

**STRATEGY
RESEARCH
PROJECT**

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**REVITALIZING THE
"MANAGING THE CIVILIAN WORKFORCE TO BUDGET (MCB)"
PROGRAM IN THE UNITED STATES ARMY**

BY

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ABSTRACT

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The paper proposes that the United States Army revitalize the MCB program. Revitalization will reduce the amount of dollar and manpower resources required to operate the Army's infrastructure and will closer align Army infrastructure operations with private sector business practices. Implementation will also bring the Army into closer compliance with public laws and executive orders designed to make government more effective and efficient. The revitalized program uses a single factor, dollars, as the key element to control supervisor-empowered force development, civilian personnel management, budget formulation, and civilian manpower management.

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This paper proposes that the United States Army (USA) revitalize the "Managing The Civilian Workforce To Budget (MCB)" program. It briefly describes MCB, presents a short history of the program, explains the program's current implementation status, and proposes a conceptual process for revitalizing the program.

DESCRIPTION OF THE MCB PROGRAM

Following a two-year test which ended in March of 1990, General Robert W. Riscassi, then Army Vice Chief of Staff (VCSA), sent a message to all Army activities that provided an excellent program description summary: "MCB is a cornerstone of our long-standing efforts to give greater flexibility to commanders and managers. In the austere times ahead, it will be of even greater value to the Army as we seek to balance work load and budget authority."¹ The VCSA's message referenced several MCB directives and messages which described the program in detail. The substance of these documents is summarized in the next several paragraphs. The truth in the Vice's message is as applicable today as it was in 1990.

The MCB program was originally designed as an execution-year, personnel management process for use at the installation level only.² However, during the two-year field test, the Army's Deputy Chief of Staff for Personnel (DCSPER) and MCB staff

proponent discovered it would work at all command levels. In actual implementation, however, the DCSPER exempted the Headquarters Department of the Army (HQDA) staff, ostensibly to follow United States Navy (USN) reasoning that MCB second or third order effects might have a negative impact on the Navy when dealing with the Office of the Secretary of Defense (OSD). The Navy's rationale was that the latter would resent the simplicity of the Navy's process, since they did not adopt the concept for their own organization.³

The most significant aspect of the Army's original program was that it reinforced the notion that functional work center supervisors at the lowest practical level were the best persons to decide how to structure and to staff their organizations to do work. This empowerment concept was highly consistent with Total Quality Management (TQM), Business Systems Engineering (BSE), and other industrial techniques practiced in the private sector. It was also in concert with burgeoning public laws and executive orders.⁴

The original program was specifically designed to delegate authority, responsibility, and accountability for execution of the Army budget for civilian personnel resources to the lowest practical level of management. The program proposed the use of a

single factor, dollars (total obligation authority (TOA)), to control three high-cost Table of Distribution and Allowances (TDA) functions: force structure, manning, and civilian personnel costs. Under the program, every level of command responsible for distributing resources was theoretically able to control all three high-cost functions of their subordinate commands by allocating specific dollar amounts corresponding to all related civilian personnel costs.

The cost-controlling factor was called Civilian Personnel Ceiling (CPC). It was an amount specified within the TOA that set an upper limit on what work center supervisors could spend on civilian personnel costs in a work center. Since personnel-related cost usually was the dominant cost factor for most TDA work centers, the program designers concluded that controlling the dominant cost factor in a work center would permit supervisors to easily control all other costs.

This single factor provided commanders at every level in the resourcing chain the ability to give their functional supervisors the authority and flexibility to organize and to staff their work centers in the most effective and efficient manner. But, it also allowed commanders to retain control of the dollar and manpower resource distribution processes. The only controlling

requirement was for the functional work center supervisors to stay within the designated CPC. Thus, the grades, overtime, bonuses, number of personnel, functional alignment, and mix between full-time and part-time civilian employees in a work center was a decentralized decision.

The functional supervisor, with advice from the Civilian Personnel Office (CPO) and the comptroller office, determined the structure, grade and number of employees, work flow, CPC required, and TOA needed. All directed controls from higher headquarters, except CPC, were in theory removed. The major purpose of the MCB approach was to permit the Army to conduct effective civilian personnel and manpower management at all levels of command using a single controlling factor, dollars specified for CPC.

