/ard/>. Publications are distributed to the trade by NBN. RAND® is a registered trademark. RAND is a nonprofit institution that helps improve policy and decision-making through research and analysis; its publications do not necessarily reflect the opinions or policies of its research sponsors.*

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