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CIVILIAN PERSONNEL ADMINISTRATION:
THE TIME HAS COME FOR A NEW PARADIGM

BY

Mr. James K. MacGregor
Department of the Army Civilian

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# Civilian Personnel Administration: The Time Has Come for a New Paradigm

**Personal Authors:**
James K. MacGregor

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**Abstract:**

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Civilian Personnel Administration: The Time Has Come for a New Paradigm

An Individual Study Project

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Mr. James K. MacGregor
Department of Army Civilian

Colonel John F. Nau, Jr.
Project Advisor

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U.S. Army War College
Carlisle Barracks, Pennsylvania 17013
There continues to exist a paradigm within the majority of the Department of Defense (DoD) civilian personnel community that Civilian Personnel Offices (CPOs) cannot be consolidated without significant loss of customer service and that CPOs cannot effectively provide civilian personnel servicing to employees and managers of other Military Departments or Defense Agencies. It is obvious that the DoD is no longer the growth industry that it was in the 1980's. The question is, can the DoD continue to afford the luxury and overhead of civilian personnel staffs at headquarters and subordinate headquarters throughout the DoD and of the numerous CPOs, sometimes collocated, in the midst of a declining management structure and a shrinking civilian work force? The author believes the answer is "no!" Jointness is the future for DoD. It is time for the Army to form a new paradigm for civilian personnel administration. That new paradigm should accept reality as well as avoid parochialism, and is two-fold. It should be based on the acceptance that consolidation is absolutely necessary, not just within Army, but across DoD. No less important, it should stress jointness over uniqueness in the development of guidelines for streamlining and simplifying the personnel system.
INTRODUCTION

The authority for and administration of civilian personnel in the Department of Defense (DoD) is, for the most part, delegated from the Secretary of Defense to the Directors of the various DoD agencies and to the three Military Department Secretaries, who, in turn, further delegate down through command channels. Each Military Department and Defense Agency has, over the years, developed its own policies, regulations, and rules, which, while generally different from each other, are in line with the broad policies and regulations of the U.S. Office of Personnel Management (OPM), the agency under the control of the President that develops the overall civilian personnel rules and regulations for the federal work force. DoD has not, until recently, except in a very few instances, shown an interest in developing civilian personnel policy, rules, or regulations.

The actual administration of civilian personnel is handled at the local level by Civilian Personnel Offices (CPOs), Industrial Relations Offices (IROs), or, to use the term in vogue, Human Resources Offices (HROs). These offices "act for" the serviced commanders who have delegated civilian personnel management authority to administer civilian personnel under their jurisdiction.

Put simply, a civilian personnel administration program consists of hiring, firing, promoting, reassigning, determining pay and benefits, disciplining and rewarding, training, and record-keeping, as well as advising management of how to deal with employees in the work force.
Commanders with delegated authority for civilian personnel management usually have two choices when arranging for civilian personnel servicing for their civilian employees. They can seek servicing from another commander's CPO or, when resources permit, they can establish their own CPO. Since there are currently approximately 150 CPOs in the Army, it is obvious that most commanders receive their personnel servicing from a CPO that they do not own. The same is true of the Departments of the Navy and of the Air Force as well as the Defense Agencies. In fact, in many instances, we find Army, Navy, and Air Force CPOs not only providing civilian personnel administration services to many commanders within their own Military Department, but occasionally servicing civilian employees from other Military Departments and the Defense Agencies.

However, there continues to exist a paradigm within the leadership of the Military Departments and their civilian personnel administration communities that CPOs cannot be consolidated without significant loss of customer service and that CPOs cannot effectively service civilians of another Military Department or Defense Agency.

It is obvious that the DoD is no longer the growth industry that it was in the early 1980's. The question is, can the DoD continue to afford the luxury and overhead of various civilian personnel staffs at headquarters and subordinate headquarters throughout the DoD and of so many CPOs in the midst of a declining management structure and a shrinking civilian work force?
THE CASE STUDY

The subject of this paper is not new but begs a keen and detached view that produces an answer both viable and acceptable to all concerned. Its purpose, of necessity, is to urge a renewed and nonjaundiced look at how civilian personnel servicing is provided within the DoD and how such servicing can be tailored towards the needs of a cohesive management structure and a shrinking work force in the 1990's.

