PRESENTATION TO THE MILITARY PERSONNEL SUBCOMMITTEE COMMITTEE ON ARMED SERVICES UNITED STATES HOUSE OF REPRESENTATIVES

SUBJECT: Recruiting and Retention and Military Personnel Policy, Benefits and Compensation Overview

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INTRODUCTION

In the nearly 15 years since the fall of the Soviet Union, America's Airmen have responded to dramatic changes in our force structure and the world security environment. We continue to streamline our active duty force, all the while remaining engaged around the world at levels higher than at any time during the Cold War. To prevail in a dangerous and ever-changing world, we transformed ourselves from a heavy, forward-based presence designed to contain communism into an agile, expeditionary force, capable of rapidly responding on a global scale, with tailored forces ready to deal with any contingency. Since the attacks of September 11, 2001, our transformation took on an even more urgent and accelerated pace. With safety at home directly challenged, domestic security rose to the forefront and we went on the offensive to attack terrorism on a global scale. While we've enjoyed great success, this transformation is in its infancy and there is still much to do.

The first step in our transformation was to establish a set of strategic goals to focus our personnel mission, and shed light on the specific capabilities our system offers to our Airmen and their leaders. We set out to *define* the force, implementing a capabilities-based requirements system that meets surge requirements and optimizes force mix (active duty, Air Reserve Component, civilian, and contractors) in order to produce a flexible and responsive force. Additionally, we continually seek out ways to *renew* the force, maintaining a diverse, agile workforce that leverages synergy between active duty, air reserve

and civilian components, and private industry to meet requirements and sustain capabilities. Throughout the process, we committed ourselves to *develop* future leaders by synchronizing training, education, and experience to continuously create innovative, flexible, and capable Airmen to successfully employ air and space power. Key to our success, we identified the need to continually *sustain* the force through focused investment in Airmen and their families. We will also *synchronize* our efforts to implement a robust strategic planning framework, understand the Air Force Human Resource investment, and link programming and legislative development to the plan. Finally, we will *transform* how we deliver customer service, creating a leaner, more cost-effective, customer-focused Human Resource Service to support the Air Expeditionary Force.

At the heart of our efforts was the creation of an environment, and the associated tools necessary, to more deliberately develop Airmen to be the leaders at all levels in the years to come. Our Force Development efforts extend across the total force, encompassing officers, enlisted, civilian employees, and Air National Guard and Air Reserve members.

As we work towards the future, we must determine our end strength needs, shape the force to meet those needs, provide relief for our most heavily stressed career fields, and develop the leaders who will take the reins deep into the 21st century. These are complex and inter-related issues, challenging how we manage the Total Force.

The success of our efforts is no small measure due to the outstanding support we've received from Congress. You've approved significant advances in pay, benefits, and retention incentives for the men and women who serve in all of the military services. These initiatives made a significant difference in Air Force readiness and in quality of life for our members and their families. In the coming years we look forward to your continued support in helping us develop a force the American people will continue to be proud of; a highly skilled, professional force dedicated to the defense of our great nation.

Our work in shaping the force is key to honing our combat capability. The core of this capability is the professional Airman who voluntarily serves each and every day. Airmen create air and space power, turning ideas, tools, tactics, techniques, and procedures into power projection, global mobility, and battle space effects. With this understanding, the Air Force embraced a Personnel Vision and Strategic Planning model to transform Airmen management across the Total Force (active duty, Air National Guard and reserve; officer, enlisted, and civilian). Additionally, we refocused our personnel processes and delivery systems on achieving capabilities and creating effects to develop the right people, with the skills, knowledge and experience necessary to perform their missions in the right place at the right time.

This vision succinctly defines the role of our manpower, personnel, and training professionals: detailing mission requirements; continually refreshing the pool to

maintain an effective balance of youth and vigor, age and experience; deliberately developing the skills, knowledge and experience required by our combatant and support missions; sustaining the Force by meeting the needs of our Airmen and their families; and providing integrated program management and service delivery systems.

