

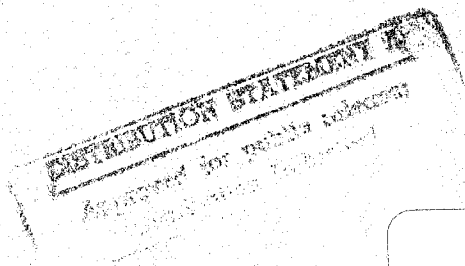
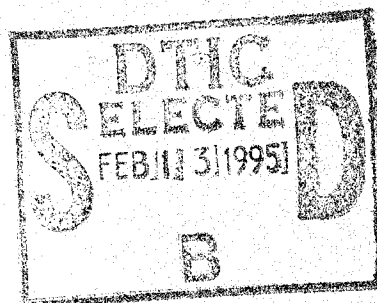


Report to the Honorable
David Pryor, U.S. Senate

December 1994

MILITARY RECRUITING

More Innovative Approaches Needed



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United States
General Accounting Office
Washington, D.C. 20548

National Security and
International Affairs Division

B-257481

December 22, 1994

The Honorable David Pryor
United States Senate

Dear Senator Pryor:

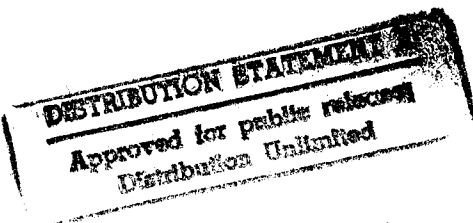
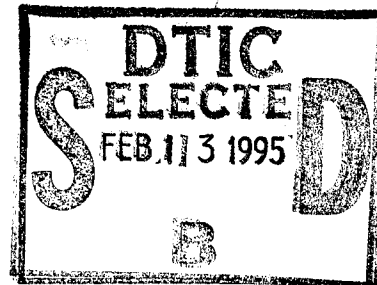
This report responds to your request that we examine Department of Defense recruiting operations and identify areas in which military recruiting costs could be reduced.

Unless you publicly announce the contents of this report earlier, we plan no further distribution of this report until 30 days from its issue date. At that time, we will send copies to the Chairmen of the Senate and House Armed Services Committees; the Secretaries of Defense, the Air Force, the Army, and the Navy; the Commandant, U.S. Marine Corps; the Director, Office of Management and Budget; and other interested parties. Copies will also be made available to others upon request.

Major contributors to this report are listed in appendix III. If you or your staff have any questions concerning this report, please call me on (202) 512-5140.

Sincerely yours,

Mark E. Gebicke
Director, Military Operations
and Capabilities Issues



DTIC QUALITY ASSURANCE

Executive Summary

Purpose

In recent years, the Department of Defense (DOD) has been recruiting fewer people to support a smaller military force. Concerned about the size of DOD's recruiting budget and the efficiency of its recruiting operations, Senator David Pryor asked GAO to survey military recruiting policies and practices and highlight areas in which DOD could reduce its recruiting costs without adversely affecting its ability to meet military personnel requirements. Specifically, GAO's objectives were to evaluate (1) recruiting challenges the services face in the size of the youth market and its propensity to join the military, (2) the services' future plans for recruiting staffs and organizations, and (3) the services' management of their recruiting facilities. GAO concentrated on recruiting for active-duty enlisted personnel, which represented \$1.1 billion of the \$1.3 billion budget for fiscal year 1994.

Background

During the first several years following the creation of the All-Volunteer Force, the military services had generally positive results in attracting new recruits. However, by 1979, the services were achieving only 90 percent of their numerical goals, and the quality of new recruits had declined significantly. In the early 1980s, Congress and the services took several actions to make military service more attractive. Congress granted a raise in military pay, authorized the services to offer new recruits financing for education, and allowed the services to spend more money on advertising. The services, in turn, reemphasized to their recruiters the importance of attracting recruits who had high school diplomas and who achieved scores in the upper ranges on standardized military tests. By 1986, all services were meeting or exceeding their numerical enlistment objectives, and recruit quality had reached historically high levels. These levels were maintained and, starting in 1990, increased significantly again.

The services target 17- to 21-year-old high school graduates as prime candidates for enlistment. The services believe that individuals in this age group are more likely to consider the military as a viable option. The services also direct recruiting efforts toward parents, coaches, and teachers, who may influence prospective recruits' decisions to enlist.

Results in Brief

Although the services have requested additional funds from Congress to meet what they perceive as future recruiting challenges, GAO's review indicates that the services have overstated the potential challenges. As evidence of future difficulties, the services cite decreases in the number of potential recruits and in the propensity of youths to join the services.

However, the number of people in the market is expected to grow steadily until at least 2000, and the percentage of the market DOD needs to meet its personnel requirements has steadily dropped. In addition, DOD's surveys of youths' propensity to join the services have not in the past been good indicators of who actually enlists.

GAO has identified the following areas in which DOD may not be maximizing the cost-effectiveness of its recruiting resources:

- Currently, about one out of every three recruits does not complete the first term of enlistment. This rate of attrition significantly increases the number of people the services need to recruit each year. The services have successfully completed various isolated experiments to reduce attrition; however, these efforts have not resulted in DOD-wide initiatives.
- Even though the services need fewer recruits because they are downsizing, some recruiting commanders are increasing or plan to increase their numbers of recruiters. However, adding recruiters at this time may not be cost-efficient.
- Numerous DOD and service studies have recommended ways to consolidate or eliminate layers of management to reduce costs, but the services have been reluctant to change existing organizational structures.
- DOD maintains an extensive network of about 6,000 recruiting offices around the United States to obtain geographic representation for the services. However, 50 percent of these offices provide just 13.5 percent of the recruits. Technological advances have made the need for a number of these offices less critical.

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Principal Findings

Services May Have Overstated Future Challenges in Recruiting

DOD and the services are concerned about what they believe are recent decreases in the size of the recruiting market. They also believe that, in the foreseeable future, their ability to attract quality personnel may be limited by a reduction in the propensity of young people to join the military (as measured by the annual Youth Attitude Tracking Survey). In fact, the Army and Navy recruiting commanders believe that they may need to lower their current targets for the quality of their enlistees if the services are to meet their requirements for numbers of personnel.

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When placed in historical perspective and viewed in the context of predicted trends, the services' concerns appear to be overstated. First, although the size of the youth population shrank between fiscal years 1980 and 1989, it is now projected to grow steadily until at least 2000. Second, the percentage of the market population DOD needs to meet its requirements has steadily dropped and may reach a modern-day low by 2000. Third, though reported propensity to enlist in the military has dropped in recent years, about half of the enlistees come from the groups who express negative intentions to join the military. Finally, even as propensity to join the military has dropped in past years, the services have been able to exceed DOD-established benchmarks for recruit quality.

Between 1980 and 1984, the services were able to improve the quality of their recruits and reduce first-term attrition from about 37 percent to around 29 percent. Attrition since has risen to over 34 percent.¹ Much of this attrition occurs in the first months of active duty. This rate of attrition significantly increases the number of people the services need to recruit each year. The services have, through various local experiments, found ways to reduce attrition, but their efforts have not been initiated DOD-wide or even throughout any of the services.

Services Have Resisted Organizational Change

The services have not implemented DOD or service proposals that involve a rethinking of recruiting organizations and functions. Some of these proposals have involved eliminating recruiting management layers and consolidating recruiting organizations or functional areas, such as logistics, market research, and advertising. However, the services have been reluctant to change existing methods. The services have consistently rejected any merging of recruiting across service lines because they believe that, as the Comptroller of the Army stated in responding to one such DOD proposal, "there are tremendous differences in recruiting for each of the Services, most of which are irreconcilable."

The services have cut personnel from all levels of recruiting in response to congressional direction to do so in 1992. At the time of our review, approximately 22,000 personnel in all services were involved in recruiting. However, some of the services now plan to add recruiters to their staffs. Army, Navy, and Marine Corps recruiting commanders believe that these additions are necessary to meet future recruiting goals. This report

¹GAO obtained data on attrition from the Defense Manpower Data Center. These data represent attrition for personnel enlisted annually from 1974 through 1989 for a 4-year commitment. The 1989 group completed their enlistments in 1992. For this period, DOD-wide annual attrition ranged between 29 percent and 39 percent.

presents evidence to the contrary, in that historical trends indicate that the relationship between numbers of recruiters and accessions is unclear because (1) quota systems discourage recruiters from exceeding quotas for enlistees; (2) the services have not historically reduced numbers of recruiters as accession needs have decreased; (3) numbers of accessions per recruiter have declined over the years; and (4) service studies suggest that after a certain number of recruiters are in place, it is more cost-effective to invest in more advertising.

DOD Has Closed and Realigned Recruiting Offices, but Additional Opportunities Exist for Savings

During the late 1980s, DOD and the services began to reduce recruiting facilities' costs by closing or collocating recruiting offices and eliminating excess space. However, DOD and the services have not questioned their assumption that to recruit equitably, the services should maintain a recruiting presence in most geographical areas, even if the recruiting offices are unproductive or marginally productive. For example, rather than close marginally productive offices, the Air Force has stretched its recruiting resources thinly, maintaining 645 recruiting offices that are staffed with only 1 active-duty Air Force recruiter.

The services have begun to explore various alternatives to fixed recruiting facilities that could enable them to identify, contact, and respond to inquiries from potential recruits. These alternatives, some of which involve advances in technology, call into question the traditional functions of the recruiting office.

The lease cost for DOD's nearly 6,000 recruiting facilities is about \$86 million for fiscal year 1994. GAO's analysis indicates that around \$13 million of this amount is spent on separate offices for supervisors. In addition, 50 percent of DOD's recruiting offices, which require the assignment of about 2,800 recruiters and cost about \$13.3 million annually to lease, produce just 13.5 percent of accessions.

Recommendations

GAO recommends that the Secretary of Defense direct the secretaries of the military services to (1) use the results of current studies, and undertake additional efforts if necessary, to develop a more cost-effective mix of available recruiting resources; (2) aggressively test ideas to reduce first-term attrition; (3) continue efforts to streamline the current recruiting bureaucracy, eliminating layers where possible; (4) revalidate the recruiting quota systems, which currently deter recruiters from maximizing the numbers of enlistments; (5) encourage the development

and expansion, as appropriate, of new concepts in the management of military recruiting facilities; and (6) routinely incorporate more in-depth cost-benefit analyses in decisions to maintain or establish new recruiting offices and to evaluate the costs and benefits of maintaining offices in less productive areas of the country.

Agency Comments

In written comments on a draft of this report, DOD said that GAO had provided a broad overview of very complex issues but did not acknowledge the full scope of DOD's initiatives to achieve recruitment goals cost-effectively. DOD stated that it is committed to using modern and effective business practices to attract and enlist young people and plans to give priority to its ongoing evaluation of recruiting organizational structures, consolidation of resources, and adaptation of new technologies.

DOD concurred with GAO's recommendations concerning the mix of recruiting resources, the quota systems, and recruiting offices. While DOD also concurred with the need to reduce first-term attrition, streamline the bureaucracy, and encourage new concepts in the management of recruiting facilities, it did not want to commit to major changes before reviewing the results of several evaluative efforts recently started.

GAO appreciates the need for DOD to complete certain current initiatives before changes are initiated in some areas. However, GAO continues to believe that (1) more aggressive efforts than those cited by DOD are needed to lower attrition on a DOD-wide basis in order to minimize the resources required to support the services' recruiting and training operations; (2) the services should reevaluate the need for management layers that previous studies have concluded could be eliminated, particularly since the Office of the Secretary of Defense-directed study to examine the consolidation of logistics support functions for the service recruiting commands could result in reduced workloads at those layers; and (3) if tests prove successful, expansion of the experimental process for consolidating recruiting facilities in large metropolitan areas should be pursued rapidly.

DOD comments and GAO's evaluation of them have been incorporated throughout this report. DOD's comments are presented in their entirety in appendix II along with some added GAO notes.

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Abbreviations

AFQT	Armed Forces Qualification Test
ASVAB	Armed Services Vocational Aptitude Battery
BMT	Basic Military Training
DEP	Delayed Entry Program
DOD	Department of Defense
MEPCOM	Military Entrance Processing Command
MEPS	Military Entrance Processing Station
RV	recruiting vehicle
USAREC	U.S. Army Recruiting Command
YATS	Youth Attitude Tracking Survey

Introduction

During the past several years, the Department of Defense (DOD) has been downsizing its forces substantially and recruiting fewer personnel to support a smaller All-Volunteer Force. At the same time, total expenditures for military recruiting have also been cut. For fiscal year 1994, the services' recruiting budget for active-duty officers and enlisted personnel is \$1.3 billion. The cost of recruiting 189,600 active enlisted personnel accounts for about \$1.1 billion of this total.

Advent of the All-Volunteer Force Necessitated Changes in Military Recruiting

During the first several years following the creation of the All-Volunteer Force in 1973, the military services generally had success attracting volunteers. However, the recruiting situation deteriorated rapidly beginning in 1977. In fiscal years 1975 and 1976, the services had actually exceeded their numerical goals for recruiting volunteers, yet by 1979, they were achieving only 90 percent of their goals. Moreover, the quality of new recruits had declined significantly.

Quality is measured in terms of (1) educational level (for example, high school or general equivalency degrees) and (2) performance on the Armed Forces Qualification Test (AFQT), which is a composite of 4 of the 10 components of the Armed Services Vocational Aptitude Battery (ASVAB). The services use the recruit's educational level as a predictor of attrition and AFQT scores as indicators of overall eligibility to enter the services and of qualifications for specific military jobs. AFQT scores are stratified into six levels—categories I, II, IIIA, IIIB, IV, and V—and are used as indicators of trainability. Recruits placed in categories I, II, and IIIA represent those who test in the top 50th percentile; those placed in categories IIIB, IV, and V are those in the bottom 50th percentile.

In 1975 and 1976, about 5 percent of new recruits had scored in category IV of the AFQT. By fiscal year 1980, over 35 percent were in this category. Concern over recruit quality peaked in 1980, when DOD reported that it had made an error in scoring the ASVAB in 1976. Because of DOD's mistake in the formula for scaling scores to establish norms, applicants who had tested in the lower ranges of the ability distribution were given inflated scores between 1976 and 1980. This meant that for 4 years, the services had been enlisting individuals of poorer quality than they wanted.

Congressional concern over recruit quality was demonstrated in fiscal year 1981, when Congress passed legislation establishing the following parameters:

- 65 percent of nonprior-service recruits¹ must be high school graduates;
- after September 30, 1982, no more than 20 percent of annual accessions can be individuals who score in category IV of the AFQT;
- category IV individuals who are enlisted must be high school graduates; and
- category V individuals are not eligible for military service.

Also during the early 1980s, Congress increased military pay and recruiting budgets to offer bonuses and funding for education for service applicants and approved increases in advertising expenditures to attract higher quality recruits.

By 1986, all services met or exceeded their overall enlistment objectives. Recruit quality was at historically high levels. The percentage of recruits with high school diplomas increased from 72 percent during the 1964-73 draft period to 92 percent in 1986. Also, 64 percent of new recruits in 1986 scored in the top categories of the AFQT. This percentage was up from 38 percent in 1980.

Recruiting Process

While the services use advertising as a tool to increase prospective applicants' awareness of and propensity to enlist, the services believe that face-to-face contact with a military recruiter is necessary to actually enlist applicants. To provide this contact, the services maintain recruiting offices throughout the country and overseas. Recruiting officials believe it is essential that recruiters be uniformed representatives of their respective services and that they accurately and positively portray military life. In many cases, recruiters are applicants' sole source of information on the benefits of their services. Recruiters provide information on military jobs, associated training, financial incentives, terms of enlistment, and the unique lifestyles offered by the services. Recruiters convey their message by several means, such as making presentations at area high schools, canvassing places of employment, and contacting prospective enlistees directly. The Army estimates that a recruiter makes over 100 contacts to enlist a single quality recruit. In some services, recruiters are evaluated on the numbers and qualifications of individuals they enlist.

Once applicants have decided to enlist in a military service, the recruiter schedules them for processing at the nearest Military Entrance Processing Station (MEPS). At the MEPS, applicants take the ASVAB—if they have not already taken it at a high school or other testing site—and are given

¹According to the specific language in the legislation, this provision applies only to male recruits.

medical examinations. They also meet with representatives of their chosen service. These service representatives provide lists of military occupations for which the applicants are qualified on the basis of their AFQT scores and certain other factors, such as medical or moral qualifications. For example, applicants who are colorblind would not be eligible for positions requiring perfect eyesight; however, they could still enlist.

Once an applicant has chosen a military job, the service representative at the MEPS draws up a contract for either the Delayed Entry Program (DEP) or immediate active or reserve duty. Nearly all applicants join the DEP; that is, they do not immediately report for active duty until up to 1 year later. The services require several months to complete background investigations and await applicants' completion of high school and receipt of transcripts. During their time in the DEP, enlistees are members of the inactive reserve, and they are required by the services to report to their recruiters periodically. Recruiters may monitor their enlistees' progress in high school and attempt to sustain the enlistees' interest in the service. At the completion of the DEP, the enlistee returns to the MEPS, undergoes a short medical examination, and is sworn into the service. After recruits are sworn in, they are shipped to basic training locations.

Services Target 17- to 21-Year-Old Youths

All the services target 17- to 21-year-old high school graduates who score in the upper categories of the AFQT. The services believe that individuals between 17 and 21 years of age are more likely to consider joining the military than they are at any other age. Since 1990, 83 to 88 percent of those who joined the services each year have been in this age group. The services have also found that individuals who graduated from high school and score in the upper categories of the AFQT do better on a variety of military performance measures than their lower scoring counterparts. The services also believe that quality recruits are less likely to pose discipline problems and are more likely to complete their first terms of enlistment.

Services Use Advertising to Encourage Enlistments

The military services have a variety of marketing and advertising techniques at their disposal to attract members of their target market. In addition to the individuals the services ultimately hope to enlist, the target market includes people who may influence a prospective recruit's decision to enlist. These "influencers" include parents, coaches, and teachers. Service advertising is designed to appeal to both potential applicants and their influencers. Each service employs an advertising agency to develop and/or execute advertising programs. Advertising methods range from the

most visible and expensive form—paid national television—to public service announcements, national and local radio spots, and mass mailings.

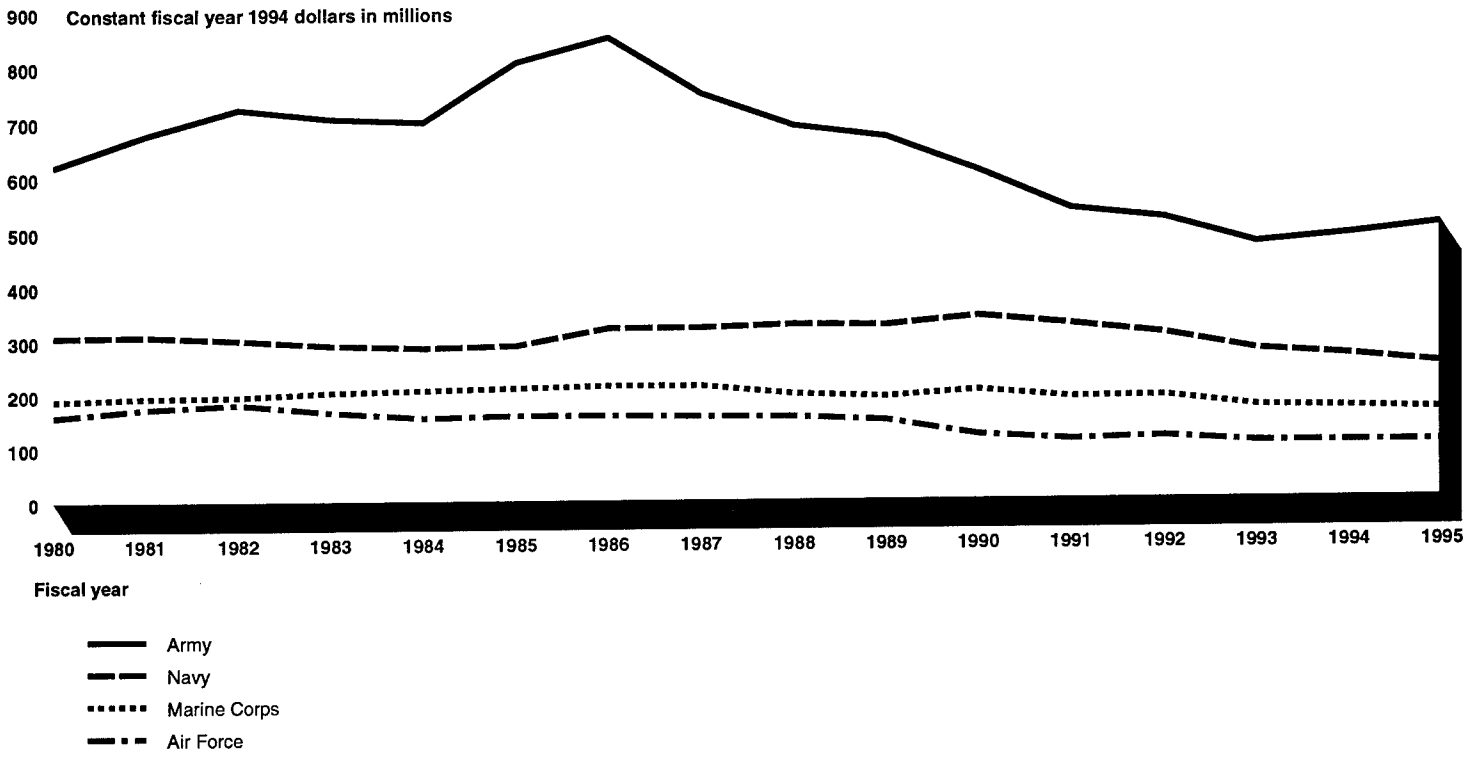
DOD's advertising budgets increased through the mid-1980s. In particular, between fiscal years 1980 and 1986, advertising expenditures for active enlisted recruiting grew from \$149.3 million to \$180.7 million, an increase of 21 percent in constant 1994 dollars. Advertising expenditures as a percentage of the total DOD recruiting budget remained relatively stable during the period, ranging from 10 to 11 percent. From their peak in fiscal year 1986, however, active enlisted recruiting budgets were cut significantly for all four services, from \$180.7 million in fiscal year 1986 to \$73.8 million programmed for fiscal year 1994, a decline of almost 60 percent. Advertising as a percentage of the total DOD recruiting budget fell below 7 percent by fiscal year 1994.

