



Creating New Career Options for Officers in the U.S. Military

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Since 1947, the U.S. military has followed an “up-or-out” policy of personnel management, which requires that an officer be promoted within a certain period of time or leave the service. The policy was designed to encourage good performance, increase promotion opportunities, lower the average age of the service corps, and build a culture that defines success by promotion. Supporters argue that up-or-out weeds out antiquated or substandard officers, while others counter that it wastes the accumulated expertise of senior officers and reduces the overall experience level of the officer corps.

The Undersecretary of Defense (Personnel and Readiness) asked the RAND Corporation to outline alternatives to up-or-out that could be tested via demonstration projects, to suggest methods to evaluate these alternatives, and to work with the military services to identify possible communities in which to conduct the demonstrations. RAND provided four options designed to offer longer careers to qualified officers. The suggested practices within the programs draw from private-sector policies by emphasizing employability rather than promotability as the criterion for continued service. Each program addresses existing personnel management concerns that could be alleviated by introducing alternative career paths for highly skilled officers.

Four Designs for Career Path Alternatives

The following four proposed programs offer ways to implement “up-or-stay” demonstration projects. Because changing the up-or-out law will have ramifications for other aspects of officer career management, these proposed programs are best understood as complementary initiatives. The services and military communities provided significant input and guidance to the RAND research team, although none offered an endorsement of the

Key Findings

- Four program options address the military’s personnel management concerns by introducing alternative career paths for highly skilled officers.
- The options focus on employability rather than promotability as the criterion for continued service. They promote career stability by offering longer careers, longer assignments, and geographic stability, and they minimize the need to change current policies to compensate officers for longer service.
- OSD should seek from Congress demonstration project authority for military personnel similar to that granted for civilian personnel under Title 5 of the U.S. Code.

programs, nor were they asked to endorse them. The proposed programs share three important themes. First, they base individual officers’ continuation in the service on performance and employability rather than promotability. Second, the programs promote career stability by offering longer careers, longer assignments, and greater geographic stability. Finally, these programs minimize the need to change current compensation policies by using existing methods, such as incentive bonuses, to compensate officers for longer service.

The Army Foreign Area Officer Military Professional Program

Foreign Area Officers (FAOs) provide the Army with a unique combination of regional expertise, political knowledge, language skills, and military skills. The proposed FAO program would eliminate up-or-out across the entire community of about

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1,000 officers. Officers would be promoted as needed, and continuation in the program would depend on continued employability tied to performance. A FAO beyond retirement eligibility could remain on active duty if a user agency commits to employing him or her; otherwise, the individual would be separated or retired. With continued employment commitments, the program would allow FAOs to serve up to the statutory retirement age, regardless of grade.

The FAO community is an ideal test case for an up-or-stay demonstration project for several reasons. First, it has high mid-career training costs, which means longer careers provide a greater return on investment. Second, FAO expertise is hard to replace because it comes from people skills, tacit knowledge, and personal networks developed over time. Finally, extending the length of employment would give the FAO community the opportunity to explore different ways of managing officers' careers.

The Navy Surface Warfare Officer Program

Surface Warfare Officers (SWOs) are a line community within the Navy. They rotate between shore assignments and sea assignments, where, as a lieutenant commander (the same rank as major in the other services), a SWO may become an Executive Officer (XO) on a ship and then later be eligible to command a ship at a higher rank. Presently, SWOs who are not selected for XO as lieutenant commanders are unlikely to reach the rank of commander and tend to leave before retirement eligibility. As a result, the Navy is short hundreds of lieutenant commanders in the surface warfare community. These shortages, which are expected to continue for several years, are currently mitigated through bonuses.

The proposed SWO program would offer geographic stability as a non-monetary retention incentive. Each year, the program would enable a number of lieutenant commanders who were not selected for XO to serve in shore-based billets as SWO Specialists, with incentives to serve up to 24 years. This program would allow the Navy to retain more mid-grade officers with sea duty experience, while offering an attractive career alternative with both greater geographic stability and increased recognition of expertise. The proposed program would annually add about ten lieutenant commanders after the XO screening point and five more at 20 years of service, reaching about 120 officers at program maturity. These numbers are based on the size of the cohort, available job structures, and expected participation rates.

The Air Force Effective Manning Program

This program would allow the Air Force to retain a small number of majors and lieutenant colonels in several occupations, including

that of pilot, with manpower shortages. Officers in undermanned career fields who do not receive advanced training would be randomly selected to enter the program around their 13th year of service (for majors) or 17th year of service (for lieutenant colonels). A participant would work with a development team to find an assignment with a major command willing to offer an employment commitment. The program provides for roughly 25 majors and 20 lieutenant colonels to be added each year, reaching about 450 majors and 280 lieutenant colonels at program maturity.

The Marine Corps Officer Retention Program

This program is designed to give the U.S. Marine Corps (USMC) greater flexibility in the career management and retention of highly valued field-grade officers. It would allow USMC officers to continue in the service based on their performance and employability. A command or agency would be permitted to choose a small number of valued majors, lieutenant colonels, and colonels to fill headquarters staff jobs (e.g., in HQ USMC or at Quantico) where their tenure and experience could improve organizational effectiveness. Although this package would be service-wide, it would also be small and selective like the SWO program. It would accept approximately nine officers annually, which is feasible given the size of the USMC and the available billets each year. Marine Corps officers would enjoy greater geographical stability with longer assignments late in their careers and would continue to be eligible for promotion.

Next Steps

The services and the Office of the Secretary of Defense (OSD) must put these programs and their associated policies in place, and Congress must grant the necessary authority to do so. RAND recommends that OSD seek demonstration project authority for military personnel similar to that granted to the Executive Branch for civilian personnel under Title 5 of the U.S. Code.

Evaluation of the programs will require both qualitative and quantitative data, which should be collected before, during, and after the demonstrations. Interim analysis will allow for program refinement along the way. The evaluation should include analysis of the resulting grade structures, career tenure profiles, accession requirements, and costs or savings. Results of the evaluation will inform OSD regarding program design features that would likely provide greater cost savings, a higher officer response rate, or other desirable outcomes. More important, the evaluations will address the advisability of administering the tested programs more broadly or making them permanent. ■

This research brief describes work done by the RAND National Defense Research Institute and documented in *New Paths to Success: Determining Career Alternatives for Field-Grade Officers* by Peter Schirmer, Dina G. Levy, Harry J. Thie, Joy S. Moini, Margaret C. Harrell, Kimberly Curry, Kevin Brancato, and Megan Abbott, MG-117-OSD, 2004, 120 pages, \$20, ISBN: 0-8330-3571-1, available at <http://www.rand.org/publications/MG/MG117/>. Also available from RAND Distribution Services (phone: 310-451-7002; toll free: 877-584-8642; or email: order@rand.org). The RAND Corporation is a nonprofit research organization providing objective analysis and effective solutions that address the challenges facing the public and private sectors around the world. RAND's publications do not necessarily reflect the opinions of its research clients and sponsors. RAND® is a registered trademark.



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