Important to note, our transformation doesn't end with military members. With the increasing threat of an enemy untethered to national borders with the flexibility and speed to attack without warning, it became obvious to all, that the institutionalized bureaucracy, which served us well throughout the Cold War had to transform as well. The National Security Personnel System enables our civilian force development initiatives in putting the right person in the right job at the right time. It provides the flexibility to address emerging threats quickly by freeing up essential military resources and allows for increased integration of military and civilian roles, ultimately translating into a more versatile, more responsive ability to provide national defense.

All of these initiatives are designed to do one thing—take care of people. Our force thrives due to the expertise and professionalism of its Airmen.

Unfortunately, recent events revealed a long-standing societal problem that threatens everything we hold dear. To address this issue, as well as others such as suicide and accident prevention, we are embracing a cultural shift to better take care of each other personally and professionally. Our commanders have

increased the emphasis on the manner in which professional Airmen relate to each other, including a zero tolerance acceptance level for inappropriate behavior of all kinds, and a focused effort to take better care of each other.

This statement represents our vision of the way ahead for Air Force people. To place these issues in context, we will begin by discussing the Air Force core competency directly affecting every Air Force member: Developing Airmen. This core competency is at the heart of our strategic vision for Air Force personnel.

Developing Airmen

To adapt to dramatic changes in force structure and the security environment, we established a set of strategic goals to focus our personnel mission.

Force Development: Right People, Right Place, Right Time

Over the past 18 months, the Air Force implemented a new Force Development structure to get the right people in the right job at the right time with the right skills, knowledge, and experience. Force Development combines focused assignments and education and training opportunities to prepare our people to meet the mission needs of our Air Force. Rather than allowing chance or ad hoc decisions to guide an Airman's experience, we will take a deliberate approach to develop officers, enlisted, and civilian employees throughout our Total Force. Through targeted education, training, and mission-related experience, we will develop professional Airmen into joint force warriors with the skills needed across the tactical, operational, and strategic levels of conflict. Their mission will be to

accomplish the joint mission, motivate teams, mentor subordinates, and train their successors.

One of the first steps in implementing our development efforts was the creation of individualized development plans. These plans are a critical communication tool capturing the member's "career" development ideas, including desired career path choices, assignment, and developmental education preferences. These plans flow through the chain of command, to include their most senior commanders, for endorsement. The newly created Development Team (DT), comprised of senior leaders from the functional community, carefully reviews each individualized career plan, along with commander's comments, and Senior Rater input. Targeting Air Force requirements, the teams place a developmental "vector" into the plan as input for our assignment teams, and immediate feedback to the member and commander regarding their expressed development plans. Assignment Teams match members to assignments using Developmental Team vectors; thus, "developing" our people to meet Air Force requirements.

This year also saw a continued focus on Developmental Education with continued expansion to include not only traditional Professional Military Education (PME), but also efforts to reduce resident PME time through Automated Distance Learning (ADL) as well as advanced academic degree programs, specialty schools, fellowships, education with industry, and internships. Our development teams are using the individualized development

plans, along with the member's record and Air Force requirements, to make educational recommendations to the Developmental Education Designation Board. This board designates the right school for the right member at the right time. Intermediate Developmental Education and Senior Developmental Education prepare members for a Developmental Assignment following the respective schools. This two-dimensional process facilitates the transition from one level of responsibility to the next. All developmental education assignments are made with the emphasis on the best utilization of the member's background, functional skills, and valuable time, to meet Air Force requirements.