The services have studied advertising and its relationship to propensity and have observed that the decline in youth's propensity to enlist in the military corresponds to the decline in advertising budgets. According to an Army official, reductions in advertising budgets have reduced the services' ability to generate a positive public image and counter negative perceptions created by media coverage of downsizing and conflicts in Somalia and Bosnia. The services believe that sufficient continuous advertising will have a direct effect on reversing the decline in propensity.

Recruiting Trends

Budgets for recruiting active enlisted personnel peaked in 1986 at about \$1.6 billion (in constant 1994 dollars)—a 23-percent increase over the 1980 total of about \$1.3 billion. From 1986, the budgets fell to a low of \$1.1 billion in 1994—a reduction of about 31 percent. For fiscal year 1995, DOD has requested over \$1 billion. Figure 1.1 shows the four services' active enlisted recruiting budgets from 1980 to 1995.

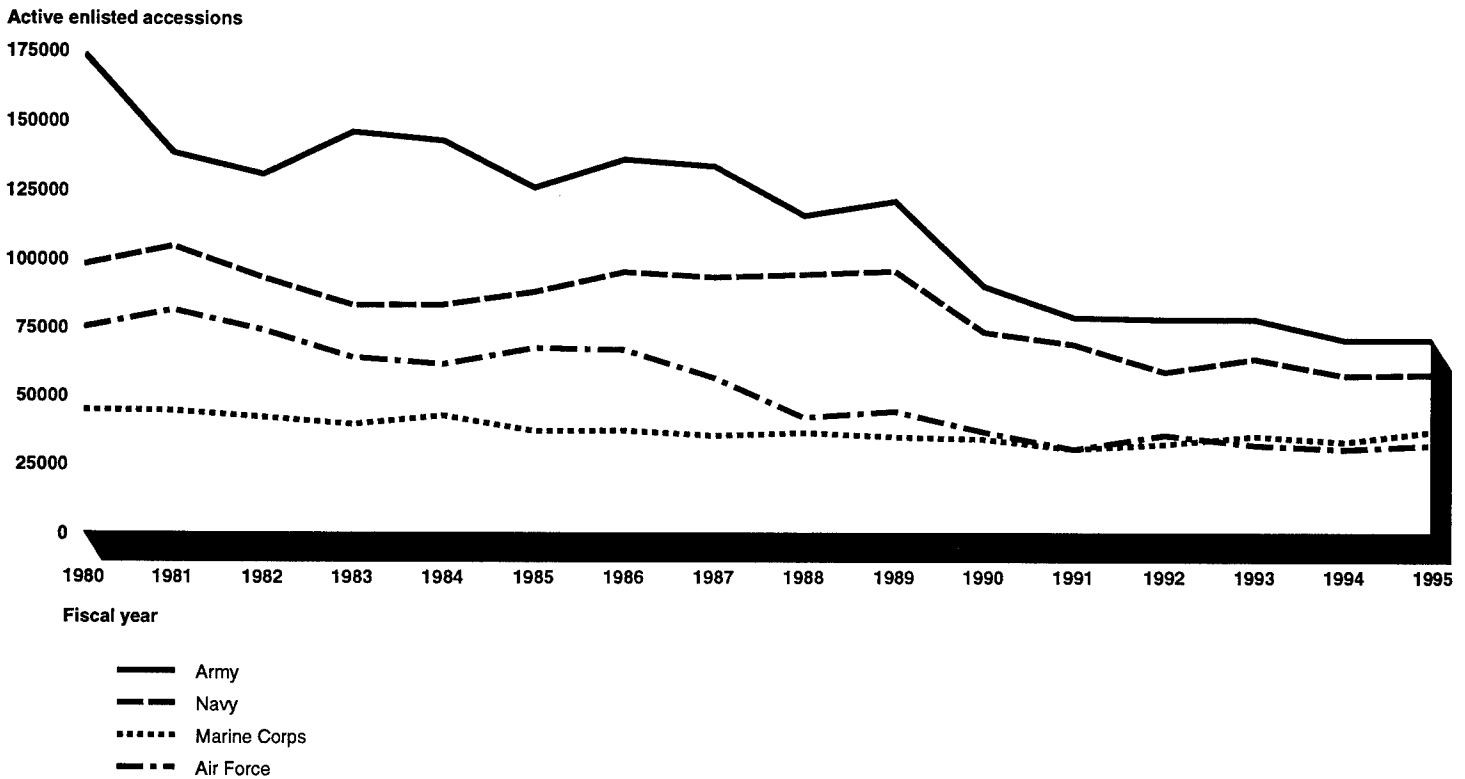
Figure 1.1: Services' Recruiting Budgets for Active Enlisted Personnel



^aData for 1995 are budget requests as of June 1994.

Between 1980 and 1994, annual enlistments for active force personnel also dropped, by over 50 percent (see fig. 1.2).

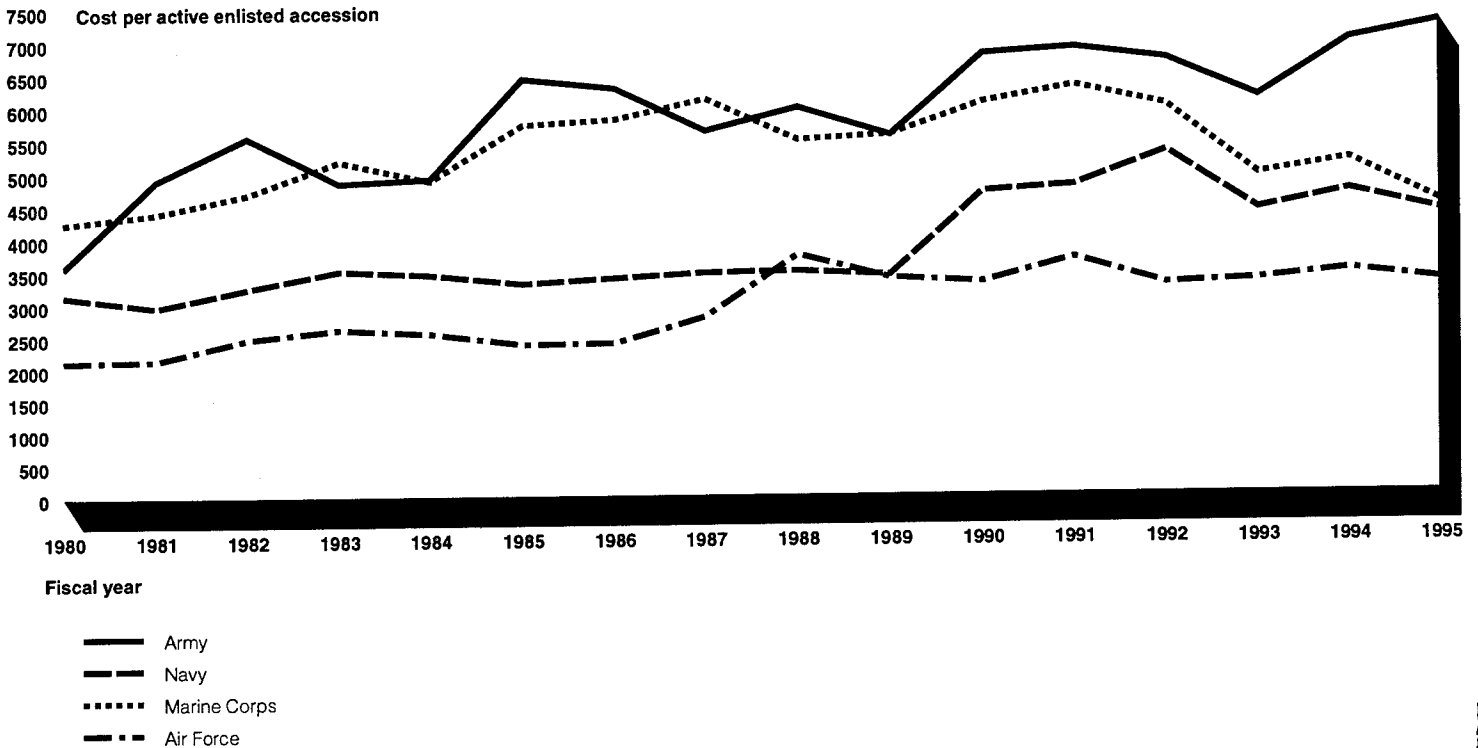
Figure 1.2: Annual Accessions for Active Enlisted Personnel



^aData for 1995 are DOD accession targets as of June 1994.

Because funding between 1980 and 1994 went down about 15 percent and accessions of active-duty enlisted personnel went down over 50 percent, the average cost per accession rose—from \$3,261 in 1980 to \$5,401 in 1994, an increase of over 65 percent. In fiscal year 1994, the Army had the highest cost per accession at \$6,956, and the Air Force the lowest at \$3,440. The Marine Corps' cost per accession stood at \$5,127, and the Navy's at \$4,655. Figure 1.3 shows active enlisted costs per accession from 1980 to 1995.

Figure 1.3: Cost Per Accession for Active Enlisted Personnel



^aCosts are calculated based on projected data for 1995 as of June 1994.

Agency Comments and Our Evaluation

DOD concurred with all of the information discussed in this chapter with the exception of our calculation of the costs per accession for the period 1980 through 1995. DOD commented that we distorted the overall cost savings associated with the services' recruiting programs by basing our evaluation of the cost per accession only on basic recruiting costs. Further, DOD stated that certain fixed costs would increase the average cost per recruit during a drawdown and that projecting costs for force-sustainment level recruiting would present a much more accurate assessment of recruiting.

We believe that our analysis of cost per accession is both valid and proper. Computing an average by dividing the total costs associated with a

particular output is a generally accepted method for identifying and tracking trends in most organizations and operations.

Further, although DOD suggests that increases in the cost per accession can be attributed to its drawdown, our analysis shows that the cost per accession has generally been on an upward trend since 1980 and that a substantial part of each service's increase occurred before the drawdown started.

Regarding a projection of costs for force-sustainment level recruiting, DOD did not provide the data required to make such a projection. Moreover, on the basis of our analysis of the costs and types of costs associated with DOD's recruiting operations, we doubt that sustainment-level recruiting would have a major impact on the average cost per accession. We believe that cost increases resulting from, among other things, additional military pay for more recruiters, increased training and support for more recruiters, and additional advertising would largely offset the lowering effect that would result from increased accessions.

Objectives, Scope, and Methodology

Concerned about the size of DOD's recruiting budget and the efficiency of its recruiting operations, Senator David Pryor asked us to survey military recruiting operations and identify areas in which DOD could reduce its recruiting costs without adversely affecting its ability to meet military personnel requirements. Specifically, GAO's objectives were to evaluate (1) recruiting challenges the services face in the size of the youth market and its propensity to join the military, (2) the services' future plans for recruiting staffs and organizations, and (3) the services' management of their recruiting facilities. This report focuses on the largest consumer of resources—recruiting for active enlisted personnel.

To obtain a general overview of recruiting results and cost-effectiveness, we reviewed DOD and service research studies in the area of military recruiting. We met with representatives of organizations such as the Rand Corporation and the Army Research Institute, which also study recruiting.

We interviewed officials from DOD's Office of Accession Policy; the Army, the Air Force, and the Navy recruiting commands; and the Military Entrance Processing Command to obtain their views on the evolution and current status of recruiting and problems they have experienced or foresee in adjusting to budget cuts and military downsizing. We also

interviewed officials from the Naval Audit Service and the Congressional Budget Office.

We did very limited work on Marine Corps' recruiting because during our review, the Naval Audit Service was auditing the Marine Corps Recruiting Command, and the Command was undergoing major restructuring. We have, however, included the Marine Corps in most of the data and in narrative, where possible.

To identify areas for potential cost savings, we obtained data on (1) accessions by service and DOD-wide between fiscal years 1980 and 1994, (2) the quality of recruits between fiscal years 1980 and 1993, (3) individual service budgets, (4) recruiters and support personnel, (5) recruiting offices by county and their associated costs between fiscal years 1991 and 1994, and (6) attrition by service and DOD-wide for active-duty personnel between fiscal years 1974 and 1989.

We conducted our review between July 1993 and August 1994 in accordance with generally accepted government auditing standards.

Future Challenges in Recruiting May Have Been Overstated

In a 1994 congressional testimony, the services' recruiting commanders stated that additional recruiting funds were essential to successfully recruit the numbers and quality of enlisted personnel they would need in the future. They expressed concern about a decrease in the size of the youth population and in youths' propensity to enlist in the military over the past decade. They believe that recruiting will be more difficult than it has been in the past and that advertising dollars are crucial in overcoming these problems. Two of the services' recruiting commanders also stated that upcoming recruiting difficulties may force their services to lower the current standards for the quality of their enlistees if the services are to meet their requirements for numbers of personnel.

We found these concerns to be overstated because (1) the size of the target recruiting population is growing; (2) DOD does not need as large a percentage of the market to meet its requirements as it has in the past; (3) although propensity to enlist in the military has dropped in recent years, about half of the enlistees have come from the groups who expressed negative intentions to join the military; and (4) even as propensity has dropped in recent years, the services have maintained recruit quality well above DOD-established benchmarks.

During the 1980s, the services improved the quality of their recruits and therefore reduced first-term attrition from about 37 percent in 1980 to around 29 percent in 1984. Attrition has since risen to over 34 percent.¹ These attrition rates significantly increase the numbers of personnel DOD must enlist each year. The services have undertaken various experiments that have been successful in reducing attrition, but these efforts have not resulted in DOD-wide initiatives.

Services' Concerns With Size of Youth Population Are Overstated

In recent testimony before the House Armed Services Committee's Military Forces and Personnel Subcommittee, the services' recruiting commanders outlined the challenges their services face in meeting recruiting targets, strategies for meeting these challenges, and funding needs. All the commanders shared the view that recruiting is more difficult than it has been in the past and that advertising dollars are crucial to overcoming a reduction in the services' target population and youths' lowered propensity to join the military.

¹We obtained data on attrition from the Defense Manpower Data Center. These data represent attrition for personnel enlisted annually from 1974 through 1989 for a 4-year commitment. The 1989 group completed their enlistments in 1992. For this period, DOD-wide attrition ranged from a high of 39 percent to a low of 29 percent.

Chapter 2
Future Challenges in Recruiting May Have
Been Overstated

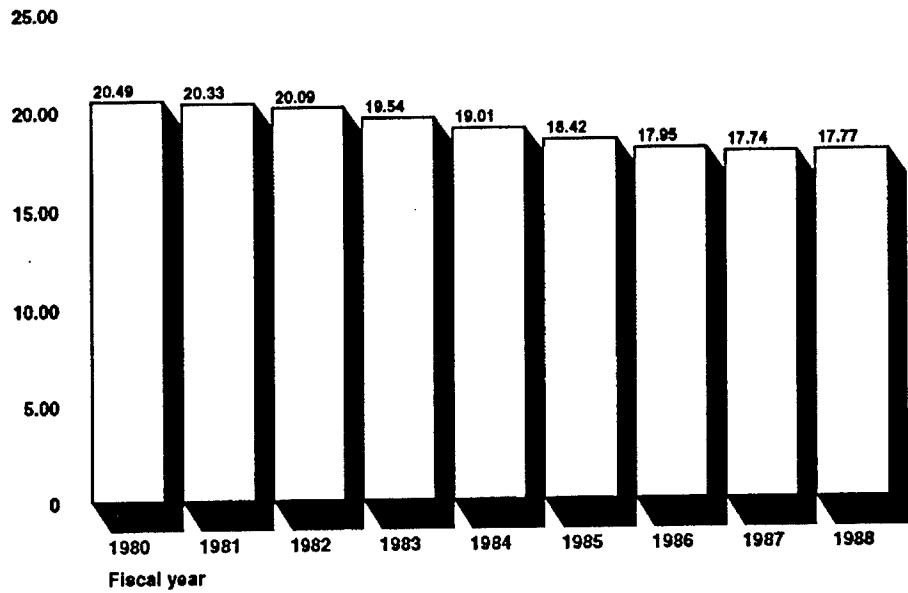
During the testimony, the Commander of the Navy Recruiting Command stated that “the pool of 17 to 21 year-old males and females has decreased significantly over the past decade. . . and is now at its lowest point since the inception of the All Volunteer Force.” The Air Force Recruiting Service Commander stated that the market of those qualified to enter the Air Force was 85 percent of what it was in the early 1980s.

Our review indicated that the services’ concern about a shrinking market may be overstated. It is true that the target recruiting population decreased between 1980 and 1989, from 20.5 million to 17.6 million. Since fiscal year 1989, however, this population has increased, and continued growth is projected until at least the year 2000, when it is estimated to reach 19.6 million (see fig. 2.1).

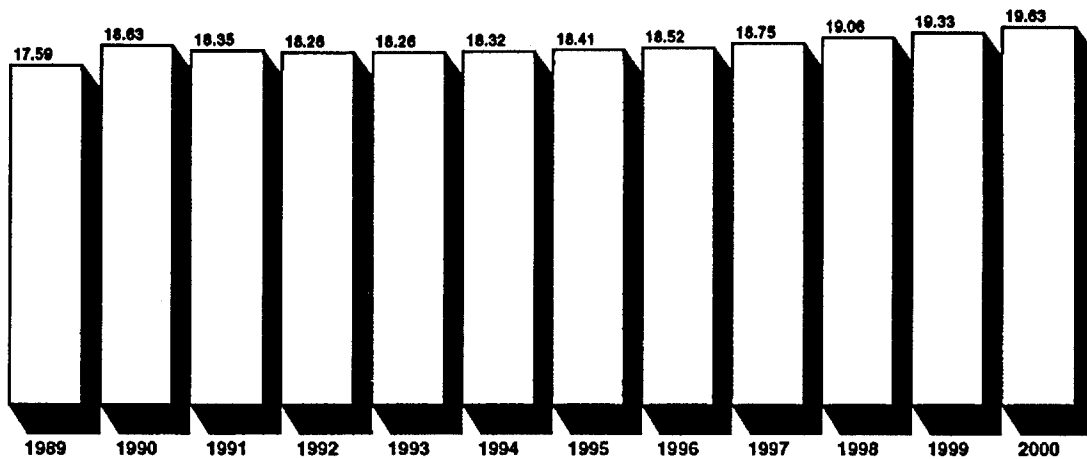
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Figure 2.1: Size of the Youth
Population Between 1980 and 2000



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Note: Figures for 1980-89 are based on 1980 census data; figures for 1990-2000 are based on 1990 census data.

Source: Defense Manpower Data Center.

In addition, the percentage of the total target population that the services must recruit to meet their accession needs has been decreasing, with some fluctuations, since fiscal year 1980—from nearly 2 percent to around 1 percent in fiscal years 1994 and 1995 (see table 2.1). DOD projects that by 2000 the fraction of youth needed for recruiting will likely reach an historical low.

Table 2.1: Percentage of the Youth Population DOD Needed to Meet Accession Requirements

Fiscal year	Size of target Population	Accession requirement	Percentage of population needed to meet requirement
1980	20,493,049	389,861	1.90
1981	20,327,668	367,240	1.81
1982	20,087,350	338,223	1.68
1983	19,539,986	330,815	1.69
1984	19,006,339	328,457	1.73
1985	18,415,983	316,676	1.72
1986	17,953,275	333,550	1.86
1987	17,740,140	316,826	1.79
1988	17,773,315	286,763	1.61
1989	17,586,928	293,896	1.67
1990	18,626,642	232,306	1.25
1991	18,354,717	206,617	1.13
1992	18,257,698	202,752	1.11
1993	18,256,680	206,927	1.13
1994	18,318,454	189,619	1.04
1995 ^a	18,409,902	195,421	1.06

^aFigures for 1995 are projections as of June 1994.

Source: GAO's analysis of data from the Defense Manpower Data Center and the Office of the Secretary of Defense.