The original MCB program did not fully address all aspects of TOA, force development, or manpower management; it focused primarily on personnel management and CPC. Also, performance measurement under the original MCB program did not emphasize the importance of linking work center costs with work center production in such a way that the "cost-per-output" of the work center formed the basis for funding the work centers. The original program made no provisions for command-wide,

standardized, and centralized manpower and dollar resourcing. Also, the notion of activity based costing was intentionally excluded.⁵

As discussed later, the revitalized MCB concept requires that TOA and CPC be determined in direct proportion to the number of work years required to achieve the work center output expected. This linking of required work years, performance output, CPC, and TOA is the central theme of the revised MCB program.

HISTORY OF THE MCB PROGRAM

Implementation Process

The genesis of the MCB program is rooted in an unfavorable Inspector General (IG) evaluation of the Army's civilian personnel management system conducted in 1987. The IG discovered such things as high numbers of excess and misgraded employees, poor employee supervision, missing employee performance standards, and excessive use of employee overtime. Based on this evaluation, the DCSPER formed a study team not unlike a Process Action Team (PAT) to find solutions to the many problems identified in the evaluation. Most of these problems were traceable to poor Business Systems Engineering founded in turf-oriented and stove-piped manpower, personnel, and financial

management practices. The team quickly discovered that solutions to the civilian personnel management problems required the Army to network TDA manpower management, budget execution, performance measurement, force development, and personnel management into a unified process.⁶

Based on this discovery, the team examined the findings of the Unified Budget Test conducted by the Army Budget Office (ABO) in the then separate Comptroller Of The Army (COA) office.⁷ It also closely reviewed the TDA manpower management and the force development processes from HQDA down to the installation level. Based on this research, the team developed and tested several integrating models and finally settled on a compromised model which featured the CPC concept. The team then presented an MCB proposal to the VCSA containing exclusive use of dollars to control civilian personnel, some force structure, some performance measurement and most manpower allocation operations. After extensive staffing and heavy debate, the VCSA approved the proposal for implementation in June of 1990.

Implementing instructions were distributed to all Army Major Commands (MACOM) and Separate Reporting Activities (SRA) for Fiscal Year (FY) 91 implementation in the Continental United States (CONUS). These instructions also called for FY 92

implementation for overseas commands in Korea, Europe, Alaska, and Hawaii. Continuing Resolution restrictions temporarily delayed full implementation until early November of FY 91.⁸ The VCSA message in June of 1990⁹ and a joint letter from the ABO, the DCSPER Director of Manpower, and the DCSPER Director of Civilian Personnel reinforced the implementation decision.¹⁰

Each MACOM was allowed some flexibility to adapt the Army's implementation instructions to their commands. As a minimum, however, they were to conduct sufficient training necessary for effective implementation as directed in the implementing instructions. They were to remove all budget, manpower, and personnel management controls not in agreement with MCB doctrine. They were to specifically remove such things as manpower space allocations, staffing ceilings, high grade ceilings, CPO control of classifications, overtime restrictions, part-time employee restrictions, organization control, and budget authority limitations for civilian personnel costs.

Current Status Of Implementation

The program was only partially implemented in the Army, and the few published regulations governing MCB operations were either overcome by events or allowed to decay into disuse. The MACOM or SRA rejected or ignored it, mostly the former. Only the

Civilian Personnel Regulations (CPR) were changed to partially comply with the MCB concepts and implementing instructions. Thus, only a very small portion of the MCB-oriented management changes, those relating to civilian personnel management, were temporarily achieved.