One of our most recent development efforts has been broadening the focus to include our enlisted corps. Beginning with the next promotion cycle, we will stand up a new top-level course of enlisted professional military education designed specifically for those selected to serve as Chief Master Sergeants. The course will focus on leadership in the operational and strategic environments, and will constitute a substantial leap forward in the development of our Chiefs. Another segment of warriors requiring special attention is our cadre of space professionals—those that design, build, and operate our space systems. As military dependence on space grows, the Air Force continues to develop this cadre to meet our nation's needs. Our Space Professional Strategy is the roadmap for developing that cadre. Air Force space professionals will develop more in-depth expertise in operational and technical space specialties through tailored assignments, education, and training. This roadmap will result in a team

of scientists, engineers, program managers, and operators skilled and knowledgeable in developing, acquiring, applying, sustaining, and integrating space capabilities.

The bottom line of our Force Development efforts is to provide an effects and competency-based development process by connecting the depth of expertise in the individual's primary career field (Air Force Specialty Code) with the necessary education, training, and experiences to produce more capable and diversified leaders.

Every aspect of the Total Force Development environment is designed to develop professional Airmen who instinctively leverage their respective strengths as a team. The success of this effort depends on continued cultivation and institutional understanding of and interest in Force Development, promoting an understanding of the competency requirements of leaders, and funding for the associated development initiatives.

Force Shaping

We are on track to bring active duty end strength to the congressionally authorized level of 359,700 by the end of fiscal year 2005. This planned reduction shapes the future force without jeopardizing career field health.

The Force Shaping plan has two phases: 1) increase voluntary separations and retirements, and 2) further increase voluntary separations while simultaneously

reducing programmed accessions. Phase 1, implemented in February 2004, was used to judge retention behavior and ensure a measured approach to reducing end strength. Phase 2, begun in May 2004, opened the aperture to allow more service members an opportunity to leave active duty. Additionally, we significantly reduced the Selective Reenlistment Bonus (SRB) program from 146 to 62 enlisted skills, resulting in a significant decrease in first term reenlistment rates; and we continue to review further reduction of SRB skills.

Specific Force Shaping initiatives include the PALACE CHASE program – early separation from Active Duty to serve with the Air National Guard or Air Force Reserve – waiving of active duty service commitments, and resurrection of the Career Job Reservation Program to correct skill imbalances and re-train first-term Airmen into needed skills. Additionally, we took advantage of the statutory authority that allows 2 percent of colonels and lieutenant colonels with two years time-in-grade to retire in grade instead of waiting the normal three years; and some Air Force Reserve Officer Training Corps graduates may now go directly into the Air National Guard or Air Force Reserve.

In fiscal year 2004, we lowered accession goals by approximately 3,000. In fiscal year 2005, we continued to lower our accession goals, and have temporarily limited enlisted accessions to only the 58 most critical combat and combat support skills. We plan to open enlisted accessions for the remaining skills in late Spring 2005, if we are at our authorized strength.

The results of our Force Shaping efforts are positive, facilitating the migration of personnel into critical shortage specialties while reducing manpower to ensure we meet authorized end strength requirements by the end of fiscal year 2005.

Rebalancing the Force

As we return to our authorized end strength, relief is flowing to "over stressed" career fields. This is a multi-step process, but our guiding principle is simple — we will properly size and shape the force to meet the needs of the Air Expeditionary Force. We are doing this prudently, identifying specialties and specific year groups within those specialties where we have more people than we need. At the same time, we are correcting our skill imbalances by realigning manpower and expanding training pipelines.

We are also taking a hard look at where our people serve. We have Airmen serving outside the Air Force who don't deploy as part of an Air Expeditionary Force. They serve in joint and defense agency positions, some of which require uniformed people; however, others do not. Through military-to-civilian conversions and Competitive Sourcing initiatives, we are returning these Airmen "to the fold."

The Guard and Reserve play a critical role in this endeavor. Today, 25 percent of the air expeditionary packages are composed of Air National Guard and Air

Force Reserve volunteers. As we take steps to ensure the long-term health of our Active Duty forces, we must do the same for our Citizen Airmen.

Recruiting/Retention

While reducing accessions is a tool currently being used to bring the force down to authorized levels, it is imperative that we continue to renew and replenish the ranks with targeted recruiting. For fiscal year 2005, we plan to access nearly 19,000 enlisted members and just over 5,000 officers – a 44 percent reduction from normal enlisted recruiting levels and a slightly lower level of officers compared to fiscal year 2004.