Negative Propensity Groups Provide About Half of DOD Accessions

The services consider propensity to enlist in the military, as measured by the Youth Attitude Tracking Survey (YATS), to be a crucial measure of the difficulty of the recruiting environment. The services have found a correlation between positive propensity and actual enlistment, and they believe that the higher the percentage of youth who express a propensity to enlist, the easier it is for recruiters to access personnel. The military services have stated that youths' propensity to enlist in the military is at its lowest point in many years. They believe that this drop indicates that recruiting will be even more difficult in the future. Though youths' propensity to enlist in the military is indeed down, the services' data on propensity historically has not always been a reliable indicator of who actually enlists in the military.

Each year for the last 18 years, DOD has sponsored a YATS to gather information from American youth on their perceptions of the military and

their future plans in general. Approximately 10,000 men and women between the ages of 16 and 24 are interviewed for 30 minutes by telephone. The questionnaire focuses primarily on enlistment propensity. Youth are asked several questions about the likelihood of their serving in the active or reserve military services in the near future. They are asked how likely they are to join the military, and each service in particular, in the next few years. Those who answer that they "definitely" or "probably" will enlist are categorized as indicating "positive propensity"; those who answer that they will "probably not" or "definitely not" or "don't know" are categorized as indicating "negative propensity." Each year, DOD distributes the results of this survey to the individual services.

Positive propensity to enlist in a military service has been falling for several years. Positive propensity to enlist among 16- to 21-year-old males decreased by almost 17 percent (from 32 percent to 26.6 percent) between 1989 and 1992. Service officials have attributed the drop to a number of factors, including a decrease in advertising, a lack of knowledge on the part of the public that the services are still hiring, concern over the dangers of military service due to conflicts in Somalia and Bosnia, and concern over DOD budget cuts that are perceived as making the services an unsafe career choice.

However, propensity data are not always reliable indicators of what people will do. According to a Rand study, though those who indicate positive propensity are indeed more likely to join the military, about half of DOD enlistees have come from the groups that expressed negative intention. This is because those in the negative propensity group represent a much larger percentage of the population and a much greater pool. The Army, for example, projected that over 70 percent of its enlistments for 1993 came from those who had expressed negative propensity to join the military. It also projected that almost 42 percent of Army enlistments in 1993 came from the group who said they would definitely not join, while less than 9 percent of enlistments came from the group stating they would definitely consider enlisting.

The services' concerns about perceptions that the military is not hiring, that it is now too dangerous, or that budget cuts make the military unattractive as a career option have not been validated by YATS data. In the 1993 survey, for example, 81 percent of respondents said that they thought the services were still recruiting, despite downsizing. This figure is up from 79 percent in 1992. In addition, 56 percent of respondents in 1993 said that budget cuts would not affect their attitude toward enlistment, up

from 54 percent in 1992. Finally, the percentage of respondents who stated that danger was the single main reason for not considering enlistment fell from 1990 to 1992.

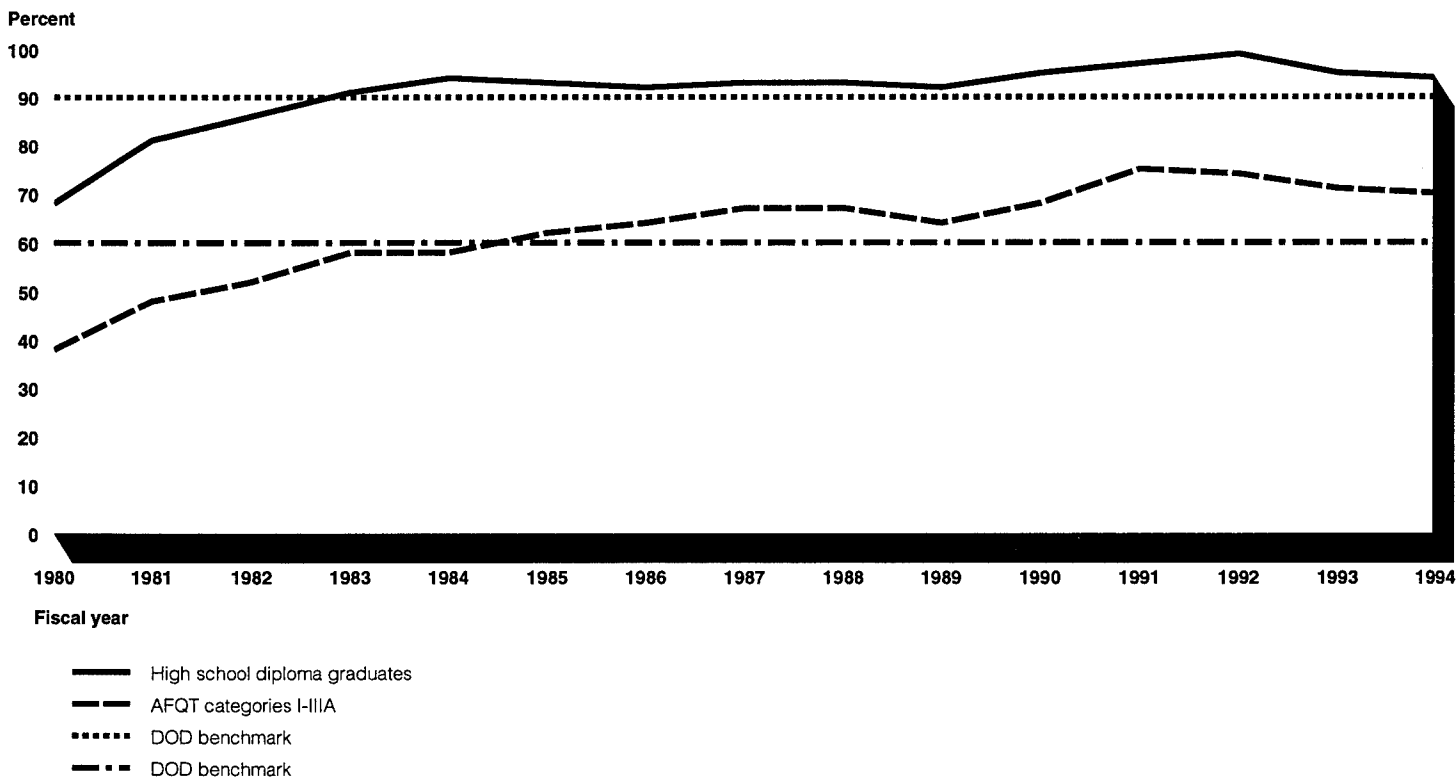
Despite Drops in Propensity, Quality Has Remained Well Above Benchmarks

Despite drops in propensity in recent years, recruit quality has remained well above DOD-established benchmarks. Even so, in recent congressional testimony, the Army and Navy recruiting commanders expressed the fear that their services might have to lower enlistment quality targets to meet upcoming accession needs. The Army's recruiting commander stated that the Army may need to reexamine whether it will be able to sustain its current quality standards for new enlisted recruits as it approaches fiscal year 1996, when its accession goals are expected to increase. Similarly, the Navy's recruiting commander believes that it may be necessary to review the Navy's targets for recruit quality in light of future recruiting challenges.

To help analyze the services' quality requirements, DOD, in conjunction with the National Research Council, concluded that having 90 percent high school graduates and 60 percent scoring in categories I through IIIA were benchmarks to which the services should aspire. Historical records of recruit quality indicate that the services have generally remained above these benchmarks since the mid-1980s. The percentage of enlistees who have high school diplomas and who score above the 50th percentile on the AFQT has grown steadily (see fig. 2.2). In fact, 1992 represented the highest point since 1980 for recruit quality.

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Figure 2.2: Increase in the Quality of Recruits Since 1980



As recruit quality has improved, the services' targets have correspondingly increased. These targets have tended to move upwards to match the actual results each service has experienced. For example, DOD's 1985 report on its quality requirements for the 5-year period 1985-89, basically reflected the recruiting results of 1984. Stated requirements for high school graduates ranged from 80 to 95 percent, with an average of 88 percent for DOD. The requirements for enlistees in categories I through IIIA averaged 61 percent. The percentage of category IV recruits ranged from 4 to 12, with a DOD average of 9 percent. In the early 1990s, as the services were even more successful in acquiring quality recruits, the targets moved upward to reflect that experience.

Table 2.2 shows the services' current targets for recruit quality. All are well above DOD's benchmarks of 90 percent high school graduates and 60 percent scoring in AFQT categories I through IIIA.

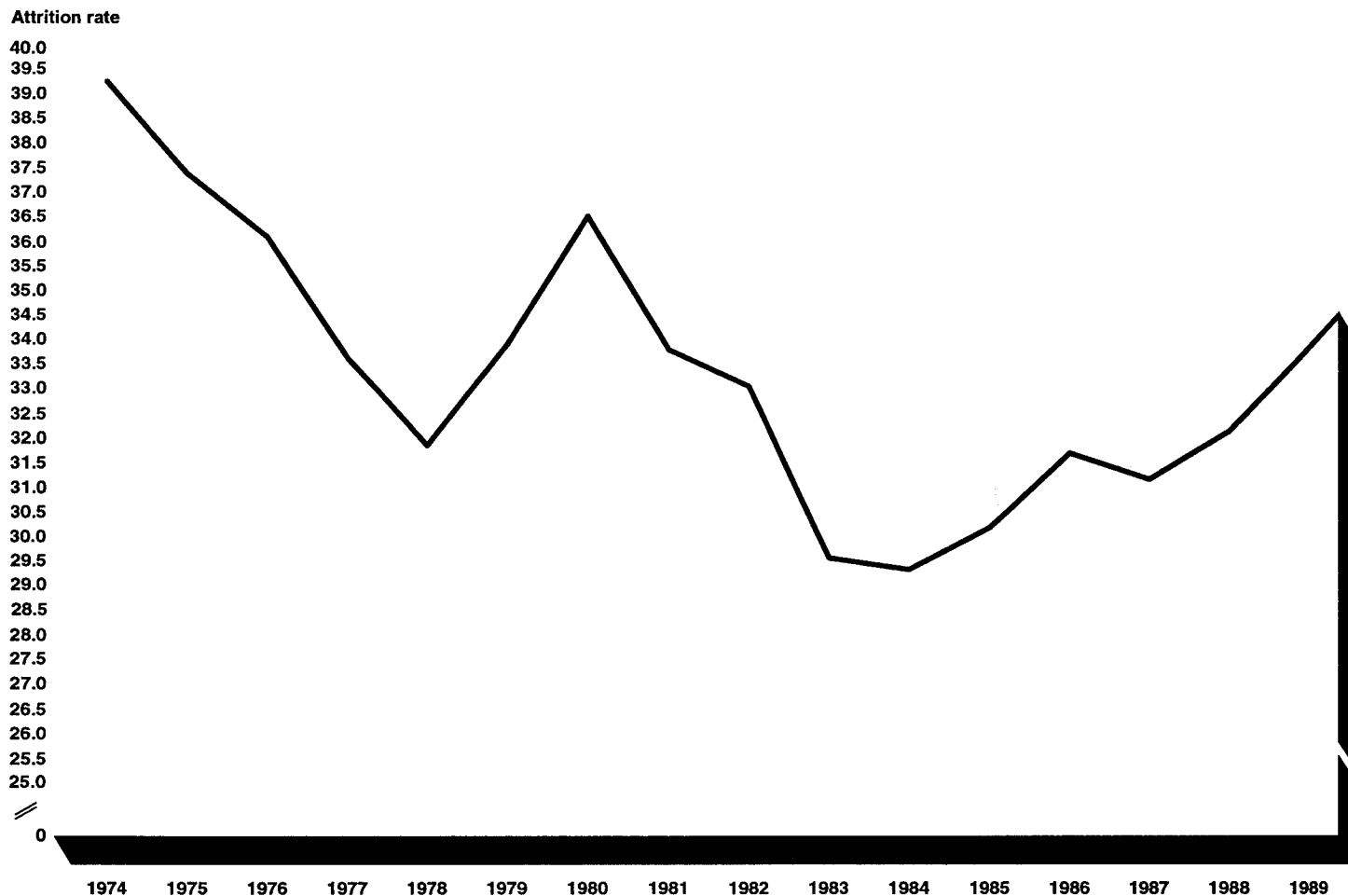
Table 2.2: Legislative, DOD, and Service Targets for Recruit Quality

Percentages of enlisted accessions			
Benchmark/ target	High school graduates	Scorers in categories I-III A	Scorers in category IV
Legislative requirement	65	Not applicable	<20
DOD benchmark	90	60	Not applicable
Army target	95	67	<2
Navy target	95	62	0
Air Force target	99	80	<1
Marine Corps target	95	63	<1

Attrition Has Increased During the Late 1980s

Between 1980 and 1984, the attrition rate for enlisted personnel during their first term dropped from about 37 percent to 29 percent. However, this rate has since risen to over 34 percent. First-term attrition is costly to the services because replacements must be recruited and trained at an average cost of over \$20,000 each. As the services successfully lower attrition rates, their enlistment needs and demands on recruiters correspondingly decrease. Though the services have done studies of the causes of attrition and have conducted experiments to lower the attrition rate, they have not been able to lower it below its current plateau. At present, about one of three recruits does not complete his or her first enlistment term of duty, which typically is 4 years. Much of this attrition occurs in the first months of active duty. Figure 2.3 shows attrition rates from 1974 to 1989, which was the last year for which there was complete data on personnel who completed their first terms.

Figure 2.3: Historical Changes in First-Term Attrition Rates



Researchers have investigated several factors that influence attrition during the first term of enlistment. These include educational credentials, gender, age, race, enlistment term, and military occupational specialty. According to DOD and the services, the most important of these variables in determining a recruit's attrition rate is educational attainment. Most researchers equate high school degrees with lower attrition rates. A second predictor of lower attrition rate is AFQT scores. Those who score in the upper 50th percentile of the AFQT have historically also had lower attrition rates. While the services have reduced attrition rates slightly by

recruiting higher quality recruits, marginal increases in quality appear to have limited potential for further reducing attrition.

Despite a considerable number of studies of attrition, DOD and the services have not been able to define accurate predictors of attrition beyond educational credentials and AFQT scores. That is, DOD and the services have not successfully isolated causal linkages between recruiting methods and targets and first-term attrition. Although research has been done to define better predictors of attrition and provide information to recruiting staff on attrition from basic military training, the services have not successfully lowered attrition rates below their current plateau.

To reduce attrition from Basic Military Training (BMT), the Air Force Recruiting Service attempts to ensure that recruits are physically prepared for BMT; encourages recruiters to identify applicants' medical conditions that would prevent their success in BMT; and provides to groups, squadrons, flights, and recruiters feedback on graduation rates and numbers of honor graduates from BMT. According to recruiting officials, these actions have had positive effects on BMT attrition rates. However, they were not able to tie these effects directly to decreased attrition.

In the fall of 1993, the Air Force Recruiting Service did a study to determine the reasons for that year's increase in BMT attrition. (The rate rose from about 6 percent in fiscal year 1992 to about 9 percent in fiscal year 1993.) The study showed that lower recruit quality (in terms of AFQT scores) played a very small role in the increase. The study instead attributed most of the increase in BMT attrition to losses for medical reasons. The primary reason for higher medical losses, according to the study, was stricter application of medical standards by BMT medical personnel. According to Air Force Recruiting Service officials, the Air Force is now more lenient in releasing recruits from BMT because it is concerned about preventing training deaths.

The Air Force is conducting research on better ways to use ASVAB subscores to predict attrition. The Air Force now uses ASVAB subscores that measure mechanical, administrative, general, and electronic ability. The Air Force hopes to find alternate subscores that are more predictive of attrition for various skills. Another program that may offer promise to all the services in lowering attrition during BMT is the nonprior service orientation now offered by the Oklahoma Army National Guard and Air National Guard units. The program began in 1988 as an attempt to reduce BMT attrition rates. The Air National Guard's BMT attrition rate at that time

was 17 percent, one of the worst rates in the nation. As a result of this program, that rate has remained at less than 1 percent for 6 years.

The orientation lasts only 2 days and is taught at the Oklahoma Military Academy. After recruits have joined the Guard but before they attend BMT, they are put through a simulation of basic training, including some lectures, but mostly marching, drills, and physical training.

Agency Comments and Our Evaluation

In commenting on this chapter, DOD concurred with our findings on attrition and the services' success in increasing and maintaining recruit quality rates. However, DOD disagreed with certain observations concerning the size of the youth population and some of our observations about propensity.

DOD took issue with our analysis of youth population trend data, based on 1980 and 1990 Census Bureau information, which indicates that the size of the pool bottomed out in 1989 instead of 1993, as according to DOD. The information contained in this report was the most current available when we performed our analysis. More importantly, DOD acknowledged our key point about youth population; that is, the size of the pool is projected to increase in future years.

DOD addressed other factors it believes adversely affect any analysis of the youth population and the services' ability to recruit sufficient numbers. Specifically, DOD commented that (1) the youth population will grow only 1 percent between 1994 and 1996, while projected accessions will grow about 13 percent; (2) a change in the demographic characteristics of the youth population, for example, an increasing percentage of Hispanics, indicates increasing recruiting challenges; and (3) an increase in the percentage of high school graduates going to college and those who are medically or morally unfit to serve will reduce the numbers available to recruit.

However, based on findings contained in a May 1994 RAND Corporation study, "Recent Recruiting Trends and Their Implications: Preliminary Analysis and Recommendations," the factors DOD cites appear to be moot in terms of their impact on the size of the pool of quality youth for recruitment. This study estimated the potential supply of high quality enlistees for 1994 and for fiscal year 1996 and compared these estimates with the pre-drawdown levels of fiscal year 1989. The study found that the prospective supply equals or exceeds that of pre-drawdown levels and

concluded that the supply of high quality youth to recruit for military service should be adequate.

Regarding propensity, DOD commented that we had reflected some of the difficulties associated with recruiting in a negative propensity environment but did not present a complete and accurate view of the situation. DOD stated that propensity is not intended to identify who will enlist but is a much broader tool for determining how much effort and resources will be required to meet recruiting objectives. DOD also stated that the 1994 RAND study confirmed that the lower the propensity of a youth population to enlist, the more resources would be required for each enlistment.

We agree that propensity data is useful for gaining insights on the recruiting environment; however, we continue to believe that the services' concerns about propensity trends have been overstated in the recent past. Our view is supported by the recent RAND study, which concentrates on the high quality component of the youth population, that is, those individuals who are the services' prime target for recruiting.

In the RAND study, propensity for the quality component of the youth population was reestimated to correct a sampling change, implemented in the 1991 YATS survey, which had the unexpected effect of lowering positive propensity rates. Overall, the study concluded that the trends from 1989 to 1993 suggest that the propensity of high quality youth to enlist was stabilizing. Specifically, propensity to enlist increased during the Persian Gulf crisis, declined between 1991 and 1992, then leveled off or increased slightly between 1992 and 1993, which placed the 1993 rate near or above that of the late 1980s. In other words, the propensity of high quality youth to enlist exceeded or equaled the pre-drawdown level during 1990-93.

The study also observed that (1) about 75 percent of the male youth population expressed a negative propensity to enlist; however, this group accounts for about half of all enlistees because of its large size and (2) the potential supply of youth for enlistment will move up or down with the propensity level, but the supply level would not change in proportion to the change in the propensity level; that is, a 10-percent drop in propensity would lead to only about a 3-percent drop in potential supply.

Opportunities to Streamline Recruiting Staffs and Organizations

Military budgets and accession requirements have been dropping for several years, as the size of U.S. military forces has been reduced. During this time, a number of initiatives to reduce the size of recruiting staffs have been implemented, and several proposals to streamline recruiting organizations have been made.

Most recently, the National Defense Authorization Act for Fiscal Year 1993 (which was enacted in October 1992) required the services to reduce by 10 percent the numbers of personnel carrying out recruiting activities in the active forces and the National Guard. This cut was to be taken by the end of fiscal year 1994 from 1992 levels. The services initially responded by cutting personnel from all levels of recruiting, but some are now planning increases in staff. Our review indicates that increasing the number of recruiters may not be necessary.

Although the military services have reduced the size of different recruiting management layers, the basic recruiting structure remains intact. Past DOD, service, and congressional proposals include the elimination of certain recruiting command management layers; the consolidation of common logistical support functions into one support command; the establishment of a joint DOD recruiting organization; the consolidation of each service's reserve, active, and Guard recruiting; and the consolidation of medical recruiting activities. While such proposals have been discussed, few have been implemented, generally because the services have been reluctant to change organizations and methods that have worked in the past.

Services' Plans for Future Staffing

The National Defense Authorization Act for Fiscal Year 1993 required the services to cut their 1992 recruiting staffs by 10 percent by the end of fiscal year 1994. However, the fiscal year 1995 National Defense Authorization Act repealed this required reduction. While a few of the services had stated at the time of our review that they had no specific plans to respond to a repeal, three of the services believed that additions to recruiting staffs would be necessary in the near future.

In response to the 1993 authorization act, all the services planned to cut recruiting staffs by at least the required 10 percent. However, because these cuts were to be made by the end of fiscal year 1994, at the time of our review, most of the services' cuts had not been finalized.

The Air Force is the only service that anticipates no near-term increases in recruiting staff. The Air Force Recruiting Service Commander believes that

no additions to recruiting staffs are necessary unless accession goals rise substantially. Because the Navy had begun a 17-percent rather than a 10-percent cut to its recruiting personnel, it has now decided to incrementally add back 360 people to its recruiting force by the end of the year. The Marine Corps and the Army believe that additions to recruiting staffs will alleviate difficulties they foresee in the future. The Army Deputy Chief of Staff for Personnel has authorized 5,350 recruiters for fiscal year 1995. This represents about a 27-percent increase (1,150 recruiters) over the earlier planned fiscal year 1994 level.