There was overt resistance to the program within the manpower management and force development community at every level of command, especially within the United States Army Force Integration Support Activity (USAFISA), formerly called the United States Army Manpower Requirements and Documentation Activity (USAMARDA).¹¹ This inter-functional turf fight was passively supported by the comptroller community for the same reasons the manpower managers within the DCSPER community resisted the program--job security. The almost universal resistance by functional personnel in all three communities, plus improper implementation by MACOM and SRA commanders and operating officials, prevented the Army from achieving the stated benefits of the program. Research indicates MACOM and SRA senior leaders received subtly distorted or intentionally incomplete advice from their staff functional chiefs whose fiefdoms were put at risk. If MCB concepts were implemented correctly, they feared Army leadership would eliminate or downgrade many manpower, force

development, personnel, and financial management positions in their fiefdoms.¹²

Under MCB operating concepts, much of the work conducted in those staff-support positions added no value to the functional work centers producing goods and services. This non-value-added revelation was recognized by the resisters; therefore, a certain amount of "not invented here syndrome" was practiced by the MACOM, especially Forces Command.¹³ These MACOM rejected the HQDA-directed program because they believed it had no value for them. Also, the original MCB program failed to adequately address the uniqueness of the logistics and scientific commands as well as the Reserve Components (RC). It was garrison-only oriented.

Basically, no MACOM or SRA complied with the implementing instructions. This non-compliance was documented by the Army Audit Agency (AAA) in July of 1991. A summary of their audit stated: "The Army didn't effectively implement the test because workcenter managers weren't given full financial and manpower flexibility. Although the Vice Chief of Staff and the Deputy Chief of Staff for Personnel issued guidance directing major command and installation commanders to eliminate manpower and personnel controls, the guidance was ignored. Accordingly, test

results didn't fully support the concept for managing the civilian workforce to budget."¹⁴

The net result of this failed implementation is reflected in the unnecessary manpower allocation, position classification, force development, and budget formulation work still performed today.

PROPOSAL FOR REVITALIZING MCB

Why Revitalize MCB?

The National Security Strategy (NSS) and the National Military Strategy (NMS) establish what is expected of our Armed Forces. The current Army Chief of Staff (CSA), General Dennis Reimer, is attempting to retain capabilities-based Active Component (AC) end strength to meet NSS/NMS expectations in spite of OSD and other outside pressures. Part of his strategy to retain the AC end strength is to reduce Army infrastructure costs through effective implementation of efficiencies.¹⁵

Implementation of a revised MCB program will reduce infrastructure by eliminating a significant number of manpower management positions and a moderate number of force development, personnel, and financial management positions. Although potential savings in the latter two functions are already lower because of functional consolidations and National Performance

Review (NPR) reductions, additional savings are still economically practical. Unfortunately, some of the NPR reductions were accomplished at the expense of mission effectiveness and customer service. Little or no "input-output" analysis was involved.¹⁶

Here is where a revitalized MCB program will make a dramatic improvement in Army downsizing efforts. A key objective of the revised MCB program is to enhance, not to reduce, mission execution and customer service. Eliminating non-value added positions and reassigning saved resources to other positions will enhance the level of customer service and mission performance. In essence, MCB combines financial, personnel, force development, and manpower management into a single performance-based process.

A revitalized program will not only properly reduce infrastructure costs and economically increase mission performance, it will do it in a measurable way. In this regard, the revitalized program fits well with recent legislation and executive orders designed to make the government work better and cost less. The Chief Financial Officer Act (CFOA), the Government Performance and Results Act (GPRA), the Government Management and Review Act (GMRA), and the NPR all require government agencies to implement operating concepts and

procedures that parallel those proposed by a revitalized MCB program. With respect to this, the Under Secretary of Defense (Comptroller) stated that the main features of the GPRA are to ". . . initiate program performance reform in setting goals, measuring program performance against those goals, and reporting publicly on their progress . . . be a value added process within the context of DoD strategic planning and program evaluation . . . focus managers on the most critical performance measures . . . ensure that performance targets and plans are achievable within budget resources."¹⁷ The revitalized MCB program does all that and more.