This writer has personal knowledge of several attempts to streamline (and therefore economize) civilian personnel servicing in the Army and the DoD. As far back as 1981, I served as HQDA's representative on a DoD study which examined the feasibility of the consolidation of the three CPOs (one Army, one Navy, and one Air Force) in the Republic of Panama. While the DoD representative and I advocated consolidation, the Navy and Air Force representatives were opposed.

Was consolidation possible? Of course! Was it feasible? Absolutely! Why didn't it happen? Apparently, we, all of us, were too parochial. The DoD representative wanted it to happen because DoD was encouraging consolidation. Army was willing to see it happen because it had the largest serviced civilian work force in Panama and would have been the Military Department with the one remaining CPO. The Navy and Air Force were opposed because giving up their CPOs meant having to rely on an Army CPO for civilian personnel servicing. In 1981, with a growing
defense budget, a growth industry in the making, the Navy and the Air Force prevailed.¹

In the following year, I served on an internal Army study team which examined the feasibility of consolidating CPOs within the Army. The same turf protection which I saw in Panama between the Military Departments was also prevalent within the Army's Major Commands (MACOMs). While examples abound of Army CPOs owned by one MACOM servicing civilian employees of other MACOMs, the effort to consolidate CPOs was met with strong resistance from virtually all the MACOMs. The study focused on cities or areas where more than one Army CPO was located. The study team looked at more than twenty-seven locations—all within the continental United States (CONUS). Most vulnerable were the many U.S. Army Corps of Engineers (COE) District and Division CPOs, which were generally small and often in the same vicinity with other Army CPOs. As the MACOM with the most to lose, the COE was the most vocal opponent of the consolidation study. When, after months of study and restudy, the COE was faced with the eventuality that some of its small District and Division CPOs were going to be abolished and the civilian employees and their managers in those Districts and Divisions were to be provided personnel servicing from other MACOM-owned CPOs in the area, the COE counterposed that it would consolidate CPOs within the COE. It was a compromise which met the needs of both HQDA and the COE.

A number of CPOs were closed, on paper, and the COE employees continued to receive their personnel servicing from a
COE CPO, although that CPO was not always in the immediate area. It was an interesting compromise, as one of the early and most vocal arguments against consolidation by the COE and several other MACOMs was that a CPO had to be on-site in order to provide effective and immediate civilian personnel servicing.

In fact, actual consolidation, with few exceptions, did not occur. The consolidated offices continued to exist and operate as either field offices or as branch offices of a central CPO. Little or nothing in the way of resource savings occurred, as the anticipated economies of scale were not allowed to happen. Again, it was the early 1980's, the Army was a growth industry, and it did not have to work hard at spending the taxpayer's money efficiently and economically.²

Throughout the 1980's, Defense Regional Interservice Support (DRIS)/Joint Interservice Resource Group (JIRSG) studies were conducted to examine consolidation of Military Department and DoD functions. Civilian personnel servicing arrangements were frequently reviewed in these surveys including areas overseas. In Korea, in 1987, the United States Forces Korea (USFK) established a study team to explore the feasibility of consolidation of one Army CPO and one Air Force CPO in the Pyongtaek/Osan area. The consolidation was deemed feasible, but because of the different automated personnel systems mandated or anticipated by each Military Department, negligible savings would have occurred in either money or manpower spaces, so the decision was made not to consolidate.³
While consolidation and jointness in those years were not major successes in the civilian personnel administration community, the 1980's did see some significant changes within the Army regarding the civilian personnel administration business. In 1985, the HQDA Inspector General (IG) conducted a review of civilian personnel administration. It found a complex and confusing system, avoided by top military leaders. As a result, the remainder of the 1980's saw an enormous and largely successful modernization effort to correct many of the problems noted in the 1985 IG report. According to a follow-up IG survey in 1990, the one significant area still in need of a fix was the system's complexity. Of particular note, the Army solved its automated civilian personnel data system problem by buying into the Personnel Data System - Civilian (PDS-C) developed by the Air Force. Thus, by 1989, all of the Military Departments--the Navy bought in 1985--and most of the Defense Agencies were using the Air Force personnel data system. Obviously, the stage was set for what was to follow.

In 1990, the Department of Defense, in its Defense Management Report Decision (DMRD) #974, proposed the consolidation of civilian personnel administration under a, to be created, DoD Civilian Personnel Agency. Personnel policy and support functions performed by the Military Departments and Defense Agencies were to be transferred to this new Defense Personnel Support Agency. Civilian personnel services were to be provided by the new agency through consolidated DoD personnel offices and small consultant staffs at the installation level.
Commanders were to retain their personnel management authority to hire, fire, discipline, and promote, but would no longer "own" the support and advisory structure.