Adding Recruiters May Not Be Necessary to Meet Future Accession Goals

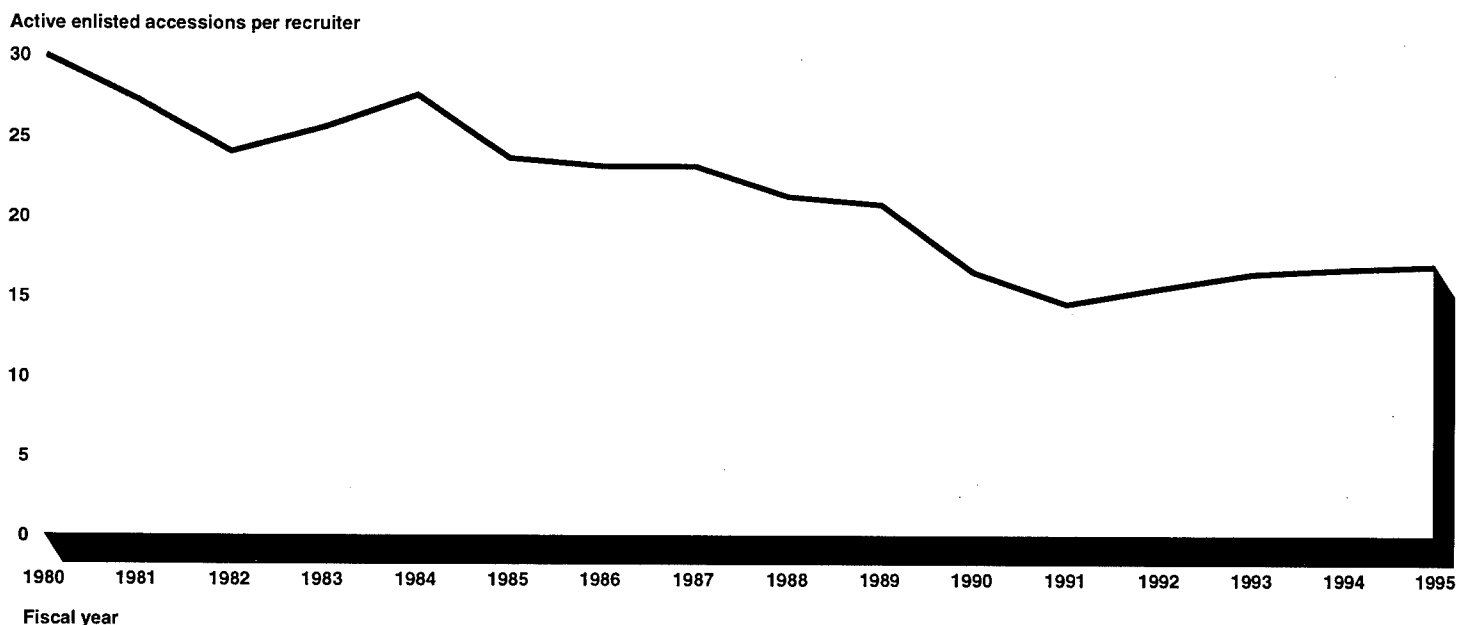
We do not believe that more recruiters are required to meet projected accession targets. The services' belief that they need to add recruiters suggests that current accessions per recruiter are maximized. Our analysis, however, indicated that the relationship between numbers of recruiters and accessions is unclear because (1) the recruiters' quota system places artificial constraints on their numbers of accessions; (2) the services have not historically reduced numbers of recruiters as accession needs have gone down; (3) the numbers of accessions per recruiter have declined over the years; and (4) service studies suggest that after a certain number of recruiters are in place, it is more cost-effective to invest in more advertising.

According to Army officials, the quota system rewards recruiters and recruiting organizations for achieving the missions they are assigned by headquarters. Overproduction is not rewarded. In fact, in the current system, a recruiter's overproduction during one year could result in a rise in the recruiter's quota for the next year. The higher quota in subsequent years would require more work from the recruiter and increase the possibility of the recruiter's missing the quota and receiving a career-damaging performance evaluation. These effects of the quota system and past performance suggest that recruiters could produce more recruits than they are currently. Army officials told us that the Army is experimenting with changes to the quota system to reward overproduction.

Recruiter productivity has also been negatively affected by the fact that most of the services have not reduced their numbers of recruiters as accession needs have decreased. The number of accessions per recruiter fell by almost half from 1980 to 1994 DOD-wide (see fig. 3.1). This decrease is the direct result of a substantial drop in the numbers of enlisted

accessions (over 50 percent), while the numbers of recruiters dropped only slightly (13 percent).

Figure 3.1: DOD-wide Trends in Accessions Per Recruiter



Numbers of accessions per recruiter demonstrated wide variations by service between fiscal years 1980 and 1994. The decline in accessions per recruiter was most striking in the Army, where it fell by over 60 percent. The Navy's accessions per recruiter fell over 34 percent, and the Air Force's by almost 35 percent. Marine Corps' accessions per recruiter, on the other hand, increased slightly. The Marine Corps, unlike the other services, reduced its recruiting force as its accessions decreased.

Several recent Army studies suggest that after a certain point, adding more recruiters may not result in added accessions. A preliminary study recently done for the Army by the Naval Postgraduate School suggests that the number of recruiters is only slightly correlated with the number of accessions. An internal Army Recruiting Command study concludes that the number of recruiters is negatively correlated with the number of

accessions. Both studies found much higher correlations between advertising budgets and numbers of accessions.

Consolidation Proposals Have Been Rejected by the Services

Over the years, various proposals have been made to consolidate various recruiting functions for all the services. The services, however, have consistently rejected any merging of recruiting across service lines because they believe that, as the Army's Comptroller has stated in responding to one such DOD proposal, "there are tremendous differences in recruiting for each of the Services, most of which are irreconcilable."

A Defense Management Review in fiscal year 1990 proposed two alternatives involving the consolidation of service recruiting organizations and functions. The first was to merge the services' recruiting organizations into one command. Recruiting offices would remain service-unique and be staffed by individual service recruiters. DOD estimated that implementation of this proposal could have resulted in a savings of \$27 million in fiscal year 1993 and over \$240 million through fiscal year 1997. The second alternative proposed the consolidation of support functions, including advertising, under a recruiting support command. Implementation of this alternative was estimated to save about \$13 million in fiscal year 1992 and over \$150 million through fiscal year 1997.

In written comments, none of the service recruiting organizations favored consolidating their recruiting headquarters functions. Rather than responding with thorough analyses and rebuttals to the management review, the services dismissed the proposal out of their reluctance to alter methods that had succeeded for them in the past. For example, the Army's response was that "a major, radical change to our way of doing business—combined with the turbulence of personnel reductions while entering an era of uncertainty—will surely disrupt mission accomplishment." The Navy's position was that "creating a single recruiting bureaucracy would eventually erode [the] strong identification with service, reduce the recruiter's emotional involvement, and create an atmosphere where quantity, not quality, is the major objective." Accordingly, the Assistant Secretary of Defense rejected the proposal and stated that "to jeopardize the recruiting success we have enjoyed in recent years would be unconscionable."

While the services rejected combined service recruiting entirely, they acknowledged that there might be some merit in consolidating various support functions, such as the procurement and management of vehicles,

telecommunications, and recruiting facilities. The services did not support the consolidation of advertising. In January 1994, DOD officials began to reconsider the issue of consolidating support functions for the recruiting commands. DOD has tasked the Military Entrance Processing Command with taking the lead on a task force to study the concept. The task force was scheduled to begin its work in October 1994.

Another consolidation idea that DOD has discussed but not acted on is joint medical recruiting. Although some DOD officials believe that joint medical recruiting would help the services solve problems in attracting qualified medical personnel, most service recruiting commands are opposed to this concept. Some services believe that their needs for medical personnel differ from those of the other services and that it would therefore not be feasible to recruit jointly.

Though the Air Force and the Navy initiated their own proposals for consolidating active and reserve recruiting, they ultimately rejected these proposals in favor of continuing their proven successful ways of doing business. In January 1992, the Air Force began a formal discussion on combining its active, reserve, and Guard recruiting in response to (1) a Senate report on the National Authorization Act for Fiscal Year 1993 directing the services to consider consolidating their recruiting functions¹ and (2) Air Force program policy guidance. After extensive meetings involving Air Force recruiting personnel at all levels, the working group proposed three options that involved combining active and reserve recruiting. Two options involved staffing savings of 191 personnel; a third involved staffing savings of 234. Despite the staffing savings proposed by these three options, the Air Force decided to make no changes. On March 2, 1993, the Assistant Secretary of the Air Force, Manpower and Installations, justified the Air Force's decision as follows:

"Based on the significant successes of the AF's Active and Reserve recruiting organizations relative to the other Services; on the significant differences between their missions; on the significant savings and streamlining steps already taken and on the significant potential for reductions in recruiting quality and quantity should consolidation be further pursued, all efforts to consolidate Active, Reserve, and/or Air National Guard recruiting organizations should be terminated."

In June 1993, the Navy also completed a study of the feasibility of consolidating active and reserve recruiting. This study, like the Air Force's,

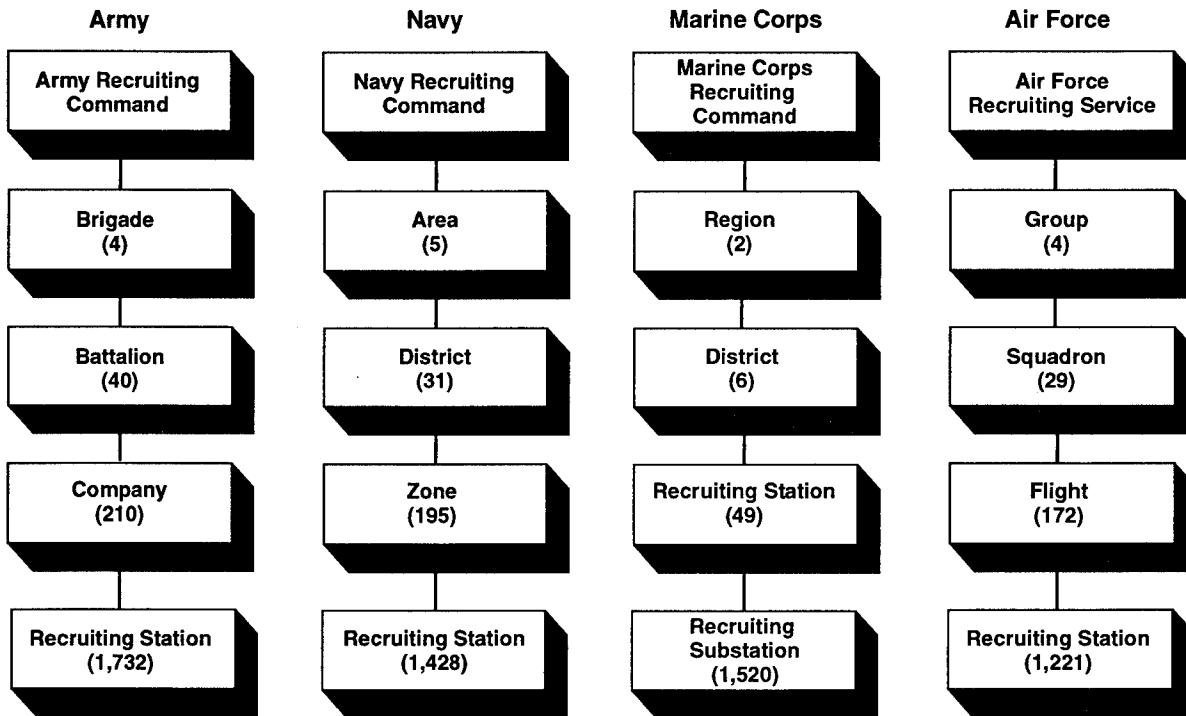
¹This provision was not included in the House version of the bill or the law that was eventually enacted.

was initiated at least in part as a result of congressional interest in possibilities for cost savings. Also like the Air Force, the Navy decided not to merge what it says are two very different programs. Navy officials told us that Navy Reserve enlistment requirements are almost exclusively for experienced prior-service personnel, while the active Navy targets those without prior service.

Services Have Rejected Proposals to Eliminate Recruiting Management Layers

As the military services' recruiting organizations have downsized, they have reduced the size of different management layers, but they have not eliminated any. Their recruiting structures, therefore, remain intact. For example, the Air Force has reduced its numbers of recruiting groups, squadrons, and flights. The Navy has reduced its numbers of recruiting districts and zones. The Air Force, the Army, and the Navy have considered but rejected proposals to eliminate similar management layers to improve efficiency and save costs. While the particular proposals thus far circulated may not represent optimum recruiting organizations, potential economies of scale and other efficiencies may be available through the elimination of command structure layers. (Fig. 3.2 shows the various service recruiting management layers.)

Figure 3.2: Organizational Recruiting Levels for the Military Services



Note: Numbers of recruiting offices and substations are taken from the Recruiting Facilities Management Information System as of June 21, 1994. They include (1) battalion, district, and squadron offices; (2) company, zone, and flight offices and Marine Corps recruiting stations; (3) full-time recruiting offices; and (4) part-time recruiting offices.

Navy officials told us that though the Navy has considered eliminating management layers, it ultimately determined that no layer could be eliminated without negatively affecting the recruiting organization's overall operations. The area level, in particular, has constantly been under consideration for elimination. However, considering that span of control difficulties already challenge the Navy Recruiting Commander, Navy officials concluded that if the areas were eliminated, the Navy would not have adequate command and control over its 31 districts. The Navy believes that taking such a big step would severely reduce recruiting efficiency.

As part of their study of the feasibility of consolidating active and reserve Air Force recruiting organizations, various options—all recommending the elimination of the group level—were developed. The Air Force's final decision was to maintain its 4 groups, each typically staffed with 18 officer and enlisted personnel and 1 civilian. Air Force Recruiting Service officials told us that eliminating the groups would have positioned the Recruiting Service Commander as the direct supervisor for 29 squadron commanders. In the officials' opinion, this direct supervision would have been an unmanageable task and, functionally, would have required too much direct involvement by Recruiting Headquarters in operational issues.

An internal Army command study concluded that the elimination of the Army brigade level would enhance efficiency and save money. The same study also identified areas of competing and overlapping responsibilities and redundant functions in the command. Brigade officials disagreed with the internal study's findings and recommendations and stated that their level is necessary for command and control of field operations.

Agency Comments and Our Evaluation

In commenting on this chapter, DOD stated that we had failed to recognize the depth of the services' cuts since the drawdown and that to meet increased 1996 recruiting goals, most services must add a complementary mix of recruiters, advertising, and enlistment incentives. According to DOD, this mix is determined with the help of analytical models and informed judgment.

We recognize that the services have made overall cuts in the numbers of personnel associated with recruiting. However, before DOD expands its recruiter staff, it should reevaluate its efforts to improve recruiters' productivity and quality of life through more investments in advertising and (as discussed in the next chapter) evolving technology. The recent RAND study recommends a hedging strategy pending the outcome of additional research to determine how recruiting resource management and recruiting practices—areas which are important in the recruiting process—have changed during the drawdown. While this study initially recommended that DOD augment advertising and ask Congress to remove the ceiling on recruiters, it also recommended that the implementation and effects of any increases in advertising or in the number of recruiters be carefully monitored.

Closing and Realigning More Recruiting Offices Would Create Opportunities for Savings

In general, DOD's policy is to acquire and maintain the fewest recruiting facilities at the lowest cost adequate to support the recruiting mission. However, DOD and the services have not questioned the one principle that drives the establishment of recruiting offices throughout the United States and overseas: that to recruit equitably, a physical recruiting presence in widespread geographical areas must be maintained, even to the point of maintaining offices that have produced few new recruits annually. The military services currently operate nearly 6,000 recruiting stations in leased facilities located throughout the United States, its possessions, and overseas at a cost of more than \$86 million annually in direct lease costs. Since 1989, the services have reduced the number of recruiting facilities by 25 percent and total facilities costs by 12 percent by closing and collocating offices and reducing the amount of office space that is leased in excess of what is authorized. Alternatives to fixed facilities, some of which include evolving technologies and modern sales techniques, appear to be changing the role and diminishing the importance of the traditional recruiting office.

Full-Time Recruiting Offices and Evolving Technology

Full-time recruiting offices are leased by the services and used by recruiters to prospect for new recruits, administer aptitude screening tests, assess applicant qualifications, prepare applicant documentation, store and display recruiting literature and publicity material, and conduct routine administrative tasks. These offices are now located to maximize their (1) access to public transportation, (2) pedestrian traffic, (3) visibility, and (4) proximity to schools and other areas where military-aged men and women congregate.

The evolution of computer and communication technologies appears to be changing some of the conditions underlying the role and need for the number of fixed facilities required in the past. For example, the services believe that recruiting offices must be located in areas of high visibility to make the offices more accessible to walk-in traffic and to provide a form of advertising. However, officials told us that the percentage of accessions gained from walk-in traffic is quite low. The services have found that these individuals generally do not have other employment options available to them and are not qualified to enlist. This fact apparently represents a change from the past, as evidenced by the following statement from the Army Recruiting Command's recruiting manual:

"Since the advent of the AVF [All Volunteer Force], prospecting [for recruits] has become a critical element of our success. In the days of the draft, it was not uncommon for

applicants to walk into a recruiting station ready, willing, and able to enlist. Today's environment is much different."

DOD and the services have recognized that the realities of the marketplace are changing the role of the recruiter and the recruiting office. For example, the Army is currently studying ways to enhance recruiter productivity and reduce reliance on permanent facilities through the development and introduction of state-of-the-art sales management and processing equipment. These include the use of portable telephones and fax machines as well as laptop computers that provide interactive sales presentations at any location, including an applicant's home. According to the Army, these systems will allow recruiters to move their recruiting activities away from recruiting stations and into schools, other public areas, and homes and provide full support for recruiters where most recruiting occurs, that is, away from the recruiting station. Such systems should permit the number of stations to be reduced. Army officials told us that the fixed recruiting office could then be used simply to pick up messages or to meet with supervisors.

Recruiting Facilities' Costs Have Dropped

Since fiscal year 1989, the number of recruiting facilities and the cost of maintaining them have dropped. In 1989, over 8,000 recruiting offices were leased; currently, about 6,000 offices are leased. In 1989, the total facilities program cost was \$118.4 million; in 1994, the cost is \$104.2 million. The reductions in space and cost were made possible by closing and collocating offices and eliminating excess space. These efforts were the result of actions taken by the Joint Recruiting Facilities Committee.

Program officials recognize the need to continue to improve the management of the facilities program and intend to (1) continue the cost/excess space reduction program, (2) implement consolidation efforts wherever applicable, (3) validate all high-cost offices, and (4) review and revise space standards.

Costs Associated With Excess Office Space

The Corps of Engineers has been directed, as Executive Agent for acquiring and maintaining recruiting facilities, to establish and execute a program that reduces the cost of rent through the elimination of excess space. The Corps' guidance and a DOD directive establish uniform policies and procedures for acquiring space for recruiting offices at all levels. DOD and the Corps of Engineers stipulate how much square footage is authorized for each type of office and the types of personnel who will

occupy it. According to the Corps of Engineers' guidance, every effort should be made not to exceed the net authorized footage by more than 25 percent for multi-person recruiting facilities or by more than 50 percent for full-time one- or two-person recruiting offices. DOD and the Corps recognize that it is not always possible to acquire space that exactly fits authorized footage, but they discourage excess space through these limitations.

Although many recruiting facilities occupy less space than authorized by the Corps of Engineers, our analysis of information in the Recruiting Facilities Management Information System showed that overall the services maintain excess office space. For example, in fiscal year 1994, the services were maintaining more than 1,000,000 square feet of office space over the amount they were assigned. Our calculation, which was based on the average cost per square foot, showed that this excess space costs over \$17 million to maintain. According to DOD, the estimated 1,000,000 square feet of space includes space required for common areas, such as hallways and bathrooms, and that an average of 25 percent of the net authorized space is allowed for common areas. DOD estimated that the total office space for recruiting facilities currently exceeded the net authorized by 33 percent or 8 percent over that allowed for common areas. According to DOD, the 8 percent costs approximately \$5 million.

The Philadelphia Project

On January 28, 1994, DOD initiated a pilot project in Philadelphia, Pennsylvania, as part of its effort to further reduce facility costs. DOD chose Philadelphia for this project because recruiting offices in the area had extensive amounts of excess space, were poorly located or deteriorating, or were involved in unresolved disputes with landlords.

The pilot project involved comparing the cost of the 15 existing recruiting facilities with 2 alternatives. Under the first alternative, the 15 offices in the Philadelphia area would be collocated into 6 new ones. (The option excludes from consolidation offices for battalions, districts, Marine Corps officer stations, the Army company commander, and nurse recruiters.) Under the second alternative, some already established stations would be upgraded, some new stations would be opened, and others would be closed.

DOD's annual cost for the 15 facilities is about \$398,000. Option 1 would cost DOD about \$326,000 after the first year, a savings of approximately \$71,000 annually, assuming there are no yearly increases in rent or

services. Option 2 would cost about \$314,000 after the first year, for an annual savings of about \$96,000.