The AAA MCB audit report also provides support for the MCB concept and identifies why the original MCB effort failed: ". . . we still believe that, over the long term, managing the civilian workforce to budget is a sound concept. Furnishing managers with manpower, personnel, and financial management flexibility--decentralized budgeting and classification authority--gives them excellent management tools and establishes a sound basis for operational accountability. The key short-term roadblocks to success are:

- Identifying Workload. Because workload was not adequately identified, performance measurement and productivity

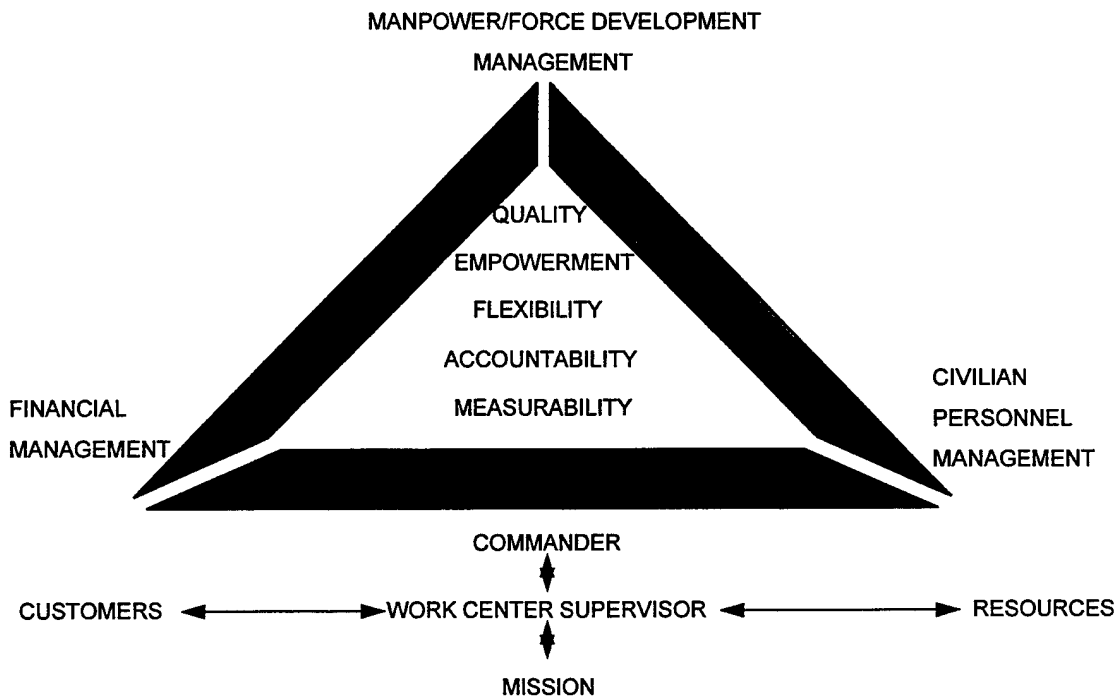


Figure 1. MCB Divine Trinity

indicators are of limited value . . .

- Traditional Controls. Traditional personnel, manpower, and financial management controls were not eliminated. Continued attempts to implement the concept of managing the civilian workforce to budget will not be effective until these controls are eliminated."¹⁸

What Are The Revitalized Operating Concepts?

Figure 1 displays the MCB "Divine Trinity" concept comprised

of the three high cost functions of financial management, civilian personnel management, and manpower/force development management. It places special emphasis on achieving employee empowerment, customer satisfaction, flexible budget authority, practical performance measurement (which includes an output-quality quotient), dollar-controlled manpower management, and performance funding. The original MCB program's emphasis on empowering supervisors at the lowest level possible to determine how best to do work as well as how best to resource and structure work centers is continued. However, the designers of the revitalized program acknowledge that empowerment as a stand alone feature is not a panacea.

And like the NPR, a pet project of Vice President Gore, the MCB concept is somewhat guilty of mixing incompatible management techniques: 'empowering' workers at the same time as downsizing is recognized as a contradictory set of objectives.¹⁹ Further, designers of the revised MCB concept understand that not all empowered leaders are effective. "The list of disastrous managers resulting from poor empowerment includes not only Oliver North, but also Robert Citron (Orange County, CA, Chief Financial Officer, responsible for bankrupting the county)."²⁰

Regardless, the revitalized MCB process focuses on improving the bottom-up approach to performance measurement, on actual elimination of manpower controls, on managing the dollars throughout all the years of the PPBES cycle, and on funding work centers based on measured output produced.