The Army, as well as the Navy and Air Force, nonconcurred vigorously. The Army argued, among other things, that the proposal removed the authority of the Secretary and the Chief of Staff to formulate civilian personnel policy and to provide civilian personnel services tailored to the requirements of its distinctly unique land-power mission. The Army suggested that its modernization effort was streamlining both the current civilian personnel management system and the organizational structure for the delivery of personnel administration support. Finally, the Army believed that it could achieve the ten percent productivity increase desired by DoD by further streamlining as opposed to the DoD DMRD #974 initiative. Because of the opposition from all three Military Departments, the Deputy Secretary of Defense, Mr. Donald Atwood, did not approve the proposal as outlined in the 1990 version of DMRD #974, but instead ordered further study.

This is not to say that some of the DoD's 1990 efficiency initiatives in the civilian personnel arena did not achieve some measure of success. At about the same time that DMRD #974 was being resisted by all the Military Departments and subsequently rejected, DMRD #973, subject: DoD Dependent Schools (DoDDS) Management, was being proposed, considered, generally concurred in, and approved on 30 October 1990. The purpose of DMRD #973 was twofold. The first initiative, and the one which has a
bearing on this paper, was to improve management and organization. The second initiative was to revise education administration policy.

DoDDS school teachers and administrators are presently found throughout the world virtually everywhere that the DoD has concentrations of military personnel. The teachers receive their civilian personnel servicing from Army CPOs if they teach in Europe, from Air Force CPOs if they teach in the Pacific area, and from Navy CPOs if they teach in the Atlantic area. This decentralized arrangement of civilian personnel servicing, while providing service down to the customer, required many overseas CPOs to be conversant in an entirely different civilian personnel administration system from the one or two that they were primarily charged with administering.

DMRD #973 centralized personnel servicing of all DoDDS school teachers and administrators, no matter where in the world they were located, in the Washington, D.C. area. While the loss of on-site civilian personnel servicing may initially appear to detract from good customer service, the anticipated improvement in the accuracy of personnel actions, personnel decisions, and personnel advice should, in the long run, improve the quality and accuracy of school teacher servicing. The decision, to be implemented by the end of FY 1992, will not only improve civilian personnel servicing, but it will save both manpower spaces and dollars.

The efforts of DoD to reduce civilian personnel administration costs for the future did not go unnoticed within
the Military Departments. All three have either conducted or are in the process of conducting civilian personnel consolidation studies in an effort to streamline service to customers as well as to reduce the overhead costs of civilian personnel administration. The obvious net result will be fewer CPOs and possibly fewer MACOM or Major Subordinate Command (MSC) civilian personnel staff offices.

The Department of the Navy has already completed its study and projects that the number of Human Resources Offices (HROs) will be reduced from 115 to 68 over the next two years. This effort on the part of the Navy also includes the consolidation of the Equal Employment Opportunity Offices (EEOOs) into the HROs which makes their efforts even more significant.

The Army study, to be conducted by the Civilian Personnel Directorate (CPD) of the U.S. Army Personnel Command (PERSCOM), is well into the planning phase and anticipates consolidation and closing of CPOs as well as the elimination of some staff personnel operations at MSCs throughout the world.

These consolidations of CPOs within the Military Departments run the risk of appearing to be a repeat of the 1982-1983 tactic employed by the U.S. Army Corps of Engineers (COE) to prevent civilian personnel servicing of COE civilian employees by other than COE CPOs. Even in 1991, part of the paradigm appears to be holding within all of the Military Departments. While consolidation within the Military Departments now appears inevitable, the paradigm remains that it is better to service civilian employees of one Military
Department with a CPO of that Military Department than to allow any sort of consolidation across Military Department lines or civilian personnel servicing from a CPO of another Military Department.

In 1991, increasing calls were heard by the DoD to redouble efforts to reduce expenditures, increase efficiencies, and eliminate redundancy and duplication. The calls came from the American people, the U.S. Congress, the President of the United States, and the Secretary of Defense, among others. The message is being heard in DoD and especially in the Army where it is becoming gospel. As recently as January, 1992, at the U.S. Army War College, the message was brought home to the students by a videotape featuring the Secretary of the Army, the Honorable Michael P. Stone, and the Chief of Staff of the Army (CSA), General Gordon Sullivan, who spoke about "The Changing Army." In that videotape, the CSA established as one of the four major challenges facing our changing Army that we (the Army) must "achieve greater efficiencies in how we provide resources for the force." And, later, on 30 January 1992, the Comptroller of the Army, LTG Merle Freitag, during a lecture and subsequent question and answer session, stressed the importance and pervasiveness of the continuing efforts of the DoD and the Army to streamline operations, reduce costs, save money, and consolidate functions to avoid redundancies and duplication.