Although several revisions have been made as a result of comments from the services and others, DOD is seriously considering collocating the 15 recruiting offices into 6 offices. We were told that the concept of the Philadelphia project might in the future be considered for the cities of New York, Chicago, San Francisco, and Los Angeles.

Services Are Constrained by Principle of Geographic Coverage

One basic assumption underlying the military services' recruiting philosophies appears to drive much of their fixed recruiting costs. The services believe that they must recruit equitably across the geographic expanse of the country, and to do so they maintain 6,000 recruiting offices throughout the country. They maintain these offices despite the fact that some offices have not been productive. For example, according to some Air Force recruiting officials, the Air Force would not need recruiting offices in many areas of the country to meet its quota for 30,000 enlisted accessions per year. However, because it accepts the principle of national coverage, the Air Force stretches its recruiting resources thinly. According to the Commander of the Air Force Recruiting Service in congressional testimony on April 14, 1994, 981 full-time recruiter offices were distributed in all 50 states and in several overseas locations, 645 of which had only 1 active-duty Air Force recruiter.

If DOD needs to achieve further savings, it could consider closing supervisory offices and offices in the least productive areas of the country and using alternative recruiting methods. The services are beginning to identify alternatives to leased facilities that would enable recruiters to be as productive but at less cost.

Supervisory Offices Are Costly

According to DOD, the lease cost for its nearly 6,000 facilities is about \$86 million for fiscal year 1994. Our analysis of information in the Recruiting Facilities Management Information System covered \$76 million of this amount. Of the total number of facilities the services maintained in fiscal year 1994, about 420 were separate offices for recruiters' immediate supervisors, and over 100 were separate offices for the next higher level of supervisor. Offices for immediate supervisors cost \$7.7 million, and offices for the next level of supervisors cost \$5.3 million, for a total of \$13 million annually.

It is DOD's policy to assign recruiters' supervisors separate office space to ensure fair treatment of their recruiters. The services, as a general rule, encourage this policy. According to a DOD official who manages the facilities program, all the Army's, and about half of the Navy's and Air Force's supervisory personnel occupy separate office space. The Marine Corps, on the other hand, locates its supervisors in the same offices as its recruiters.

According to a DOD official who manages the facilities program, because of base closures and realignments, DOD has located some of its "main stations" in space that is federally owned or is leased. Main stations are the offices of those one level above the recruiter's immediate supervisor.

If the services were to either collocate supervisors with recruiters or relocate supervisors to existing offices on military bases or less expensive space, DOD could reduce its facility leasing costs.

Services Maintain Offices in Relatively Unproductive Areas

The services have closed some recruiting offices in relatively unproductive areas and moved offices to new locations. They also have concentrated offices in areas of high productivity. But the services' policy of maintaining national coverage limits how much more they can do to reduce facilities' costs. The relative productivity of recruiters (in terms of the numbers of recruits they produce over a period of time) does not appear to be a primary criterion for maintaining recruiting offices in their current locations.

Our analysis of the relative cost of recruiting offices in various counties in the United States was based on data from two sources: the Military Entrance Processing Command's database of accessions per county for the United States and the Recruiting Facilities Management Information System, which contains the costs of facilities. The Command's data did not include information on accessions per recruiting station. Therefore, we tracked accessions by county and calculated the cost of facilities in each county. Our database contained accessions from the 1,036 counties in the United States where recruiting offices are located.

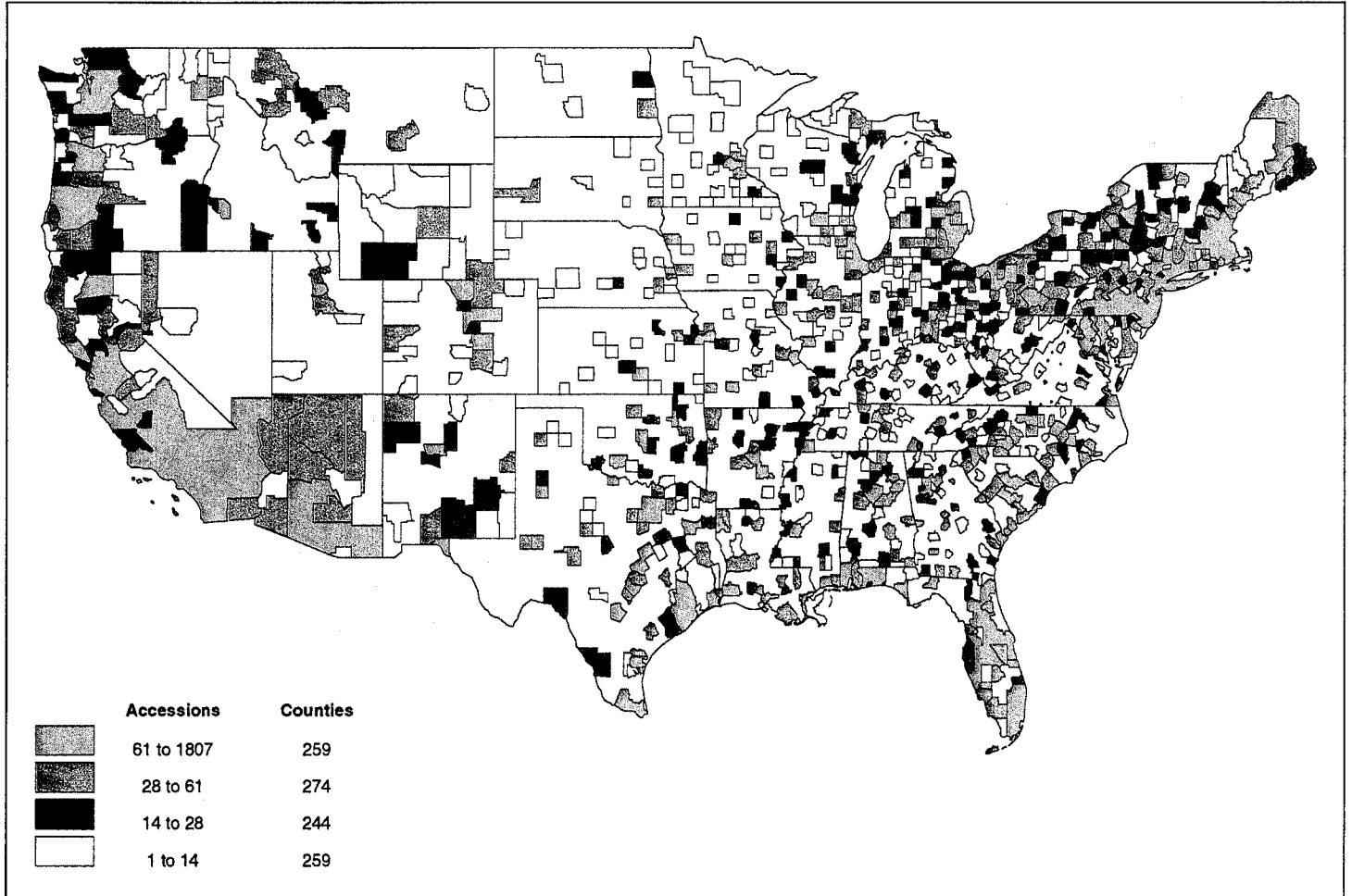
Our analysis showed that recruiting productivity is highest in areas of high population density. It also showed that offices in the most highly productive counties account for the bulk of the services' accessions. For example, according to our analysis, recruiting offices in the most productive 25 percent of the counties accounted for about 70 percent of all

accessions for the first 5 months of fiscal year 1994. Conversely, offices in the least productive 25 percent of counties produced less than 4 percent of DOD's accessions for the period. Offices in the least productive 50 percent of counties generated about 13.5 percent of accessions.

If DOD wanted to further reduce its recruiting costs, it could consider closing or consolidating offices in its least productive counties and rely on one or more of the alternatives to maintaining fixed recruiting offices. For example, if the services had closed offices in the least productive 25 percent of counties, they could have saved about \$5 million in 1994 lease costs. The 1,100 recruiters in these offices could have been reassigned to other recruiting locations. If the services had closed offices in its least productive 50 percent of counties, it could have saved \$13.3 million in annual lease costs and reassigned 2,800 recruiters.

Our analysis also showed that between fiscal years 1991 and 1993, a large number of counties produced only one recruit per year. This trend continued into fiscal year 1994, as almost 28 percent of the counties in our analysis produced only one recruit during the first 5 months. Figure 4.1 shows the most and least productive counties in the United States for the first 5 months of fiscal year 1994. County lines are drawn for the 1,036 counties in the United States where recruiting offices are located. In areas where no county lines are drawn, there are no recruiting offices, or Military Entrance Processing Command (MEPCOM) data were incomplete.

Figure 4.1: Relative Productivity of Counties in the United States in Numbers of Accessions



Source: GAO'S analysis of MEPCOM data.

Lease costs for recruiting offices tend to increase with population density. However, the distribution of productivity leads to wide disparities in the cost per recruit. For example, in the first 5 months of fiscal year 1994, the lease cost per recruit ranged from \$18 to \$14,355. As expected, unit costs decrease with increasing productivity. The office where the cost per recruit was lowest produced 26 recruits during the period; the two offices where the cost per recruit was highest produced only 1 each. The least productive 25 percent of counties had an average lease cost of almost

\$900 per recruit, while the most productive 25 percent of counties had an average cost of \$350 per recruit.

Alternatives to Fixed-Station Recruiting

Service officials have suggested a number of alternatives to maintaining recruiting offices in unproductive areas without sacrificing either the quality or quantity of recruits. We discuss two examples in this report.

Army recruiting officials told us that in certain less productive areas, a fixed recruiting presence may not be needed. Instead, the Army could use teams of traveling recruiters using recreational-type vehicles to visit these areas on a periodic basis preceded by local advertising. This is called the "wolfpack" concept. Similar to this method is the idea of "island recruiting," whereby small recruiting stations in relatively nonproductive areas would be consolidated. These ideas have been discussed among nonpolicy-making officials in the Army Recruiting Command; they have not been fully developed or endorsed by upper level officials. Currently, the Army's Recruiting Support Command uses recreational-type vehicles to make presentations to potential recruits. However, the presenters do not take enlistment applications.

In an effort to close "itinerary stops," or part-time recruiting offices that are used only 1 or 2 days per week, the Air Force Recruiting Service has considered the use of "Recruiting Vehicles (RV)" as mobile recruiting stations. An RV, which would contain computers and communications gear, would allow recruiters to visit communities in areas not conveniently located near fixed recruiting stations. The Air Force Recruiting Service told us it cannot afford these RVs at present. Air Force officials believe that, in the current budget environment, the earliest they envision even a test program using these vehicles would be 4 or 5 years from now. In the meantime, it continues to lease facilities for offices that are unproductive or marginally productive.

Agency Comments and Our Evaluation

While acknowledging that representation across America is a consideration of some military services, DOD stated that there are no efforts to ensure "equitable" geographic representation. DOD further stated that the number of recruiters and location of recruiting offices are based on the population of potential recruits in a specific geographic area and that potential recruiter productivity is the primary concern in locating recruiters.

Chapter 4
Closing and Realigning More Recruiting
Offices Would Create Opportunities for
Savings

Although at an agencywide level DOD may not have any efforts to ensure geographic representation, individual service recruiting command officials told us that their decisions concerning where to open or close recruiting offices are based on two principles: first, to offer enlistment opportunities to all qualified Americans, regardless of where they live; and second, to make recruiters physically available to offer those opportunities to potential recruits. As indicated by our analysis of the productivity of recruiting offices as now located, adherence to these principles may be putting DOD in a situation where it is not capitalizing on more cost-effective ways to recruit.

Conclusions and Recommendations

Despite DOD's downsizing of forces, the military services still need to recruit thousands of quality men and women each year. To do this, the services rely on a recruiting system built around public awareness through advertising and enlistments through personal contacts.

The services predict that their recruiting goals will be more difficult to achieve in the future because of smaller target markets and the reduced propensity of young people to join the military. In addition, continued high attrition of first-term recruits keeps enlistment goals high. To compensate, the services are asking for more funds for advertising and more recruiters.

We believe the services have overstated the difficulties they may experience in meeting enlistment goals. The number of people in the recruiters' target market is predicted to grow over the rest of the decade, and the percentage of the market that DOD needs to enlist is decreasing. Although overall positive responses to DOD's propensity survey are at their lowest levels in 15 years, these results do not necessarily indicate that accession targets (for both quantity and quality) will not be met. In addition, DOD appears not to have made serious attempts to tackle the first-term attrition problem despite promising results from several isolated studies.

We also believe that the services have not done all they can to make their current recruiting operations more efficient and have not given serious consideration to past recommendations aimed at eliminating organizational layers. Some services suggest adding recruiters as the principal means to achieve future enlistments, despite (1) indications in studies that additional investments in advertising could be more cost-effective than additional recruiters and (2) the fact that recruiters are not as productive as they could be because of current quota systems. Finally, DOD seems to recognize that fixed recruiting facilities are no longer crucial for contacting and enlisting potential recruits, yet it has not been aggressive in adopting cost-efficient alternatives involving the consolidation of facilities in urban areas and the closing of facilities in less productive areas.

Recommendations

We recommend that the Secretary of Defense direct the Secretaries of the military services to take the following steps to make their recruiting programs more cost-effective before they request more funds for additional recruiters or advertising:

- in allocating resources, use the results of current studies, and undertake additional efforts if necessary, to develop a more cost-effective mix of available recruiting resources, including advertising, recruiters, bonuses, and other elements affecting recruiting;
- aggressively test ideas to reduce first-term attrition;
- continue efforts to streamline the current recruiting bureaucracy, eliminating layers where possible;
- revalidate the recruiting quota systems, which currently deter recruiters from maximizing their numbers of enlistments;
- encourage the development and expansion, as appropriate, of concepts such as the "Philadelphia project," in the management of military recruiting facilities; and
- routinely incorporate more in-depth cost-benefit analyses in decisions to maintain or establish new recruiting offices and to evaluate the costs and benefits of maintaining offices in less productive areas of the country.

Agency Comments and Our Evaluation

DOD concurred or partially concurred with our six recommendations and responded that it is committed to using modern and effective business practices to attract and enlist young people and therefore plans to continue to give priority to the ongoing evaluation of recruiting organizational structures, consolidation of resources, and adaptation of new technologies. While DOD agrees with the need to reduce first-term attrition, streamline the bureaucracy, and encourage new concepts in the management of recruiting facilities, it does not want to commit to major changes before reviewing the results of several evaluative efforts recently started.

We appreciate the need for DOD to complete certain recently initiated studies before changes are initiated in some areas. However, we continue to believe that (1) more aggressive efforts than those cited by DOD are needed to lower attrition losses on a DOD-wide basis and thus minimize the resources required to support the services' recruiting and training operations; (2) the services should reevaluate the need for management layers that previous studies have concluded could be eliminated, particularly since a recently initiated study to examine the consolidation of logistics support functions for the service recruiting commands could result in reduced workloads at those layers; and (3) if tests prove successful, expansion of the experimental process for consolidating recruiting facilities in large metropolitan areas should be pursued rapidly.

Specific DOD comments on each recommendation and our views, where appropriate, follow:

- DOD concurred with our recommendation to develop a more cost-effective mix of recruiting resources. It said the RAND Corporation is conducting research to ascertain how recruiting outcomes and their determinants have changed in the recent past and to recommend changes in policies, practices, and resource management, if necessary, to ensure adequate numbers and quality of future recruits. According to DOD, the results of this study are expected by October 1995. We believe this recently initiated study is important because past research has shown that these areas can have significant effects on recruiting.
- DOD partially concurred with our recommendation to reduce first-term attrition. It said that its ongoing efforts were more diverse than we recognized. It said that the military services have been and are engaging in research and operational programs related to attrition with continuing efforts to (1) develop measures of adaptability to military life, (2) improve the prediction of training success and job performance, and (3) better manage personnel in the DEP. We fully acknowledge that a number of studies of attrition have been done and others are ongoing. Nevertheless, attrition remained relatively high from 1980 to 1994 regardless of prevailing economic conditions or the quality level of the force. In our opinion, isolating the causal links for attrition is key to reducing attrition rates.
- DOD partially concurred with our recommendation that the military services should continue to streamline their current recruiting bureaucracy, eliminating layers where possible. It said that the services have placed heavy emphasis on evaluation of their recruiting structures during the drawdown; reducing management layers and streamlining overhead. DOD also said it recognizes that continued evaluation of recruiting structures and business practices is essential. According to DOD, an Office of the Secretary of Defense-directed study, led by the MEPCOM, was initiated to evaluate consolidation of recruiting support functions of the service recruiting organizations. The study should be completed by June 1995 and is to include an evaluation of joint advertising and promotional support of the service recruiting organizations. We endorse the recruiting support function study cited by DOD and further believe that the services should, in conjunction with this effort, reexamine those completed studies that recommended the elimination of management layers in service recruiting organizations.
- DOD concurred with our recommendation to revalidate the recruiting quota systems, which currently deter recruiters from maximizing their numbers

of enlistments. It said that to revalidate recruiter quota systems, the RAND Corporation has been asked to research recruiter incentive systems to determine their current relevance and effectiveness. Also, the Army is eliminating individual recruiter quotas in fiscal year 1995 and will encourage each recruiter to write as many contracts as possible. We endorse the examination of the services' recruiting quota systems and the Army's decision to eliminate individual quotas following its evaluation of this area—an effort that was ongoing during our fieldwork.

- DOD partially concurred with our recommendation to encourage the development and expansion, as appropriate, of concepts such as the Philadelphia Project in the management of military recruiting facilities. It said that the Philadelphia Project is an experimental process, and while the approach appears promising, the Joint Recruiting Facilities Committee will not complete its evaluation of the project and lessons learned until the end of 1994. The Committee has targeted a similar project for New York and Chicago in fiscal year 1996 pending an evaluation of the Philadelphia effort at the end of 1994. If this project proves to be successful, we believe the concept should be implemented in appropriate metropolitan areas on an expedited basis.
- DOD concurred with our recommendation to routinely incorporate more in-depth benefit analyses in decisions to maintain or establish new recruiting offices and to evaluate the costs and benefits of maintaining offices in less productive areas of the country. It said that to evaluate the costs and benefits of maintaining or establishing new recruiting offices, the Joint Recruiting Facilities Committee will combine marketing information with the recruiting facilities database and evaluate the relative cost-effectiveness of the services' recruiting offices. According to DOD, this effort has begun and is expected to evolve into an integrated information support system for resource decisions. We believe this system, if properly implemented, could materially improve the cost-effectiveness of the services' recruiting facilities program management by eliminating marginally productive leased office space and could help to optimize the allocation and assignment of recruiter resources.

Service Recruiting Organizations

The current Department of Defense (DOD) establishment for recruiting enlisted personnel consists primarily of nine service recruiting organizations¹ and one major support agency, the Military Entrance Processing Command (MEPCOM).² To meet the enlisted mission, recruiting organizations employ approximately 22,000 full-time personnel: more than 13,000 production recruiters and supervisors and 9,000 headquarters and other personnel, about 3,000 of whom are MEPCOM personnel who induct and medically process military recruits. Recruiting field operations consist of more than 6,000 recruiting stations or site locations, in both leased and government-owned facilities located throughout the United States, its possessions, and overseas.

Army Recruiting Structure

The U.S. Army Recruiting Command (USAREC), established in 1964, is charged with meeting the Army's requirements for enlisted and certain officer accessions. The command is multilayered, consisting of a headquarters and a field organization that itself contains 4 brigade headquarters, 40 battalions, 210 companies, and 1,732³ recruiting stations (see fig. I.1).