The revitalized program closely examines the dollars required to operate work centers, including those for contract work. It minimizes the cost of each output while stressing continuous improvement in the quality of each of those outputs. It avoids the government tendency of "keeping the old departmental structure, but hoping to do it (mission performance) with fewer people . . ." ²¹

Figure 2 conceptually displays how dollars, as a single - control factor, are linked up with mission tasks and then converted to costs per work unit to produce work center funding (TOA). As shown in the center of Figure 2, the Program Budget Advisory Committee (PBAC) compares the "Required Work" to be accomplished, expressed as cost per work unit, in relation to the TOA. Based on this comparison, it allots funding to each of the command's work centers accordingly. Allotment is made by element of expense. The "pay" element is controlled by CPC and is the key element of all the expense elements in determining how much

TOA the work centers are allocated. The number of outputs the work centers are projected to produce in one year are divided by

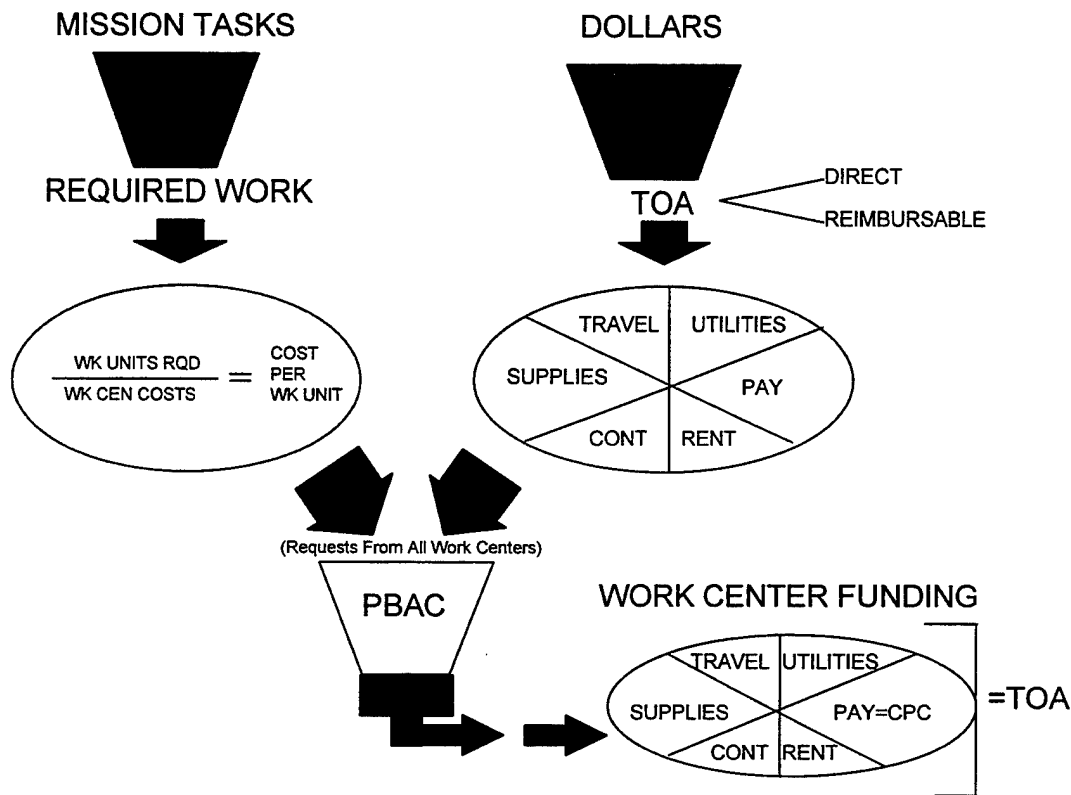


Figure 2. Work Center CPC Processing Concept (Dollars)

the estimated costs to produce them, yielding a "cost-per-output." This **input** (work center costs) versus **output** (work units required) process constitutes the heart of the performance-funding concept.

