

How Can the Army Retain High-Quality NCOs?

In 1997, RAND and the U.S. Army Sergeants Major Academy held a workshop to identify the assumptions that underpin the Army's current noncommissioned officer (NCO) leader development mechanisms and to evaluate the robustness of those assumptions as the Army moves into the 21st century.

Workshop participants raised several concerns related to NCO leader development. First, they noted that some NCOs arrive at a new assignment without training in the skills needed to perform that assignment, needing to learn them on the job, and then having to relearn them when they attend the next formal NCO education course. Second, they noted that NCOs in hard-to-retain occupational specialties are forced to leave the Army when they reach their retention control points (RCPs), the year of service where they must leave if they have not been promoted to the next-higher grade.

In this research, Shukiar and his colleagues sought to test these anecdotal workshop responses empirically.

DO NCOs SERVE ABOVE THEIR SKILL LEVELS?

To get at the concern about NCOs being assigned to positions for which they have no formal schooling or training, researchers examined the profiles of NCOs assigned to operational units in November 1996. NCOs were divided into three groups—those serving above, at, or below grade (that is, the grade required by the position is above, at, or below the grade held by the NCO)—and their promotion and separation rates were examined. Across E4s–E8s as of November 1996, we find, as shown in Figure 1, that indeed about 10 percent of E4s–E6s serve above grade and about half as many (in percentage terms) E7s do. Some, but not all, above-grade NCOs have already been selected for promotion to the next-higher grade and are eligible to attend formal NCO schooling. Interestingly, along with the E4s–E7s who serve above grade, a percentage of E4s–E8s serve below grade.

Why are there NCOs serving above grade at the same time that higher-grade NCOs are serving below? It turns out that those serving above grade are fast-trackers—that is, NCOs who will move up to higher grades—and those serving below are not. We can see this when we look at one-year promotion rates for these three groups. For example, if we zero in on E6s who have between 7 and 10 years of service, we find that those serving above grade have a 16 percent promotion rate, whereas those serving at grade have a 5 percent rate and those serving below grade have a 1 percent rate. Comparable E5 promotion rates are 20, 13, and 10 percent, respectively.

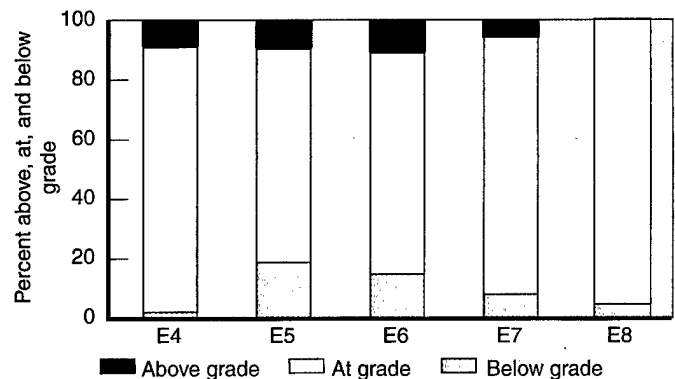


Figure 1

Even more surprisingly, the one-year separation rates for the three groups are about the same for E6s and E5s: about 30 percent. In other words, those serving above, at, or below grade tend to leave at about the same rate. This raises the question of what the Army can do to ensure it retains these fast-trackers at higher rates than non-fast-trackers and, especially, fast-trackers in hard-to-retain career management fields (CMFs).

HOW CAN THE ARMY IMPROVE RETENTION?

One way to improve retention is to relax RCPs to improve the NCO corps experience mix, as suggested by

workshop participants. Given the few NCOs in the junior grades who reach their RCP years, it makes sense to relax only E7 and E8 RCPs. Another way to improve retention is based on an observation by senior NCOs from the Army's Enlisted Personnel Management Directorate, who noted that "getting an NCO to stay past his tenth year brought a high likelihood of that NCO staying for 20." This means focusing on midcareer (years 7–10), something that makes sense only for E5s and E6s.