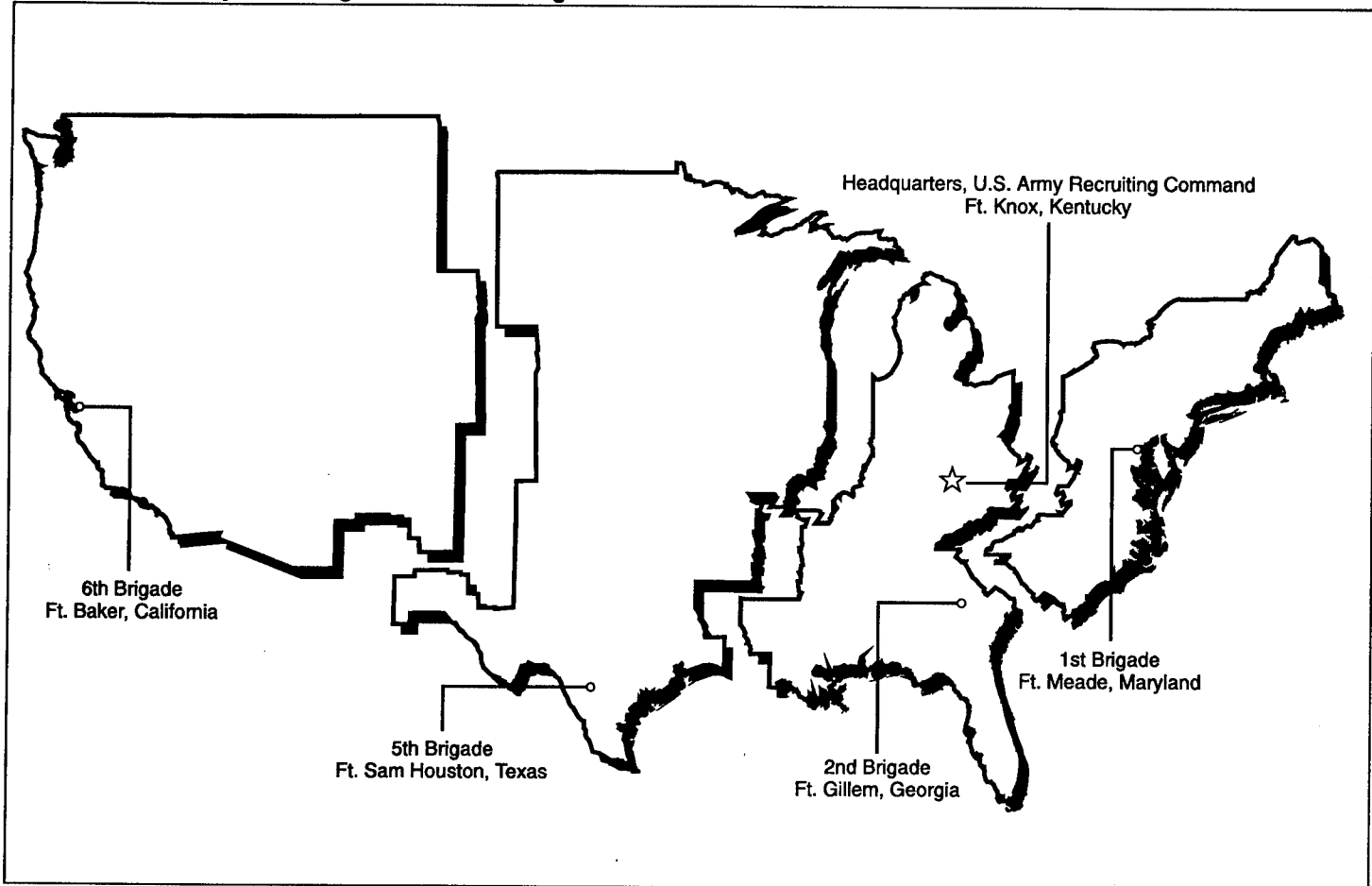
¹These nine recruiting organizations include (1) the Air Force Recruiting Service, which is part of the Air Education and Training Command, Randolph Air Force Base, Texas; (2) the Air Force Recruiting Directorate, Air Force Reserve Headquarters, Robins Air Force Base, Georgia; (3) the Air National Guard Recruiting and Retention Division, Air National Guard Readiness Center, Andrews Air Force Base, Maryland; (4) the Navy Recruiting Command, Arlington, Virginia; (5) the Naval Reserve Recruiting Command, New Orleans, Louisiana; (6) the Marine Corps Recruiting Command, Washington, D.C.; (7) the Marine Corps Reserve Recruiting Command, Overland Park, Kansas; (8) the Army Recruiting Command, Fort Knox, Kentucky; and (9) the Army National Guard, Arlington, Virginia.

²MEPCOM headquarters is located in Great Lakes, Illinois.

³This total includes company, battalion, full-time, and part-time offices.

Appendix I
Service Recruiting Organizations

Figure I.1: U.S. Army Recruiting Command and Brigades



USAREC is commanded by a major general and is responsible for the worldwide recruiting of Regular Army, Army Reserve, and Special Mission personnel.⁴ It develops strategic plans, determines policies, and manages subordinate command operations, including a nationwide advertising program. Field operations are overseen at headquarters by the Deputy Commanding General. Each recruiting brigade is commanded by a colonel and performs managerial, administrative, operational, budgetary, promotional, and logistical functions and serves as the liaison between the command and the field. Battalions actively command and support recruiting efforts by their assigned companies and stations and also

⁴Special Mission personnel are health professionals such as Army Nurse Corps and Veterinary Corps members.

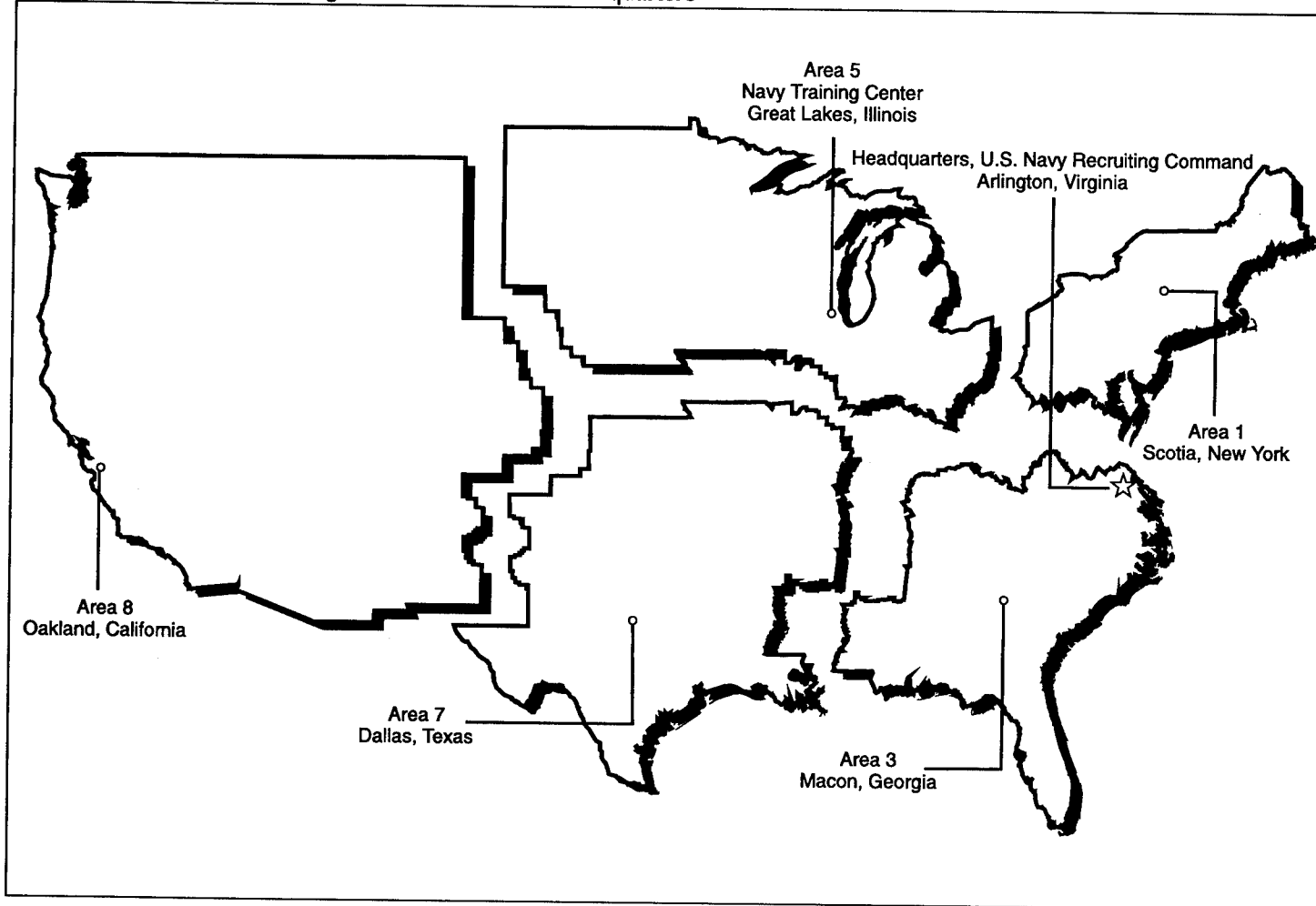
provide administrative and managerial support. Each company consists of a captain assisted by a first sergeant, who develops and executes plans to ensure mission accomplishment. Companies are in daily contact with production recruiters at the stations. Stations are located in communities nationwide and carry out the mission of recruiting eligible candidates.

Navy Recruiting Structure

The U.S. Navy Recruiting Command, which is located in Arlington, Virginia, consists of a headquarters and a field organization that contains 5 area headquarters, 31 districts, 195 zones, and 1,428⁵ recruiting stations (see fig. I.2).

⁵This number includes zone, district, full-time, and part-time offices.

Figure I.2: U.S. Navy Recruiting Command and Area Headquarters



The headquarters is commanded by a one-star admiral and is responsible for the worldwide recruiting of men and women for enlisted, officer candidate, and officer status in the Regular and Reserve components of the Navy. The headquarters level develops policy, coordinates and supervises Navy Recruiting Command support personnel, provides public affairs guidance as required, responds to media inquiries regarding recruiting matters, disseminates information concerning Navy and command policies, and allocates resources necessary to achieve stated command objectives.

Area headquarters commanders are O-6s (captains) and coordinate and oversee public affairs activities; provide guidance, training, and assistance to district commanding officers in developing and executing public affairs plans; identify issues and situations with potential impact on Navy recruiting; provide responses to media inquiries concerning recruiting matters; and allocate resources as necessary.

Navy recruiting district commanding officers are all O-5s (commanders) and basically carry out the same type of recruiting activities as do the Navy recruiting area commanders except within the assigned district.

Navy recruiting zones are headed by a Master Chief Petty Officer (an E-9) or a Senior Chief Petty Officer (an E-8). Recruiting zones also employ career recruiting personnel. This cadre of personnel does nothing but recruit. The zone supervisor is responsible for 25 to 30 recruiters and sometimes more, depending on the size of the zone's geographical area.

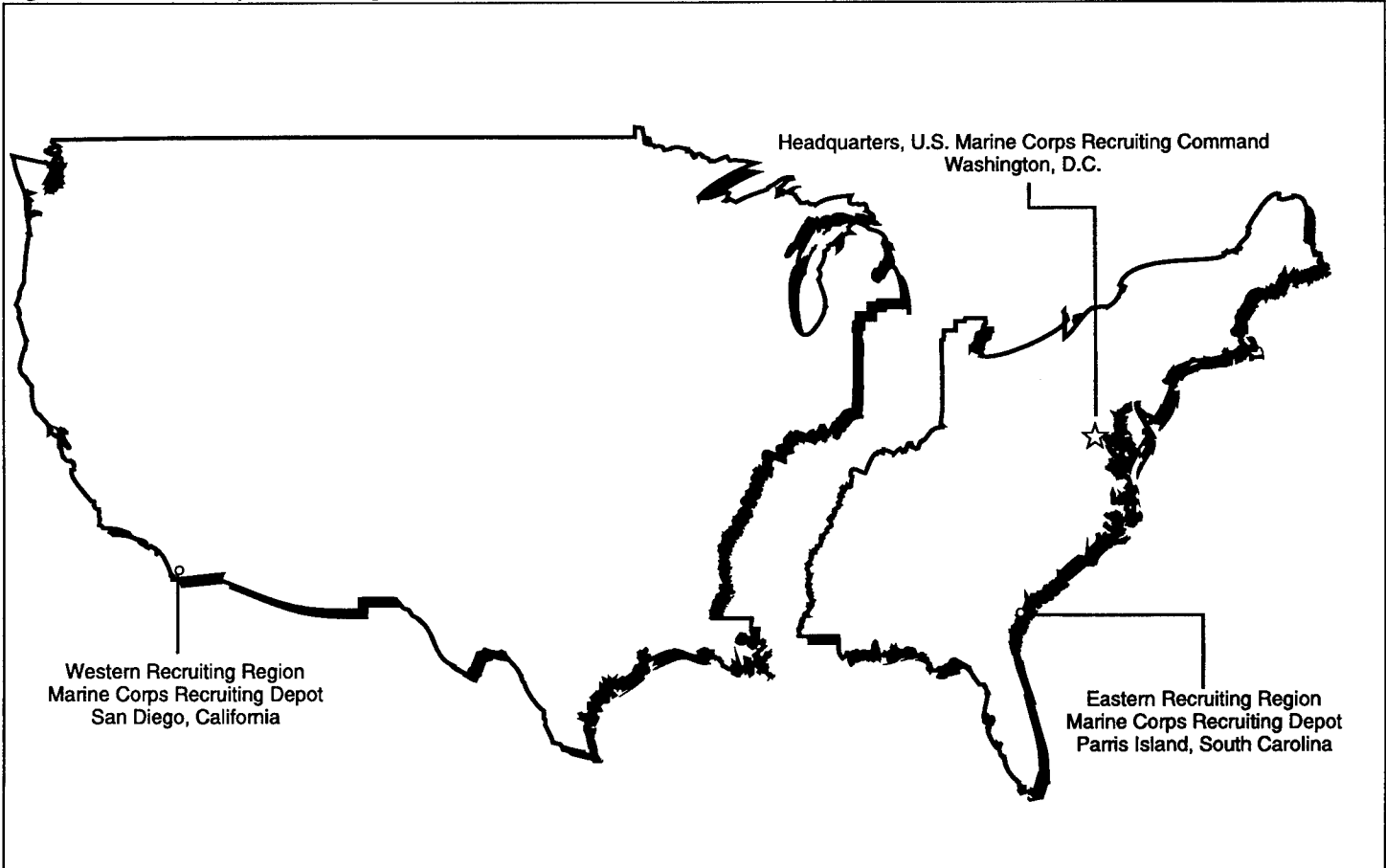
Below the zone supervisory level are the stations. This level is made up of recruiters functioning in the field. Navy stations are located throughout communities worldwide and carry out the mission of recruiting eligible men and women into the Navy.

Marine Corps' Recruiting Structure

Effective January 1, 1994, the Marine Corps established the Marine Corps Recruiting Command, which is located at the Marine Corps Headquarters, at the Navy Annex in Arlington, Virginia. The new Command includes 2 regions, 6 districts, 49 recruiting stations, and 1,520⁶ recruiting substations (see fig. I.3).

⁶This total includes recruiting station, district, full-time, and part-time offices.

Figure I.3: Marine Corps Recruiting Command and Regions



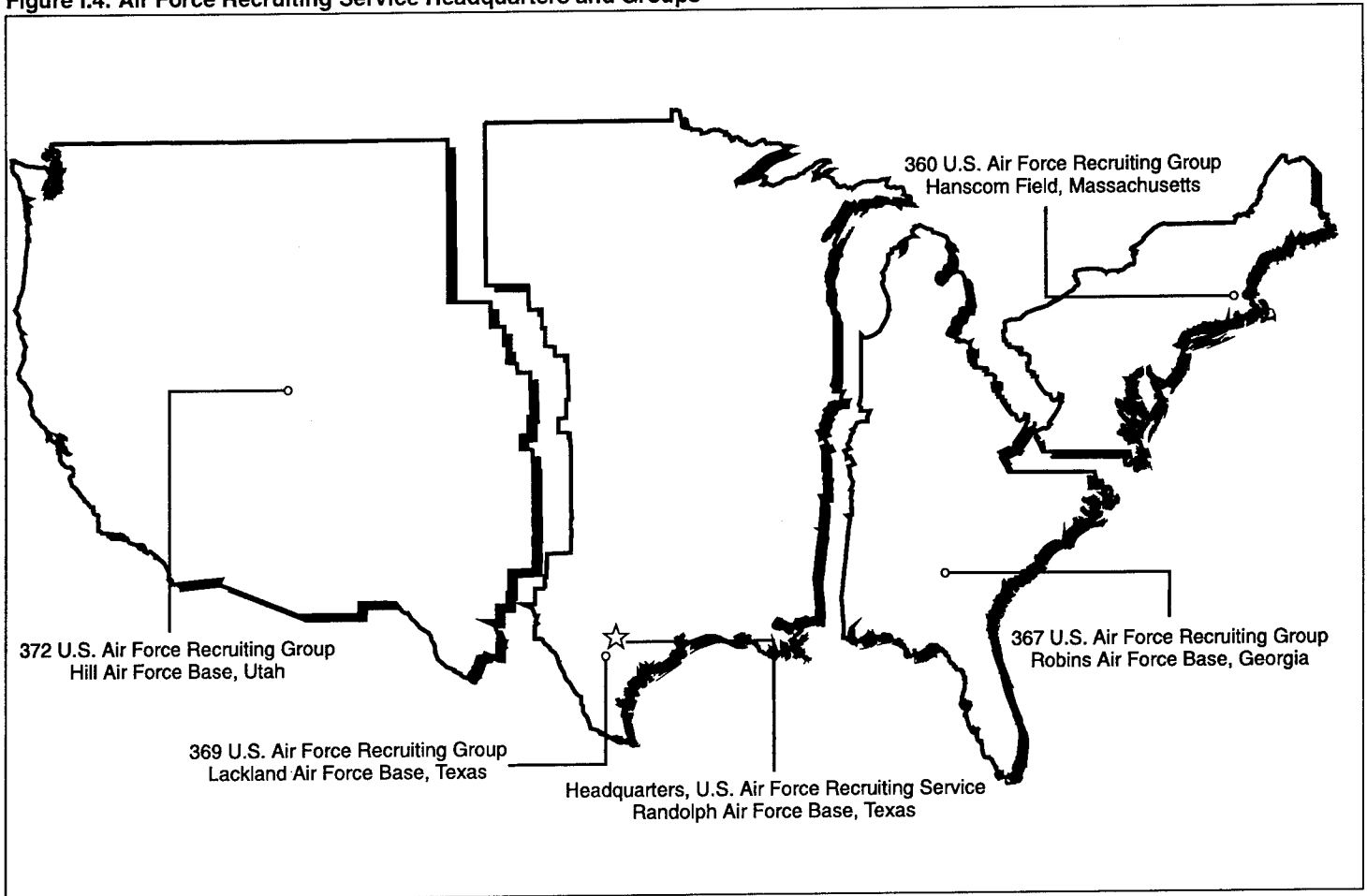
The Marine Corps' recruiting organization is responsible for recruiting all active-duty Marines and all nonprior-service Marines for the reserves. The Command is headed by a major general. A brigadier general is located at Parris Island, South Carolina, to head the Eastern recruiting region, while another is located in San Diego, California, to head the Western recruiting region.

Air Force Recruiting Structure

The Air Force Recruiting Service is part of the Air Education and Training Command, located at Randolph Air Force Base, Texas. It is responsible for the recruitment of enlisted personnel, officers, and health professionals into the active-duty component of the Air Force. The Recruiting Service

consists of a headquarters, 4 groups, 29 squadrons, 172 flights, and 1,221⁷ recruiting stations (see fig. I.4).

Figure I.4: Air Force Recruiting Service Headquarters and Groups



The headquarters, which is commanded by a major general, is made up of operations, health professions, and support divisions. Consisting of 165 personnel, the headquarters oversees the 4 recruiting groups. Headquarters establishes policy and procedures and provides guidance to group management. Headquarters also provides assistance to the field in the areas of advertising and promotion, flow/trend analysis, personnel, and resources.

⁷This total includes flight, squadron, full-time, and part-time offices.

The typical recruiting group is headed by a colonel and consists of about 19 personnel. As part of its supervisory duties over six to eight squadrons, a group is responsible for executing all training workshops; for managing squadron commanders, medical flight supervisors, and operations officers and noncommissioned officers; for advertising and promotion; and for allocating recruiting goals to the squadrons.

The typical squadron, which consists of about 21 staff, is headed by a major or lieutenant colonel who reports to the group's commander. A squadron is responsible for five to seven flights, each of which is typically 120 miles from the squadron commander. Among its supervisory duties, the squadron assigns its flights recruiting goals. The squadron commander is responsible for meeting the squadron's recruiting mission and for managing 60 to 70 personnel and associated facilities and operations and maintenance funds.

A flight, which is a unit of five to seven recruiters, is headed by a master sergeant (E-7) or technical sergeant (E-6), who reports to the squadron commander. This flight supervisor assigns individual recruiting goals and provides on-the-job training to recruiters. A recruiter typically works about 60 miles from the flight supervisor.

Comments From the Department of Defense



PERSONNEL AND
READINESS

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000



OCT 7 1994

Mr. Frank C. Conahan
Assistant Comptroller General
National Security and
International Affairs Division
U.S. General Accounting Office
Washington, DC 20548

Dear Mr. Conahan:

This is the Department of Defense (DoD) response to the General Accounting Office (GAO) Draft Report entitled, "MILITARY RECRUITING: More Innovative Approaches Needed," dated August 15, 1994 (GAO Code 703027), OSD Case 9765. The Department partially concurs with the report.

The report provides a broad overview of very complex issues and should not be used to make policy and resource decisions without appropriate follow-on analyses. In addition, while the report endorses continuation of the DoD innovative efforts, it does not acknowledge the full scope of initiatives undertaken and in progress to achieve recruitment goals cost effectively.

The GAO review was conducted during a time that will be looked back on as the "bottoming out" of the force drawdown from a recruiting perspective. Many of the trends that seem apparent in considering the last few years will change momentum, or even reverse, through the remaining years of this decade. Just as the recruiting environment evolves, so must the process of recruiting. The Department is committed to ensuring modern and effective business practices are incorporated into the way the Department attracts and enlists young people; therefore, ongoing evaluation of recruiting organizational structures, consolidation of resources, and adaptation of new technologies will continue to receive priority. Recruiting management has the attention of the DoD leadership at the highest levels.

Detailed DoD comments on the draft report findings and recommendations are enclosed. The DoD appreciates the opportunity to comment on the GAO draft report.

Sincerely,

Edwin Dorn

Enclosure:
As Stated



See comment 1.