Figure 3 displays how TOA and Civilian Employment Plan

(CEP) allow the dollar-control resourcing system to work for both manpower and financial management. As previously indicated, CPC is a surrogate expression of the pay element of expense. It is not actual dollars, just a spending authority within the TOA that

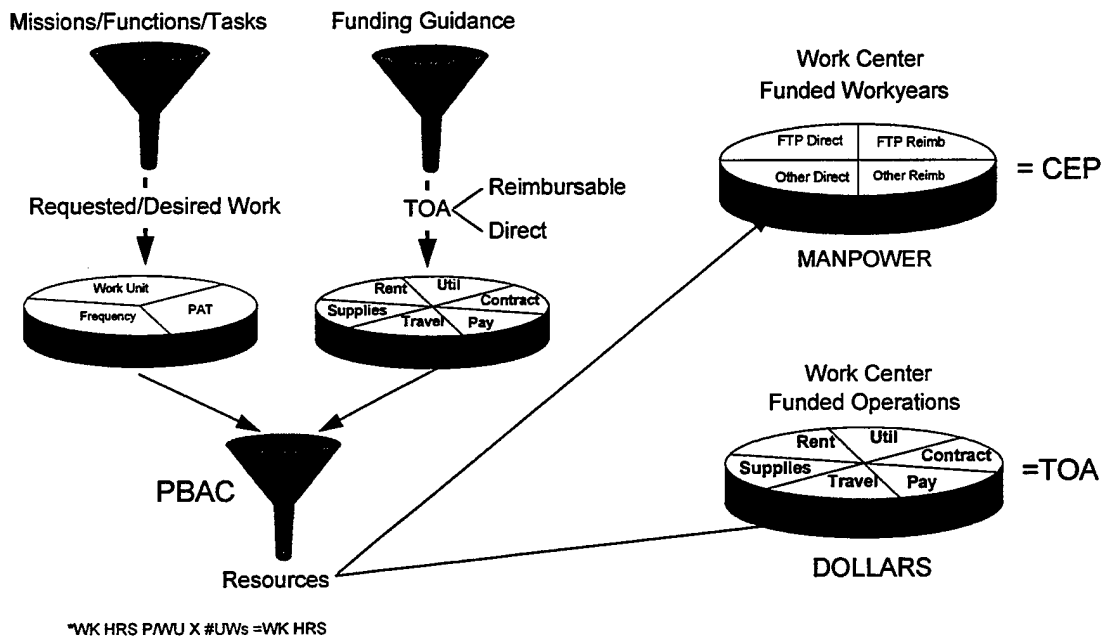


Figure 3. CPC/CEP Processing Concepts (Dollars/Manpower)

limits how much work center supervisors can spend on civilian personnel costs (pay element of expense). And, CEP is the estimate of the work years needed to operate the work center to produce the projected number of outputs. As explained in more detail later, CEP is "PBAC-funded" work years and is derived from

work hours (total). Supervisors use the estimated work hours as a basis for determining CPC and work years.

Once CPC is computed, supervisors subtract the CPC costs from the TOA and distribute the remaining obligation authority among other applicable elements of expense such as travel and equipment. Their only requirement is to stay within the available TOA. They also use the estimating equation process to determine accurate costs for all other elements of expense. Regardless of the process used to develop CPC and CEP, commanders and operating officials at all levels of authority must trust their functional supervisors to effectively structure, staff, and operate their work centers using TOA and CPC as the only control factors.

Although this element of trust is a major MCB feature, it must work in concert with a "performance-funding" resourcing system that supports an "input-output-outcome" measurement process. In this regard, performance is measured by comparing the actual work years (or costs per work unit) produced against a means-tested standard identifying how many work years (or costs per work unit) a work center should have produced. From this, HQDA can develop performance standards (base lines) for like work centers at each Army installation. Expansion of this "should-do"

vice "did-do" concept of developing elements-of-expense costs is a form of Activity Based Costing. Whether for just CPC or for all elements of expense, "dollars" is the single control factor that permits simplified, standardized, and centralized manpower and financial management control by higher headquarters without compromising the advantages of empowerment at the point of customer contact.