Those calls for consolidation wherever possible throughout the DoD did not fall on deaf ears. As the reader may recall, while the 1990 version of the DMRD #974 was not approved by the
Deputy Secretary of Defense, Mr. Atwood, he directed that the proposal receive further study. As a result of that direction, the Assistant Secretary of Defense for Force Management and Personnel (ASD/FM&P), Mr. Christopher Jehn, initiated by memorandum, on 12 June 1991, a comprehensive study on achieving efficiencies in the management of civilian personnel. The Civilian Personnel Efficiencies Study's objective was "... to identify and recommend actions to streamline management, centralize and unify policy directions, and grant more authority and flexibility to front-line managers of civilian personnel."  

The study team was led by representatives from DoD and included representatives from the three Military Departments and several of the Defense Agencies, most notably the Defense Logistics Agency (DLA). They reviewed a variety of civilian personnel functions performed by the staffs of the departments and agencies seeking those functions where similarities existed to the point that they could be considered as candidates for consolidation. The study reached conclusions in several areas. First, the study recommended that common civilian personnel policies be standardized at the DoD level. Second, the study identified certain civilian personnel administration functions that could be performed in a common way throughout the DoD. These included such functions as the suggestion/awards program, grievance/discrimination complaint processing, compensation claims processing, personnel management evaluation, and relocation services.
In accordance with a new DMRD #974 signed on 13 December 1991, the Deputy Secretary of Defense approved development and consolidation of civilian personnel policy at the DoD level, as outlined above, and authorized continued development of proposed plans for future consolidated administration of the identified common functions.\(^{15}\)

While DA was strongly opposed to the original 1990 DMRD #974 proposal, it recognized, as mentioned earlier, that there existed an urgent need to reduce costs by streamlining operations through the closing/consolidating of some CPOs. DA, therefore, in addition to beginning to conduct a consolidation study of its own (February-June 1992), cooperated with the DoD in the functional review to identify those operations which occur commonly throughout DoD and which could be consolidated and performed by a single Military Department or Defense Agency for all of DoD.

There remains, however, a distinct distrust on the part of DA regarding the real intentions of DoD. In an interview with Ms. Carol Smith, Assistant Deputy for Civilian Personnel Policy, Office of the Assistant Secretary of the Army for Manpower and Reserve Affairs (ASA/M&RA), HQDA, there is a belief that the Civilian Personnel Efficiencies Study and the 1991 version of DMRD #974 are a means of revisiting the failed 1990 DMRD #974 that would have consolidated all civilian personnel policy and administration under a single DoD Civilian Personnel Agency. Ms. Smith is a strong supporter of DoD efforts to identify economies and efficiencies but retains her misgivings over the
failed 1990 DMRD #974 initiative and its two main areas of contention. She stated that significant consolidation across the Military Departments and the Defense Agencies within DoD will not be possible without resolution of two issues. They are:

(1) delegation of authority; and

(2) supplementation.16

Ms. Smith believes that DoD's goal for a civilian personnel management system where delegation of authority to base commanders would come directly from DoD and bypass the Army chain of command is unworkable. Further, DoD's desire to be the personnel policy maker for all of DoD with little or no supplementation from the Military Departments or Defense Agencies would withdraw the authority of the Military Departments to make policy for their own service when appropriate. Both of these issues, as currently contemplated by the DoD, would withdraw the authority of the Secretary of the Army and the CSA to determine civilian personnel policy for the DA.

Additional interviews/discussions were conducted with both the Civilian Personnel Director and the Deputy Civilian Personnel Director of the DA. Their comments were generally in agreement with Ms. Smith. Both felt that there were certainly some functional areas which are done in common throughout DoD and merit serious consideration for consolidation. They continued to believe, however, that the issues of delegation of authority and supplementation precluded the achievement of DoD's
goal which they believe to be the consolidation of civilian personnel administration within DoD. They cite as examples the recent consolidations of the Military Departments' commissaries into the Defense Commissary Agency and the Military Departments' finance operations into the Defense Accounting and Finance Service (DAFS).