GAO DRAFT REPORT--DATED AUGUST 15, 1994
(GAO CODE 703027) OSD CASE 9765

"MILITARY RECRUITING: MORE INNOVATIVE APPROACHES NEEDED"

DEPARTMENT OF DEFENSE COMMENTS

FINDINGS

- **FINDING A: Advent of the All-Volunteer Force Necessitated Changes in Military Recruiting.** The GAO reported that during the first several years following the creation of the All-Volunteer Force in 1973, the Military Services had generally positive success attracting volunteers. The GAO noted, however, the recruiting situation deteriorated rapidly beginning in 1977. In addition, the GAO reported that the quality of new recruits had declined significantly.

The GAO reported that the Services measure the quality of a recruit in terms of (1) educational level and (2) performance on the Armed Forces Qualification Test (AFQT), which is a composite of 4 of the 10-components of the Armed Services Vocational Aptitude Battery (ASVAB). The GAO stated that by FY 1980, over 35 percent were category IV, which is one of the three categories that comprise the bottom 50th percentile. The GAO found that concern over recruit quality peaked in 1980, when the DoD reported that it had made an error in scoring the ASVAB in 1976. As a result, the GAO concluded that for four years, the Services had been enlisting individuals of poorer quality than they had wanted.

The GAO stated that congressional concern over recruit quality was demonstrated in 1981, when the Congress passed legislation establishing parameters for the recruits. The GAO also reported that during the early 1980s, the Congress increased military pay and recruiting budgets to offer bonuses for Service applicants and increased advertising expenditures to attract higher quality recruits. The GAO noted that by 1986, all the Services met or exceeded their overall enlistment objectives. (pp. 2-3, pp. 12-14/GAO Draft Report)

DOD RESPONSE: Concur.

- **FINDING B: The Recruiting Process.** The GAO reported that the Services use advertising as a tool to increase the awareness of prospective applicants and the propensity to enlist. The GAO noted, however, that the Services believe that face-to-face contact with a military recruiter is necessary to actually enlist applicants. The GAO explained that to provide that

ENCLOSURE

Now on pp. 2, 12, and 13.

contact, the Services maintain recruiting offices throughout the country and overseas. The GAO stated that recruiters convey their message by several means, such as making presentations at area high schools, canvassing places of employment, and contacting prospective enlistees directly.

The GAO explained that once applicants have decided to enlist in a Military Service, the recruiter schedules them for processing--testing and a medical exam--at the Military Entrance Processing Station (MEPS). The GAO noted that at that time applicants also meet with representatives of their chosen Service. The GAO further explained that the Service representatives provide lists of military occupations for which the applicants are qualified on the basis of their AFQT scores and certain other factors, such as medical or moral qualifications. The GAO reported that once an applicant has chosen a military job, the Service representative at the MEPS draws up a contract for either the Delayed Entry Program (DEP) or immediate active or reserve duty. The GAO stated that at the completion of the DEP, the enlistee returns to the MEPS, undergoes a short medical examination, and is sworn into the Service and shipped to basic training locations. (pp. 15-16/GAO Draft Report)

DOD RESPONSE: Concur. Face-to-face contact with a Service representative is important in the recruiting process, based on experience recruiting both propensed and nonpropensed individuals.

The importance of the DEP is understated by the GAO. The Services consider "management" of the DEP by recruiters to be critical to the overall recruiting mission. Interaction of the recruiters with the people in the DEP appears to be a key in reducing first-term attrition by helping prepare recruits for basic training and the transition to military life. The Services also consider the size of the DEP a "barometer" of the short term future of the recruiting environment--a lower DEP indicates more challenging times ahead. The future enlistees in the DEP also provide significant "leads" for the recruiters, creating a continuous cycle of recruit candidates.

- **FINDING C: The Services Target 17 to 21 Year Old Youths.** The GAO reported that the Services target 17 to 21 year old high school graduates who score in the upper categories of the AFQT. The GAO noted that in every year since 1990, over 85 percent of those who have joined the Services have fallen into this age group. The GAO stated that the Services have found that individuals who have graduated from high school and score in the upper categories of the AFQT do better on a variety of military performance measures than their lower scoring counterparts. The GAO also noted that the Services believe that quality recruits are less likely to pose discipline problems and are more likely to complete their first term of enlistment. (p. 3, p. 17/GAO Draft Report)

DOD RESPONSE: Concur. The connection between higher quality and lower discipline problems/lower first-term attrition is substantiated through numerous formal research studies, as well as field experience.

Now on pp. 13-14.

See comment 2.

Now on pp. 2 and 14.

- **FINDING D: The Services Use Advertising to Encourage Enlistments.** The GAO stated that the Military Services have a variety of marketing and advertising techniques at their disposal to attract members of their target market. The GAO pointed out that in addition to the individuals the Services ultimately hope to enlist, the target market includes people who may influence a prospective recruit to enlist. The GAO noted that advertising methods range from the most visible and expensive form--paid national television--to public service announcements, national and local radio spots, and mass mailings.

The GAO stated that the DoD advertising budgets increased through the mid-1980s. In particular, the GAO found that between FY 1980 and FY 1986, advertising expenditures for active enlisted recruiting grew from \$149.3 million to \$180.7 million, an increase of 21 percent in constant 1994 dollars. The GAO noted that from the peak in FY 1986, active enlisted recruiting budgets were cut significantly for all four Services, from \$180.7 million in FY 1986, to \$73.8 million programmed for FY 1994--a decline of almost 60 percent. The GAO reported that the Services believe sufficient continuous advertising will have a direct effect on reversing the decline in recruiting. (pp. 17-19/GAO Draft Report)

DOD RESPONSE: Concur. Evidence indicates that continuous advertising in the right media mix will have the most positive effect on recruiting. It should be noted that while television may be the most expensive vehicle, studies show that it is also the most effective at reaching a particular market.

Total cost of advertising cannot be used as an indication of efficiency without considerations of enlistment propensity, quality, number of recruiters, size of the youth population, and accession requirements. Also, the delayed effect of advertising must be considered when analyzing the budget versus accessions.

- **FINDING E: Recruiting Trends.** The GAO stated that budgets for recruiting active enlisted personnel increased through the 1980s, in line with the military buildup, and peaked in 1986 at about \$1.6 billion (in constant 1994 dollars)--a 23 percent increase over the 1980 total of about \$1.3 billion. The GAO noted, however, that from 1986, the budgets fell steadily to a low of \$1.1 billion in 1994--a reduction of over 30 percent. The GAO reported that for FY 1995, the DoD has requested over \$1 billion. The GAO reported that because funding between 1980 and 1994 went down about 15 percent and accessions of active duty enlisted personnel went down over 50 percent, the average cost per accession rose--from \$3,261 in 1980 to \$5,401 in 1994. The GAO noted the Army had the highest cost per accession at \$6,956, and the Air Force had the lowest at \$3,440. (pp. 19-22/GAO Draft Report)

Now on pp. 14-15.

See comment 3.

Now on pp. 15-18.

DOD RESPONSE: Partially concur. Presenting cost per accession only considering basic recruiting costs provides a distorted analysis of the overall cost/savings associated with the Service recruiting programs. Part of the reason for increased cost is the Services' desires to optimize the effects of higher recruit quality on reducing training costs, lowering first-term attrition, and investing in a force that will achieve higher job performance in a shorter period of time. Certain fixed costs will, in a drawdown, increase the average cost per recruit. The GAO discussion does not reflect future recruiting requirements to project costs as the DoD exits the drawdown mode and begins a force sustainment level of recruiting. Projecting costs for force sustainment level recruiting with those additional considerations included would present a much more accurate assessment of recruiting.

- **FINDING F: The Services' Concerns with Size of Youth Population Are Overstated.** The GAO reported that in testimony before the House Armed Services Committee, Subcommittee on Military Forces and Personnel, the recruiting commanders of the Services outlined the challenges the Services face in meeting recruiting targets, strategies for meeting those challenges, and funding needs. The GAO stated that all the commanders shared the view that recruiting is more difficult than it has been in the past and that advertising dollars are crucial to overcoming a reduction in the Services' target population and the lowered propensity of youth to join the military. The GAO found, however, that since FY 1989, that population has been growing steadily, and it is projected to continue growing, until at least the year 2000, when it is estimated to reach 19.6 million. (pp. 5-6, pp. 26-29/GAO Draft Report)

DOD RESPONSE: Nonconcur. Although the GAO correctly stated some of the concerns that pose recruiting challenges for the Services, the DoD disagrees with the GAO regarding youth population trends. Population data show that the youth cohort mentioned bottomed out in FY 1989, then rose in FY 1990. What the GAO does not consider is that the population chart on page 28 of the draft uses two sets of data. The population numbers for 1981 through 1989 are projections based on the 1980 census. The 1990 population is based on 1990 census data, as are the projections for 1991 through the end of this decade. The significance of the chart is not so much in the actual numbers, but more so in the trend. The bottoming out of the "downward trend" actually occurs in 1993, not 1989. As the downward trend continued through the early 1990s, it was coupled with a corresponding decrease in the propensity of youth to enlist, causing more challenges to recruiting than recognized by the GAO.

It is important to recognize that the youth population will grow only one percent from FY 1994 to FY 1996, while the projected number of recruits will increase 13 percent in the same two years. The draft report also fails to identify demographic characteristics within the youth cohort that indicate increasing challenges to military recruiting. For instance, there will be an increase in the percentage of Hispanics that make up the youth cohort. That is important because Hispanic youth have lower high school graduation rates than other racial/ethnic groups, and thus would be more likely to attrit from service prematurely.

Now on pp. 3-4 and
21-25.

See comment 4.

See comment 5.

See comment 6.

(Research has shown that non-high school graduates are twice as likely to separate from the military prior to completion of their first term of service than are high school diploma graduates.) In addition, other significant factors also impact the population analysis, such as the increasing numbers of high school graduates who will attend college and the increasing percentage of the population who are either medically or morally unfit to serve, effectively eliminating them from the enlistment eligible population.

Now on pp. 26-27.

- **FINDING G: Negative Propensity Groups Provide About Half of the DoD Accessions.** The GAO reported that the Services consider propensity to enlist in the military, as measured by the Youth Attitude Tracking Study, to be a crucial measure of the difficulty of the recruiting environment. The GAO pointed out that the Services have found that there is a correlation between positive propensity and actual enlistment, and that the higher the percentage of youth who express a propensity to enlist, the easier it is for recruiters to access personnel. The GAO further reported that the Military Services have stated that the propensity of youth to enlist in the military is at its lowest point in many years. The GAO found that the Services use that drop as an indicator that recruiting will be even more difficult in the future. The GAO acknowledged that the propensity for youth to enlist in the military is indeed down, however, the GAO stated that the data of the Services on propensity historically has not always been a reliable indicator of who actually enlists in the military. The GAO concluded that the concerns of the Services about the perception that the military is not hiring, that it is now too dangerous, or that budget cuts make the military unattractive as a career option have not been validated by the Youth Attitude Tracking Study data. (pp. 29-32/GAO Draft Report)

DOD RESPONSE: Partially concur. While the GAO's discussion reflects some of the difficulties associated with recruiting in a negative propensity environment, it does not present a complete and accurate view of the situation. Propensity is not intended to identify who will enlist, but is a much broader tool that indicates how much effort and resources will be required to meet recruiting objectives. A current RAND Corporation study, "Recent Recruiting Trends and Their Implications: Preliminary Analysis and Recommendations" (Asch and Orvis, 1994), initiated by the Office of the Secretary of Defense (OSD), confirms that the lower the propensity of a youth cohort to enlist, the more resources will be required to obtain each enlistment. As propensity goes down, and thus, the size of the group that is negatively propensed is increased, a larger number of recruits will have to come from the negatively propensed population to meet overall recruiting goals. The RAND studies show that in FY 1993, 46 percent of enlistees came from the group that was initially negatively propensed to join the military. That group, however, represented 72 percent of the eligible population. On the other hand, the positively propensed population, while representing only 23 percent of the youth cohort, provided 36 percent of the enlistees.

See comment 7.

Recruiting from the negative population is more expensive in terms of total recruiters and advertising required. As increasing numbers of the negatively propensed population are required to meet accession objectives, the effort and cost to recruit will rise. Close

examination of the negatively propensed population identifies other challenges, such as rapidly increasing youth cohort percentages of Hispanic and "other" less propensed minorities.

The DoD disagrees with the GAO conclusion that the Youth Attitude Tracking Study data have not validated the reasons for decreased propensity. The data clearly show that, since 1990, there is a substantial trend of people who report downsizing of the military negatively affects their enlistment propensity. It should also be noted that the percent of people who believe military service involves "great danger and personal risk" is at the same level as during Operation Desert Shield, when many estimations of casualties during the probable war with Iraq were very high and well covered by the press.

- **FINDING H: Despite Drops in Propensity, Quality Has Remained Well Above Benchmarks.** The GAO stated that despite drops in propensity in recent years, recruit quality has remained well above DoD-established benchmarks. The GAO noted, however, that in recent congressional testimony the Army and Navy recruiting commanders expressed the fear that the Services might have to lower enlistment quality targets to meet upcoming accession needs.

The GAO reported that to help analyze the Services' quality requirements, the DoD, in conjunction with the National Research Council, concluded that having 90 percent high school graduates and 60 percent scoring in categories I through IIIA were benchmarks to which the Services should aspire. The GAO noted that the percentage of enlistees who have high school diplomas and who score above the 50th percentile on the AFQT has grown steadily--1992 represented an all-time high for recruit quality. The GAO pointed out that as recruit quality has improved, the Services' targets have increased accordingly. (pp. 32-35/ GAO Draft Report)

DOD RESPONSE: Concur. Benchmarks are floors below which the Services should not go. The Services recruit above those levels, if possible, because recruit quality standards are tied to performance. Because war-fighting today is much more high-technology than even 10 years ago, putting higher quality recruits into the training pipeline results in increased combat performance in the field.

Analysis across all Services shows high school graduates are far more likely to complete their first term of enlistment than are high school dropouts. People with higher aptitude perform at a higher level than people with lower aptitude. Even with on-the-job experience, enlistees with lower aptitude continue to lag behind those with higher aptitude. For example, it takes three years for people in Category IIIB to reach performance levels comparable to those reached by Category I people in the first few months on the job. Thus, the quality of recruits can affect training time and costs, both of which account for a large portion of the Services' resources.

See comment 8.

Now on pp. 28-29.

- **FINDING I: Attrition Remains Stable.** The GAO found that between 1980 and 1984, the attrition rate for enlisted personnel during their first term dropped from about 37 percent to 29 percent. The GAO noted, however, that rate has since risen to over 34 percent. The GAO reported that the Services have done studies of the causes of attrition and have conducted experiments to lower the attrition rate, however, they have not been able to lower it below its current plateau. The GAO noted that at present, about one of three recruits does not complete his or her first enlistment term of duty. (p. 6, pp. 35-39/GAO Draft Report)

Now on pp. 30-32.

DOD RESPONSE: Concur. The Services have been, and continue to engage in research and operational programs directed at reducing attrition. There are three types of attrition the Services explicitly try to minimize: academic attrition (course failure), attrition caused by failure to adapt to military life (which is not related to an individual's academic ability), and medical attrition. Most current programs attempt to reduce adaptability-related attrition. It should also be recognized that work which may initially look promising, may not hold up operationally for a variety of reasons. The Defense Advisory Committee on Military Personnel Testing has identified concerns about lack of normative data for some of the instruments, as well as coaching, faking, and potential for adverse impact. The Services continue to look for ways to surmount these very real problems.

In addition, the draft report "baseline of 1980" did not include other significant factors, such as the state of the U.S. economy throughout the 14-year period and the effect of substantial pay raises and other positive effects of the build up of the early 1980s, versus negative effects of the build down of the 1990s.

- **FINDING J: The Services' Plans for Future Staffing.** The GAO reported that the National Defense Authorization Act for FY 1993 required the Services to cut the 1992 recruiting staffs by 10 percent by the end of FY 1994. The GAO further reported that the House and Senate versions of the FY 1995 DoD Authorization Bill contain provisions that would repeal this required reduction. The GAO noted that while a few of the Services have stated that they have no specific plans as yet to respond to a possible repeal, three of the Services believe that additions to recruiting staffs will be necessary in the near future. The GAO found that because the cuts were to be made by the end of FY 1994, most of the Services' cuts had not been finalized. The GAO pointed out that the Air Force is the only Service that anticipates no near-term increases in recruiting staff. The GAO also reported that the Marine Corps and the Army believe that additions to recruiting staffs will alleviate difficulties they foresee in the future. (pp. 41-42/GAO Draft Report)

See comment 9.

DOD RESPONSE: Partially concur. The draft report does not reflect the depth of the cuts by the Services since the beginning of the drawdown. Also, as the drawdown is completed, significant increases in recruiting will be required to maintain steady-state force structure.

Now on pp. 35-36.

See comment 10.

The Army, for example, reduced its recruiting staff by 1,219 (about 9 percent) from FY 1992 to FY 1994, and will grow only 10 percent, about half the anticipated increased rate of accessions required to meet FY 1996 recruiting objectives.

- **FINDING K: Adding Recruiters May Not Be Necessary to Meet Future Accession Goals.** The GAO concluded that more recruiters are not required to meet projected accession targets. The GAO stated that the Services' need to add recruiters suggests that current accessions per recruiter are maximized. The GAO analysis, however, indicated that the relationship between numbers of recruiters and accessions is unclear, because (1) the recruiter quota system places artificial constraints on the numbers of accessions; (2) the Services have not historically reduced numbers of recruiters as accession needs have gone down; (3) the numbers of accessions per recruiter have declined over the years--the Army experienced the greatest decline; and (4) Service studies suggest that after a certain number of recruiters are in place, it is more cost effective to invest in more advertising.

DOD RESPONSE: Nonconcur. The FY 1996 recruiting goals are programmed to increase for the Army, Marine Corps, and Air Force. To achieve those increases, the Services must add a complementary mix of recruiters, advertising, and enlistment incentives in FY 1995 to achieve FY 1995 goals and to build the Delayed Entry Program for the higher mission in FY 1996. The total number of recruiters needed is based on a cost-effective mix of recruiters, advertising, and enlistment incentives.

Recruiters quota systems should not be considered separately from recruiter incentive systems. In fact, the incentive systems typically continue to reward recruiters for overproduction. However, for some Services, the incentives for overproduction are not as strong as they are for meeting their goal and thus recruiters tend to have less incentives to increase production beyond the goal. As stated in a 1993 study, "...the incentives for exceeding mission are mixed because recruiters understand that realizing more contracts than the individual's quota can result in receiving increased mission over time." (It should be noted that Service quota systems are different; for instance, the Navy does not have "individual" quotas.) The GAO draft also fails to recognize evolving management changes. For example, the Army is eliminating its personal quota system in FY 1995.

The GAO draft gives little attention to past congressional concerns of recruiter quality of life by recognizing the long hours, arduous family sacrifices, and sometimes very high cost of living incurred by recruiters from all the Services. The GAO also does not consider add-on responsibilities, such as the legislative requirement for recruiting offices to be voter registration agencies starting in January 1995.

- **FINDING L: Consolidation Proposals Have Been Rejected By the Services.** The GAO reported that over the years, various proposals--including the FY 1990 Defense Management Review--have been made to consolidate various recruiting functions for all the Services. The

See comment 11.

See comment 12.

See comment 13.

GAO stated that the Services, however, have consistently rejected any merging of recruiting across Service lines because the Services believe that there are tremendous differences in recruiting for each of the Services, most of which are irreconcilable. The GAO noted that while the Services rejected combined Service recruiting entirely, they acknowledged that there might be some merit in consolidating various support functions, such as the procurement and management of vehicles, telecommunications, advertising, and recruiting facilities. The GAO pointed out that the Military Entrance Processing Command (MEPCOM) has been tasked to study the concept. The GAO further reported that another consolidation idea that the DoD has discussed, but not acted on, is joint medical recruiting. The GAO stated that most Service recruiting commands are opposed to that concept because they contend their needs for medical personnel differ from those of the other Services and that it would, therefore, not be feasible to recruit jointly. (pp. 45-49/GAO Draft Report)

Now on pp. 38-39.

DOD RESPONSE: Partially concur. The OSD, not the Services, rejected consolidation of recruiting organizations in the FY 1990 Defense Management Review. The Services' acknowledgment of possible merit in consolidating support functions did not include consolidation of Service advertising functions. The MEPCOM will be officially tasked to lead a joint task force to study consolidation of support functions, starting in October 1994. The study will consider on-going work and progress made in the past 2 years in a Corporate Information Management (CIM) project that jointly examined the recruiting process and opportunities to reduce duplication and standardize automation support for recruiting.

See comment 14.

- **FINDING M: The Services Have Rejected Proposals to Eliminate Recruiting Management Layers.** The GAO found that the recruiting organizations of the Military Services have reduced the size of different management layers, however, they have not eliminated any. The GAO reported that while the proposals being circulated may not represent optimum recruiting organizations, potential economies of scale and other efficiencies may be available through the elimination of command structure layers. For example, the GAO reported that the Navy indicated that it has considered eliminating management layers, but concluded that if the areas were eliminated, it would not have adequate command and control over its 31 districts. The GAO noted the Army and the Air Force have similar concerns. (p. 7, pp. 49-52/GAO Draft Report)

Now on pp. 40-41.