Figure 4 conceptually displays how the Army can use

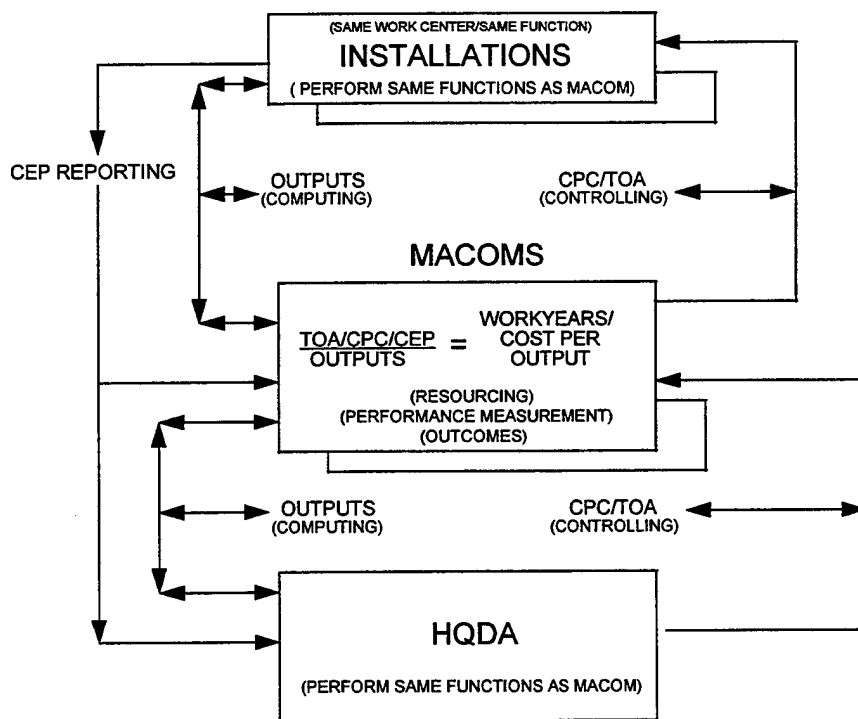


Figure 4. Conceptual Display of CPC/CEP Processing For Standardized And Centralized Performance Based Resourcing

standardized and centralized CPC/CEP to achieve "performance-based funding" and "dollar-based manpower management." In the model, CEP is used for "reporting and estimating" manpower information upward while performance data are used for "issuing" funding downward. Based on work year computations, CPC and TOA are used for "controlling" the flow of resources downward using projected requirements and actual performance data. Thus, "manpower management" becomes a function of CPC determination, and "performance funding" becomes a function of validated costs-per-work unit. Under MCB, the same work unit can serve as the common output for like work centers across an entire MACOM or even across the entire Army. For example, "items issued plus items received" may serve as the standardized output for all Self Service Supply Centers (SSSC) at every installation in a MACOM. The cost per output of "items received and issued" serves as a common mathematical argument to compare performance of and to issue funding for all SSSCs in a MACOM on a centralized basis. This single output serves as a standardized tool to determine both TOA and CPC as well as to validate CEP for all SSSCs at every installation within a MACOM.²²

Thus, HQDA, MACOM, SRA, and installation commanders conduct TDA force management and manpower operations primarily as a

bottom-up process through all phases of the Planning, Programming, Budgeting, and Execution System (PPBES). Dollars are the driving force for TDA budget formulation and execution, manpower staffing and control, organization development, and personnel management at the level MCB authority is delegated.

How Is Performance Funding Implemented?

Work center supervisors select a work unit (WU) that represents the total external output of goods or services for their centers. They then determine how many work years and WUs are required. Once this is known, supervisors can determine the total personnel costs (number of workers, required overtime, performance award costs, type of workers, etc.) and compare those costs against the total available funding. Armed with this information, they decide the best way to finance, organize, staff and operate their work centers to accomplish the work.²³

Comptroller offices use the existing accounting systems to provide timely and simplified manpower and financial reports to the functional supervisors and to higher headquarters. These reports show the status of resources used, personnel involved, work years expended, and CPC-related expenses such as overtime, awards, or base pay. Based on this feedback, supervisors and

higher headquarters make mid-course adjustments in TOA, CPC, overtime, awards, number of part-time employees and so forth.