But where are we now? By all appearances, we have DoD pushing for consolidation of civilian personnel administration into a single DoD agency, albeit by a more gradual approach than we saw in the failed 1990 DMRD #974, and the three Military Departments fighting a delaying action to keep total consolidation from happening. The Military Departments, in recognition of the reductions occurring with both facilities and people, are studying their current servicing arrangements for civilian personnel administration with the intent to reduce the numbers of CPOs which provide direct support to customers as well as the headquarters/subordinate headquarters staff offices which provide oversight and guidance. It is their belief and hope that, by identifying and implementing cost reduction actions, they can stave off the pressure from DoD to fully consolidate civilian personnel administration and servicing across Military Department lines.

CONCLUSIONS AND RECOMMENDATIONS

The Military Departments and DoD want to achieve the same result, i.e., increased efficiencies and economies. They only disagree on the "how." The issues of "delegation of authority"
and "supplementation" are showstoppers only if DoD persists in its efforts to consolidate civilian personnel administration within a DoD Civilian Personnel Agency which reports upward via DoD channels rather than through the Military Departments' channels. If the Military Departments and DoD can work together to standardize the vast majority of civilian personnel policies, identify the myriad of servicing similarities rather than the superficial differences, and consolidate CPOs by region, rather than Military Department, Agency, or MACOM, real savings through economies of scale can occur. Standardization of most policies is mandatory, if this proposal is to be successful, and will have an added benefit of creating simplicity out of confusion as servicing CPOs will no longer have to try to determine which Military Department or Agency policy is appropriate for the particular instance. Ownership of the CPO would remain with the largest Military Department/Agency in the area, not be rolled into a DoD Personnel Agency. The CPO would service all customers/organizations in the area, whether they be Army, Navy, Air Force, or another Defense Agency, using standard DoD policies and regulations and any--hopefully few in number--unique policies of the serviced activities.

The reality is that the DoD is getting smaller; the civilian work force is getting smaller. We, in DA's civilian personnel administration community, whether we are inclined or not, need to start working closely with DoD towards a coherent civilian personnel management service that is geared to the needs of a shrinking structure. To achieve this, we need to:
(1) continue to consolidate civilian personnel offices throughout the Army wherever and whenever possible to achieve economies of scale;

(2) continue to eliminate outdated or unneeded Army and MACOM personnel regulations;

(3) forbid MACOM supplementation of Army or DoD personnel regulations unless real need can be shown;

(4) coordinate regulations between the Military Departments in order to have uniformity, rather than allowing each Military Department to write its own—in short, pursue jointness over uniqueness;

(5) cooperate with DoD in the development of uniform DoD civilian personnel policies that apply to all three Military Departments and Defense Agencies; and

(6) cooperate with DoD in order to consolidate between Military Departments' collocated CPOs in order to reduce costs and achieve efficiencies.

In my opinion, the 1990 version of DMRD #974, while honorable in its intentions to achieve cost reductions and eliminate redundancy, was much too ambitious and fraught with danger. It was based on unproven assumptions and untested systems. I believe a more successful approach is that which was begun by the Civilian Personnel Efficiencies Study, and which could lead to the creation of a joint task force of the Military Departments' and Defense agencies' best and brightest whose responsibility and commitment is to the development of a uniform civilian personnel system for all of DoD, but which would remain
in the hands of each Military Department. Already, the atmosphere for such a development has become more benign. For example, the Army has shown a heretofore unknown willingness to acquire what other Military Departments have developed. It has adopted the Air Force's PDS-C and, even more recently, the Air Force's automated military pay system.

Downsizing is upon us. We cannot afford to operate civilian personnel offices with servicing ratios of one to forty or fifty. We must continue to automate, to consolidate, to simplify and streamline, to improve our customer service to all our customers whether they be our commanders, our managers, our employees, or our job applications; and we must find ways to achieve all of this with less money and manpower.

Jointness is the future within DoD. If civilian personnel administration does not want to be left behind or, heaven forbid, get contracted out, it had better get on board. It is time for the Army personnel community to form a new paradigm for civilian personnel administration. That new paradigm should accept reality as well as avoid parochialism, and is twofold. It should be based on the acceptance that consolidation is absolutely necessary, not just within the Army, but consolidation across DoD. No less important, it should stress jointness over uniqueness in the development of guidelines for streamlining and simplifying the personnel system and for facilitating service by the consolidated CPO of the future.
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