DOD RESPONSE: Concur. While layers have not been eliminated, the Services have reorganized and reduced overhead. Since FY 1989, the Navy reduced from 6 to 4 areas and 41 to 31 districts, based on cost/benefit analyses. In the past year, the Marine Corps established a recruiting command and restructured its "total force" oriented organization. The Air Force reduced the number of groups from 5 to 4, reduced the staffs of the 4 remaining groups by 50 percent, and reduced the headquarters staff by 40 percent. The Army closed 1 brigade, 17 battalions, and 53 company headquarters.

- **FINDING N: Full-Time Recruiting Offices and Evolving Technology.** The GAO stated that full-time recruiting offices are leased by the Services and used by recruiters to prospect for new recruits, administer aptitude screening tests, assess applicant qualifications, prepare applicant documentation, store and display recruiting literature and publicity material, and conduct routine administrative tasks. The GAO pointed out that those offices are now located to maximize their (1) access to public transportation, (2) pedestrian traffic, (3) visibility, and (4) proximity to schools and other areas where military-aged men and women congregate.

The GAO stated that the evolution of the computer and enhanced communication technologies appear to be changing some of the conditions underlying the role and need for the number of fixed facilities required in the past. The GAO reported that the Services believe that recruiting offices must be located in areas of high visibility to make the offices more accessible to walk-in traffic and to provide a form of advertising. The GAO noted, however, that the percentage of accessions gained from walk-in traffic is quite low. The GAO stated that the DoD and the Services have recognized that the realities of the marketplace are changing the role of the recruiter and the recruiting office. For example, the GAO noted that the Army is currently studying ways to enhance recruiter productivity and reduce reliance on permanent facilities through the development and introduction of state-of-the-art sales management and processing equipment--portable telephones, fax machines, as well as laptop computers. The GAO concluded that such systems should permit the number of stations to be reduced. According to the GAO, the Army indicated that the fixed recruiting office could then be used simply to pick up messages or to meet with supervisors. (pp. 53-55/GAO Draft Report)

DOD RESPONSE: Partially concur. The GAO draft attributes the need for "walk in" traffic as the primary reason to place recruiting offices in highly visible locations. More importantly, however, visibility maintains awareness of military opportunities in a community and facilitates contacts between recruiters and potential enlistees (not only "walk in" traffic).

Recruiters need a place to interact with potential applicants and DEP personnel which presents a professional atmosphere. Research indicates that closeness to the target market improves recruiter productivity. However, the Services are engaged in joint efforts to improve cost effectiveness of their recruiting programs, including the recruiting facilities. As a result of a February 27, 1992 GAO report, "AUTOMATED INFORMATION SYSTEMS: Defense Should Stop Development of Duplicate Recruiting Systems," (OSD Case 8900), the Department initiated a Corporate Information Management (CIM) project to reduce duplication and standardize automation support for recruiting. Those modern approaches and technological applications will take time (and funding) and must be tested to validate the expected effects before implementation. If current projections hold, the effects of those initiatives will begin in FY 1998.

Now on pp. 43-44.

See comment 15.

See comment 16.

- **FINDING O: Recruiting Facilities' Costs Have Dropped.** The GAO reported that since FY 1989, the number of recruiting facilities and the cost of maintaining them have dropped. The GAO pointed out that the number of leased recruiting offices has dropped from over 8,000 in 1989, to about 6,000 offices, and the total facilities program costs dropped from \$118.4 million to \$104.2 million. The GAO stated that the reductions in space and cost were made possible by closing and collocating offices and eliminating excess space. The GAO noted that those efforts were the result of actions taken by the Joint Recruiting Facilities Committee.

The GAO reported that guidance by the Army Corps of Engineers and a DoD directive establish uniform policies and procedures for acquiring space for recruiting offices at all levels. The GAO noted that in FY 1994, the Services were maintaining more than 1,000,000 square feet of office space over the amount assigned. The GAO calculated that based on the average cost per square foot, the excess space costs over \$17 million to maintain.

The GAO reported that on January 28, 1994, the DoD initiated a pilot project in Philadelphia, PA, as part of its effort to further reduce facility costs. The GAO explained that the pilot project involved comparing the cost of the 15 existing recruiting facilities with two alternatives. The GAO reported that the first alternative would collocate the 15 offices into six new ones, and the second alternative would upgrade some established stations, some new stations would be opened, and others would be closed. The GAO stated that the DoD is seriously considering alternative one--collocating into six offices--for an annual savings of \$71,000. The GAO noted that the DoD might consider that concept in the future for other major cities. (pp. 56-58/GAO Draft Report)

DOD RESPONSE: Partially concur. Program costs dropped from \$118.4 million in FY 1989 to \$104.2 million in FY 1994. The \$104.2 million spent in FY 1994 also funded maintenance projects and facility relocations planned for FY 1995. That ensured that programmed funds for FY 1995 would be sufficient to satisfy office requirements for planned increases in Army, Navy, and Marine Corps recruiters.

The DoD does not agree with the GAO implication that the Department can eliminate more than 1,000,000 square feet of office space and save \$17 million dollars annually. The estimated 1,000,000 plus square feet includes space required for common areas, such as hallways and bathrooms. An average of 25 percent of the net authorized space (based on standards in the DoD Recruiting Facilities Space Management Guide) is allowed for common areas. It is estimated that the total office space for recruiting facilities currently exceeds the net authorized space by 33 percent, or 8 percent more than the additional space allowed for common areas. The 8 percent in excess of standards costs approximately \$5 million.

It is neither possible nor desirable to eliminate all of that space. Minimal office space available may exceed standards. The costs for a facility with space in excess of standards may be lower than the cost at competing facilities. It is not always cost effective to eliminate excess space caused by reduced numbers of recruiters in collocated offices, because of the

Now on pp. 44-45.

See comment 17.

See comment 18.

terms of a lease. For example, currently there are 158 full-time offices that are collocated with other manned offices, but are no longer required. In those cases, it is more cost effective to wait for the lease to expire or to retain the space and avoid a large one-time relocation cost and higher rent at a new location.

A prime goal of the Joint Recruiting Facilities Committee (JRFC) that oversees management of the DoD Recruiting Facilities Program is to eliminate unproductive high-cost space. To accomplish that objective, the JRFC requires the Corps of Engineers to actively review, identify, and analyze high-cost and above standard space and program cost-reduction actions (closures, reductions in space or cost through negotiation with current landlords, and relocations to less expensive space). All space is reviewed annually in that process. In addition, the DoD Recruiting Facilities Space Management Guide requires the Services to consider available existing space before acquiring new office space. The Department acknowledges that there remains opportunities to minimize high-cost excess space. However, current DoD policies, procedures, and direction provide the best approach to control excess and high-cost space and maintain viable support for the recruiting mission.

- **FINDING P: Offices Are Constrained By Principle of Geographic Coverage.** The GAO stated that the Services believe that they must recruit equitably across the geographic expanse of the country, and to do so they maintain 6,000 recruiting offices throughout the country. The GAO pointed out that the Services maintain those offices despite the fact that some offices have not been productive. The GAO concluded that if the DoD needs to achieve further savings, it could consider closing supervisory offices and offices in the least productive areas of the country and using alternative recruiting methods. The GAO stated that if the Services were to either collocate supervisors with recruiters or relocate the supervisors to existing offices on military bases or less expensive space, the DoD could reduce its facility leasing. The GAO further stated that if the DoD wanted to further reduce recruiting costs, it could consider closing or consolidating offices in its least productive areas and rely on one or more of the alternatives to maintaining fixed recruiting offices. For example, the GAO reported that the Army and the Air Force are discussing the possibility of using teams of traveling recruiters in recreational-type vehicles to visit less productive areas on a periodic basis, preceded by local advertising. The GAO noted that the Air Force indicated that in the current budget environment, even a test program using those vehicles is at least four years away. (pp. 59-65/GAO Draft Report)

DOD RESPONSE: Nonconcur. The GAO draft incorrectly described the role of geographic representation in determining the distribution of recruiters and recruiting offices. The number of recruiters and location of recruiting offices is based on the population of potential recruits in a specific geographic area. Potential recruiter productivity is the primary concern in locating recruiters. Representation across America is a consideration of some Services, but there are no efforts to ensure "equitable" geographic representation.

Now on pp. 46-50.

See comment 19.

With regard to supervisors, it is Department policy to locate administrative personnel in less expensive office space and on military installations or in other government-owned or leased property when operationally feasible. In addition, when cost effective, the Air Force and Navy collocate flight and zone supervisors, respectively, with production recruiters. The Marine Corps always locates its supervisors with production recruiters. The Air Force has no plans to use traveling teams of recruiters in recreational type vehicles.

See comment 20.

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RECOMMENDATIONS

- **RECOMMENDATION 1:** The GAO recommended that the Secretary of Defense direct the Secretaries of the Military Services to use the results of current studies, and undertake additional efforts, if necessary, to develop a more cost-effective mix of available recruiting resources, including advertising, recruiters, bonuses, and other elements affecting recruiting. (p. 9, p. 68/GAO Draft Report)

Now on pp. 5 and 53.

DOD RESPONSE: Concur. Recent RAND Corporation studies, which report the relative cost effectiveness of recruiters vs advertising over a range of market conditions, have been presented to the Senior Panel on Recruiting. Chaired by the Deputy Secretary of Defense, the Panel is composed of the Secretaries of the Military Departments, the Chairman of the Joint Chiefs of Staff, and the Under Secretary of Defense (Personnel and Readiness). Its purpose is to monitor plans and progress in the vital area of recruiting, with a focus on understanding the current state of recruiting, expected trends, and areas for further study and possible corrective actions. In support of the Senior Panel on Recruiting and to assist the OSD staff, the RAND Corporation is currently conducting a research project to ascertain how recruiting outcomes and their determinants have changed in the recent past and to recommend changes in policies and resources, if necessary, to ensure an adequate number and quality of future recruits. Specifically, one goal of the research will be to identify and analyze changes in recruiting practices that may have occurred during the drawdown by conducting interviews with key recruiting personnel, analyzing survey results, and examining changes in recruiting personnel management. Results of the RAND study are expected by October 1995.

- **RECOMMENDATION 2:** The GAO recommended that the Secretary of Defense direct the Secretaries of the Military Services to aggressively test ideas to reduce first term attrition. (p. 9, p. 68/GAO Draft Report)

Now on pp. 5 and 53.

DOD RESPONSE: Partially concur. The Services have been and are continuing to be engaged in research and operational programs related to attrition (See the DoD response to Finding I). Analysis and operational programs designed to address attrition are much more diverse than recognized by the GAO. The Services have continuing programs to develop

measures of adaptability to military life and to improve the prediction of training success and job performance.

Some Services have found a correlation of time in the Delayed Entry Program (DEP) to attrition during basic training. This is likely due to their attention to better mentally prepare those in the DEP for basic training and the rigors of the military. Programs include voluntary physical conditioning and distribution of literature and video tapes.

In addition, as requested by the Congress, the Department of Defense has established the Defense Advisory Committee on Military Personnel Testing. The Committee is composed of eminent scientists in the areas of test development, psychometrics, counseling, etc. who ensure that the DoD enlistment testing program meets professional standards. The Committee has provided recommendations on the development of procedures to reduce attrition related to failures to adapt to military life. For example, the Committee recommended a full validation of a Joint-Service adaptability screening measure prior to implementation. The screening instrument has not been implemented due to anticipated operational difficulties associated with the validation process.

- **RECOMMENDATION 3:** The GAO recommended that the Secretary of Defense direct the Secretaries of the Military Services to continue efforts to streamline the current recruiting bureaucracy, eliminating layers where possible. (p. 9, p. 68/GAO Draft Report)

DOD RESPONSE: Partially concur. The Services have placed heavy emphasis on evaluation of their recruiting structures during the drawdown. Since FY 1989, the Services have reviewed their recruiting organizations, reduced management layers, and streamlined overhead. The resultant Service recruiting organizations and infrastructures are needed to provide the right support to their nationwide programs. However, the Department recognizes that continued evaluation of recruiting structures and business practices is essential. Toward that end, an OSD-directed study will be initiated in October 1994 to evaluate consolidation of recruiting support functions. The MEPCOM will provide the lead in conducting the joint study (See Finding L). Results of the study are expected by July 1995.

- **RECOMMENDATION 4:** The GAO recommended that the Secretary of Defense direct the Secretaries of the Military Services to revalidate the recruiting quota systems, which currently deter recruiters from maximizing the numbers of enlistments. (p. 9, p. 68/GAO Draft Report)

DOD RESPONSE: Concur. The RAND Corporation is currently conducting research to revalidate the Service recruiter quota/incentive systems in order to determine their relevance and effectiveness in the post-Cold War era. Results of the study are anticipated by October 1995. In addition, the Army is eliminating individual quotas starting in FY 1995. Recruiting goals will be assigned by recruiting station. The objective is to encourage each recruiter to

Now on pp. 5 and 53.

Now on pp. 5 and 53.

participate as a team member, thereby maximizing recruiter abilities in meeting or exceeding goals. The Army hopes to increase productivity, while improving the motivation of its recruiters.

- **RECOMMENDATION 5:** The GAO recommended that the Secretary of Defense direct the Secretaries of the Military Services to encourage the development and expansion, as appropriate, of concepts, such as the "Philadelphia project," in the management of military recruiting facilities. (p. 9, p. 68/GAO Draft Report)

Now on pp. 5 and 53.

DOD RESPONSE: Partially concur. The "Philadelphia Project" is an experimental process for determining the most cost-effective approach to providing facilities in large metropolitan areas--that may mean consolidation or in some cases decentralization. While the joint-planning approach appears promising, the Joint Recruiting Facilities Committee (JRFC) will not complete its evaluation of the project and lessons learned until the end of 1994. The JRFC has targeted a similar project for New York and Chicago for implementation starting in FY 1996. Expansion of the concept will be considered when results of the evaluation are available.

- **RECOMMENDATION 6:** The GAO recommended that the Secretary of Defense direct the Secretaries of the Military Services to routinely incorporate more in-depth cost-benefit analyses in decisions to maintain or establish new recruiting offices, and to evaluate the costs and benefits of maintaining offices in less productive areas of the country. (p. 9, p. 68/GAO Draft Report)

Now on pp. 6 and 53.

DOD RESPONSE: Concur. All the Services currently rely on market analysis to estimate market potential and distribute recruiters to productive recruiting areas. That information is required to justify recruiting offices. The JRFC, working with the Defense Manpower Data Center (DMDC) and Service market analysts, will combine marketing information with the Recruiting Facilities Management Information System data base and evaluate the relative cost effectiveness of recruiting offices. That effort has begun and is expected to evolve into an integrated information support system for Service and JRFC resource decisions. The initiative will be linked with the current CIM project supporting recruiting. It will also be considered by the joint task force evaluating consolidation of support functions, which should be completed by July 1995.

REFERENCES

Asch, Beth J., and Orvis, Bruce R., "Recent Recruiting Trends and Their Implications: Preliminary Analysis and Recommendations," The RAND Corporation, DRR-722-A/OSD, May 1994.

Berner, Kevin J., and Daula, Thomas V., "Recruiting Goals, Regime Shifts, and the Supply of Labor to the Army," U.S. Military Academy Working Draft, February 1993.

The following are comments on DOD's letter dated October 7, 1994.

GAO Comments

1. We have discussed and addressed all appropriate DOD and service initiatives that deal with the issues considered in this report and that were available and in a usable state of completion at the time our review was done.
2. The DEP is discussed in the first two chapters of this report, but it is not addressed in an evaluative context.
3. We are not suggesting that advertising be used as an indication of efficiency. This section in the introduction chapter simply describes the funding history of advertising and summarizes service and DOD views of its usefulness.
4. This population chart does indeed use two sets of data—one derived from the 1980 U.S. census and the other from the 1990 U.S. census. The use of both was necessary to reflect the trend of the youth pool available for recruiting from 1980 to 2000. This information was provided to us by DOD and was the most current available when we did our review and when DOD submitted its official response to our draft report. Further, DOD's comment that a decrease in the propensity of youth to enlist caused more recruiting challenges during the early 1990s is misleading. Actually, RAND's May 1994 study found that propensity for high quality youth—those targeted by DOD for enlistment—appears to have stabilized at pre-drawdown levels and, in fact, increased at one point in the early 1990s.
5. Since DOD recruits few non-high school graduates (service goals allow just 1 to 5 percent annually), the fact that Hispanics—who, according to DOD, have lower graduation rates than other ethnic groups—will make up more of the target pool would appear to have a minimal effect on attrition. Further, according to historical Youth Attitude Tracking Survey (YATS) data, Hispanic youth have one of the highest positive propensity rates of any of the groups tracked by DOD.
6. An increase in the number of high school graduates who will attend college should have limited impact on the target pool because a substantial number of college students drop out (for a variety of reasons) during the first year and thus effectively remain in the available population pool of quality high school graduates.

7. DOD implies that a basic shift or change in negative and positive propensity has occurred, which will require that more people be recruited from the negative category, thereby causing effort and cost to rise as accessions increase to a steady state recruiting environment. A recent study by RAND suggests this may not be the case because (1) the projected youth supply available to meet the increased accession goals for 1996 equals or exceeds that available in the late 1980s or before the drawdown started and (2) the propensity of the high quality youth targeted by DOD for recruiting appears to have stabilized at pre-drawdown levels. Further, the majority of youth available for enlistment have, historically, expressed negative propensity—yet about half of all recruits have come from this category.

8. As noted in comment 7 above, propensity for the high quality youth targeted by DOD does not appear to have decreased. These YATS factors have been stable or increased positively in recent years. Further, contrary to DOD's assertions about the negative impact of downsizing on recruiting, 81 percent of the respondents to the 1993 YATS (an increase from 1992) state that downsizing would not affect their enlistment propensity.

9. Our basic observations on the attrition rate are that (1) attrition remained relatively stable from 1980 to 1994 regardless of prevailing economic conditions or the quality level of the force and (2) DOD and the services have not yet successfully isolated causal links needed to fully evaluate attrition. We recognize DOD efforts to study attrition; however, we believe that, if potentially significant savings in recruiting and training resources are to be realized from a reduced attrition rate, the causal links for attrition must be identified and addressed. Caption for Finding I was subsequently revised by GAO.

10. We recognize that staffing cuts and limited reorganizations have been made in the recruiting organizations; however, our point is that the basic structure has remained intact, and efforts to eliminate management layers and consolidate functions or organizations have not been implemented. Further, there are now plans to increase the number of recruiting personnel.

11. DOD has not offered credible evidence that substantial additional resources will be required to achieve the planned increase in accessions. The number of potential recruits available through 1996 is estimated to equal or exceed the level available in 1989, when more than 293,000 recruits were enlisted, a level substantially above that planned for 1996.

12. DOD agreed with our recommendation that the service quota systems need to be reevaluated and stated that an effort to accomplish this, and evaluate incentive systems as well, is now underway. We have already discussed the extent of the evolving management changes. For example, we acknowledge that the Army was experimenting with changes to its quota system at the time of our review.

13. RAND recently concluded that important changes in resource management and recruiting practices during the drawdown years are the likely cause of difficulties now reported by the services. Planned additional research by RAND into these areas could well show a positive effect on recruiters' quality of life. While an additional responsibility, voter registration may affect the recruiting mission in a positive way by providing a solid, civics-based means for recruiters to establish additional face-to-face contacts with the target youth population.

14. The report has been changed to reflect more clearly that the Office of the Secretary of Defense rejected consolidation of recruiting organizations based on the adverse comments received from the individual services and that the services did not acknowledge the merits of consolidating advertising functions. However, the Office of the Secretary of Defense has directed a new study to examine joint recruiting support concepts that does include advertising and promotional support as an area to be evaluated.

15. We cite pedestrian or "walk in" traffic as one of four basic factors used by the services to locate recruiting offices, not the primary factor.

16. Our most recent reports on the CIM initiative are (1) AIMD/NSIAD-94-101, April 12, 1994, and (2) NSIAD-95-25, October 21, 1994.

17. The excess space information presented in the report was provided to us by DOD from the database maintained for leased recruiting facilities. The information included data fields for assigned space and excess space but, did not distinguish between space that exceeded the "net authorized" for common areas and truly excess space. Additional information on facility space has been added to the report.

18. We did not intend to imply that it was possible or necessarily practical to eliminate all excess space in recruiting facilities, and we fully recognize the types of situations DOD mentions. However, as cited in chapter 4, facility program officials acknowledge the need to continue to improve

management in this area through efforts to reduce excess space, implement consolidation efforts, and review and revise space standards. In addition, DOD agreed with our recommendation to develop the capability to better analyze the cost-effectiveness of offices maintained in less productive areas of the country. This should result in fewer offices overall and less excess space as well.

19. Our analysis of recruiting facilities indicated that most supervisory offices are located in leased facilities and not on military installations or other government property.

20. In early May 1994, the Air Force officially informed us that a request had been submitted to purchase an RV for each of the 29 recruiting squadrons. According to the Air Force, the RV would (1) provide the civilian community with the benefit of having a mobile recruiting facility in its area instead of having to drive 2 or 3 hours to the nearest fixed facility and (2) save leasing costs expended on maintaining the itinerary stops. The Air Force subsequently stated that mobile recruiting offices could best be characterized as an idea with potential that could not be afforded at the present time. As cited in the report, the Air Force concluded that the earliest even a test program could be envisioned would be 4 or 5 years from now.

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