To test these two hypotheses empirically, researchers developed a steady-state inventory projection model of the enlisted force. Moreover, since the Army is concerned about hard-to-retain high-tech CMFs, researchers focused on one such career field: CMF 67, aircraft maintenance. For the relax-RCP hypothesis, two cases were tested: Allow either 50 or 90 percent of the E7s and E8s who reach their RCP years to stay for three additional years (with a 10 percent leakage in each of the first two years). For the midcareer-retention case, two cases were also tested: Reduce attrition by 25 and 50 percent. Figure 2 shows the results.

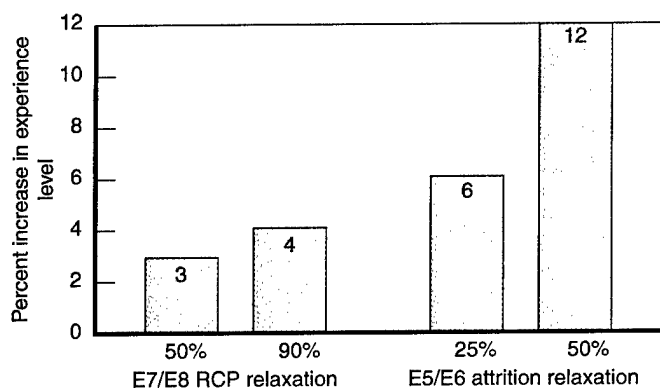


Figure 2

Allowing 50 percent of E7s and E8s to stay the additional three years improves NCO experience levels by about 3 percent (a 3 percent increase in the number of CMF 67 NCOs serving beyond 10 years of service), while the 90 percent case improves experience levels by 4

percent. However, midcareer retention improvement has even better results, up to 12 percent in the 50 percent attrition-reduction case.

Moreover, improving E5/E6 midcareer retention has qualitative and quantitative advantages over E7/E8 RCP relaxation. Midcareer retention improvements affect experience levels all along the senior years of service (from 11 through 20 years and beyond) and keep fast-tracking E5s and E6s in the force. The experience improvements from E7/E8 RCP relaxation come mostly from the increased years of service the E7s/E8s are allowed to serve, roughly years 22 through 28. There are E5 and E6 experience improvements, but these do not necessarily come from the fast-trackers.

IMPLICATIONS FOR ARMY POLICYMAKERS

Given that fast-trackers exist in positions above their grade, the Army can help them by providing self-development mechanisms to introduce above-grade NCOs to the skills needed for their jobs (e.g., distance learning), by providing up-front proficiency testing and enhanced curricula at the NCO schools for those NCOs who have already learned the skills on the job, and by relaxing the Army's NCO education attendance policy—select-train-promote—to allow above-grade NCOs to attend their training sessions early in their assignments.

The analysis clearly indicates that improving fast-tracker E5/E6 midcareer retention will have a higher impact on the force structure than selectively relaxing E7/E8 RCPs. However, pursuing either course has cost implications that were not considered in the research. For example, relaxing E7/E8 RCPs or improving E5/E6 midcareer retention inevitably leads to a more senior force, with increased compensation and retirement costs. Improving E5/E6 midcareer retention would also require some form of bonus, selectively available to above-grade NCOs in hard-to-retain and/or high-tech occupational specialties. These cost increases would be mitigated by reduced accession and training costs, especially when midcareer retention improvement is the objective.

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; results are described in detail in Enhancing the Retention of Army Noncommissioned Officers, by Herbert Shukiar, John D. Winkler, and John E. Peters, MR-1186-A, 2000, 118 pp., \$12.00, ISBN: 0-8330-2821-9, and Future Leader Development of Army Noncommissioned Officers: Workshop Results, by John D. Winkler et al., CF-138-A, 1998, 236 pp., \$13.00, ISBN: 0-8330-2583-X, both available from RAND Distribution Services (Telephone: 310-451-7002 or call 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 decisionmaking through research and analysis; its publications do not necessarily reflect the opinions or policies of its research sponsors.