As outlined under Force Shaping, a significant one-year reduction in our recruiting goal is part of a deliberate effort to reduce force size without jeopardizing long-term health. A one-year reduction will create a temporary decrease offset by the number of personnel accessed in preceding and subsequent years. We are committed to returning to normal recruiting targets as quickly as possible. Continued congressional support of our recruiting and marketing programs is critical to maintain the Air Force's competitiveness in a dynamic job market.

A vital element for success is the ability to offer bonuses and incentives where we have traditionally experienced shortfalls. To protect this valuable resource we ensure active senior leadership management, including semi-annual reviews of

which career specialties, and which year groups within those specialties, are eligible for bonuses. Congressional support for these programs, along with increases in pay and benefits and quality of life initiatives, have greatly helped us retain Airmen and their families.

Personnel Service Delivery Transformation

To achieve the Secretary of Defense's objective of shifting resources "from bureaucracy to battlefield," personnel services are being overhauled. Our Personnel Service Delivery Transformation dramatically modernizes the processes, organizations, and technology by which we support Airmen and their commanders. Routine personnel transactions, for instance, may now be done "on-line."

As a result, we deliver higher-quality personnel services with greater access, speed, accuracy, reliability, and efficiency. We programmed the resulting manpower savings to other compelling Air Force needs over the next six years. This initiative enhances our ability to acquire, train, educate, and deliver Airmen with the needed skills, knowledge, and experience to accomplish Air Force missions.

National Security Personnel System

Our civilian workforce will go through a significant transformation as well with implementation of the Department of Defense National Security Personnel System (NSPS). NSPS is a simplified and more flexible civilian personnel

system that will improve the way we hire, assign, compensate, and reward our valuable civilian employees. This modern, agile human resource system will be responsive to the national security environment, while preserving employee protections and benefits, as well as the core values of the civil service. Implementation will begin as early as July 2005.

NSPS design and development has been a broad-based, participative process including employees, supervisors and managers, unions, employee advocacy groups, and various public interest groups. Employees slated for conversion to the new system will be included in groupings called Spirals. Spiral One will include approximately 85,400 General Schedule and Acquisition Demonstration Project, U.S.-based Air Force civilian employees and will be rolled out in three phases over an 18-month period. The labor relations provisions of NSPS will be implemented across the Department this summer as well. NSPS is the most comprehensive new Federal personnel system in more than 50 years and a key component in the Department's achievement of a total force structure.

Culture of Airmen

We completed an Air Force-wide assessment of our sexual assault prevention and response capabilities, knowing we were not where we needed to be in addressing this societal problem that has serious readiness implications. A Campaign Plan was approved, and we are implementing specific initiatives to better understand the problem of sexual assault, do everything within our ability

to prevent it, and prepare ourselves to provide consistent and continuing care for victims when it occurs.

In response to an increased suicide rate among Airmen, we re-emphasized, and continue to stress, the need for Airmen to look after one another. Commanders and co-workers are rethinking the way Airmen interact with one another, calling attention to behavioral indicators and risk factors associated with suicide. Safety and risk management are also being emphasized to reduce the number of accident-related fatalities. We are weaving this mindset into the very fabric of our culture.

All Airmen have a responsibility to get involved, pay attention and ensure the health and well being of their wingman. It's not a program, it's a mindset; a cultural shift designed to take better care of our most valuable resource – our people.

CONCLUSION

As we continue to develop and shape the force to meet the demands of the Air Expeditionary Force, we continue to seek more efficient service delivery methods, opportunities to educate our future leaders, and make the extra efforts required to recruit and retain the incredible men and women who will take on the challenge of defending our nation well into the 21st century. While doing so, we will remain vigilant in our adherence to our core values of Service, Integrity, and Excellence which make ours the greatest Air and Space Force in the world.