

# **Officer Retention: Incentives and their Effect on Officer Behavior Concerning Career Decisions**

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## **Introduction**

Over the past few years, the Army has had a difficult time recruiting quality enlisted soldiers and retaining officers in sufficient numbers to man the required personnel billets. Of particular concern is the fact that officers are opting to end their service well before the 20-year retirement point. This phenomenon has the potential to cause serious shortfalls of personnel who possess the requisite experience necessary to assume the responsibilities, and to perform the tasks that are required of senior officers. Because the military personnel system has been designed to grow its leaders from within, it is critical for military leaders to develop strategies to retain quality officers for continued advancement through a lifetime of service. General Ralph E. Eberhart, U.S. Space Command commander sums up this sentiment with the statement “the challenge is retaining them (Gilmore, 2001).”

The military promotion system does not allow for an infusion of personnel into the officer pay grades without that individual first having met the requirements of advancement for that particular grade. For instance, it is not official military policy or practice to commission a civilian with a graduate degree and no prior military service as a major or lieutenant colonel to fill a required personnel slot. There is an exception for lawyers and doctors entering into the Army as captains. But for the most, an officer’s career starts at lieutenant and moves on to achieve additional rank and responsibility based on performance and longevity in the service. An officer’s advancement is also tied to a timetable where the majority of officers in a certain year group will advance to the next higher rank; as an example, officers achieve the rank of captain at approximately three years and nine months time in service. A year group is a set of officers who enter the service during a particular fiscal year (October to September) and are subsequently promoted and tracked for assignment within the same time window, as their careers advance. In like kind, the ranks of major, lieutenant colonel, and colonel also have a time

window for which officers of a particular year group are selected for promotion to these pay grades. Thus, the slow moving progression of an officer's career also exasperates the retention problem, especially at the higher ranks.

Currently, the Army is experiencing an officer retention problem in the grades of captain to colonel. This research work will address the Army officer retention problem by analyzing the positive and negative incentive structure effecting officer retention decisions. The research will identify the incentives that are either explicitly offered (ex. pay raise) or perceived (ex. great family assignment) at grade levels of lieutenant to colonel. The goal of this project is to identify and establish relationships. Next, behaviors will be mapped between explicit and perceived incentives and disincentives an Army officer, at each grade, is confronted with as he or she weighs continued service in the profession of arms.

### **What's the Real Problem?**

As stated above, senior leaders like General Eberhart believe that retention is the challenge. Likewise, former Secretary of the Army Louis Caldera stressed that, "manning the force is the most important function of our military services (Thie and Fossett, 2000)." Also, the former U.S. Joint Staff Director of Manpower and Personnel, Brigadier General Pat Adams, emphasizes that replacing professional experience at the 8-12 year timeframe and keeping the most skilled officers are both issues of the retention challenge (Thie and Fossett, 2000). Clearly, the retention of quality officers is a critical issue for the Army. However, personnel specialists must understand whether the retention problem is the result of a robust economy, a lack of trust in the senior leadership, too little pay for the demanded sacrifice. Conversely, these same personnel specialists must be able to determine if the problem is caused by a personnel management system that does not adequately tailor and target positive incentives to its valued service members at the proper time in a career progression. From this latter perspective, ascertaining whether the military personnel management system has been adequately researched to catalogue which incentives are positive influences on continued service at one stage in an officer's career becomes a critical research issue. While that same incentive, when presented at a later time in an officer's career, may have a negative effect on his or her decision to remain in service.

Thus, this paper proposes that the more correctly stated problem is managing personnel expectations when faced with career decisions. This does not mean that we must conduct psychoanalysis on officers to understand their feelings. But, rather use the many surveys, ethnographic, and longitudinal studies already administered by the Army to extract the incentives and structure them through causal relationships to identify officer behaviors at each grade level. This reworked problem statement is not only logical and consistent, but is also presented to allow research in the area of personnel management using systems dynamics. Through causal loop modeling it is possible to identify incentive behavior loops that influence officer retention decisions. It is also possible

through these loops to explore how certain incentives change from positive to negative over the career of an officer.

### **Methodological Approach**

The initial effort for this research project is the identification of incentive and disincentive variables, then to determine and explain the causal relationships affecting officer retention at each grade level. The critical secondary effort is to develop the causal loop structure for each officer rank and determine the loop behaviors that emerge. The exploration of the behaviors in this area will be extensive. This phase of the research will identify loops that could yield multiple behaviors, verify the variables that influence officer retention decisions, and help build the final simulation model. The simulation model will be used to experiment with various policy options designed to increase and stabilize the Army's retention problem.

### **Follow On Work**

This research will provide Army personnel decision makers with a tool to understand the behaviors of groups (grades) of officers to potentially tailor incentives as well as develop policy decisions to mitigate disincentives. This project is part of a larger research thrust, which is designed to explore personnel management at the macro level versus personnel management at the micro level. This follows from the hypothesis that as the Army officer corps becomes more specialized the incentives and disincentives that effect officer retention at the functional or branch level cannot be adequately managed through centralized policies that govern a whole grade of officers. As the Officer Personnel management System (OPMS) XXI is instituted the personnel management of the officers in each career field will likely differ. The four career fields in the Army are Operations Career Field (OCF), Operational Support Career Field (OSCF), Information Operations Career Field (IOCF), and the Institutional Support Career Field (OCF). This is in large part due to the different discipline specific skill sets, senior leaders in the different career fields, and jobs required for continued career progression. Also, this research will extend to assess the impact of personnel retention relating to manning and supporting the (Interim Brigade Combat Team) IBCT and beyond to ensure unit cohesion, technical competency, and readiness. Lastly, this research thrust may provide insight significant to civilian personnel management or may be impacted by civilian human resource policies or procedures.

### **REFERENCES**

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