The "outcome" is the net effect of all outputs for like work centers in the command. It tracks back to outputs, mission expectations, and performance standards which, at the strategic level, traces back to the NSS and NMS. In the case of the SSSC example, "installation supply readiness" within an entire command may be an "outcome" resulting from the costs-per-output of all SSSCs and other supply functions within the command. Under this concept, Army financial managers can develop a single Management Decision Package (MDEP) and a single Army Management Structure Code (AMSCO) for the "installation supply" function applicable across the entire Army. The obvious advantages to this are the elimination of many separate MDEPs and AMSCOs. Additionally, it establishes a funding taxonomy that uniformly aligns expected outcomes to a single "budgeting" AMSCO with a single "programming" MDEP for a single "performance output" relating to all installation supply functions across the Army.

Figure 5 displays the revitalized MCB resourcing concepts as they flow between HQDA and the installations and back again. It is envisioned the MCB concept can greatly simplify existing Army-wide financial, manpower, and personnel management

processes, even for the non-TDA Army. The Army can make these simplifications immediately at the installation level and soon after at the MACOM and HQDA levels by using some version of the four key resourcing processes as shown along the bottom of Figure

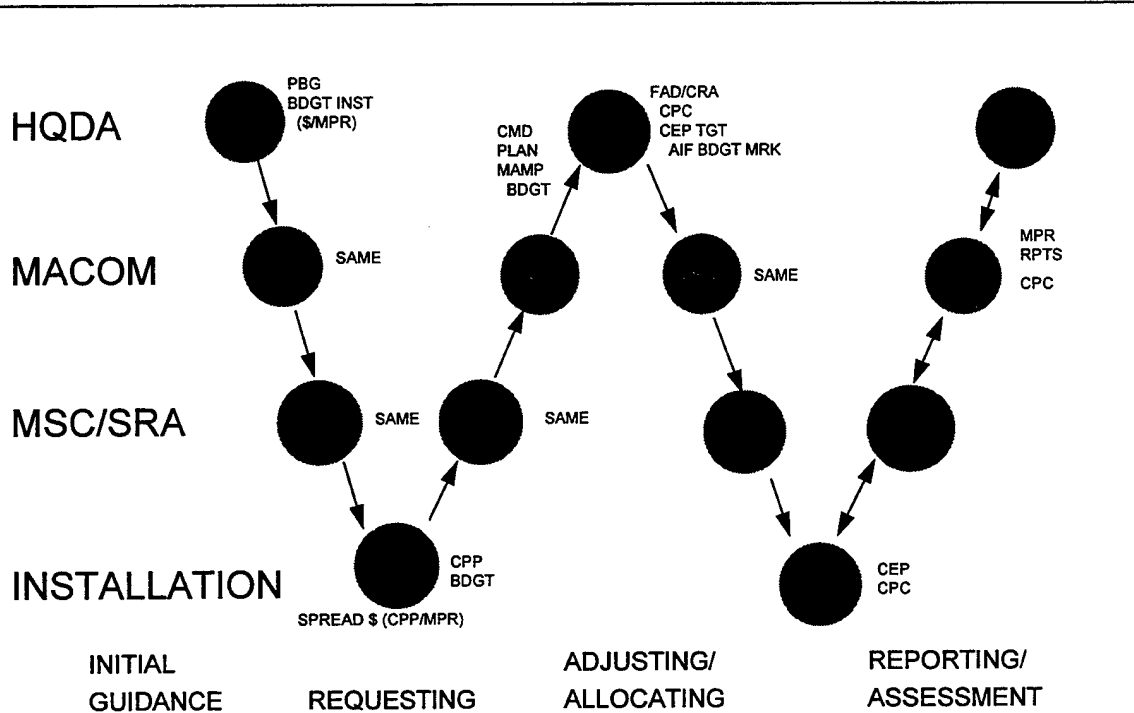


Figure 5. Revitalized MCB Program Resourcing Concepts

5 and briefly explained as follows:

- a. Initial Guidance. HQDA loads a data base with simplified dollar and mission guidance expressed in "output" or "outcome" terms. This guidance tells the installations within each MACOM what they are expected to produce. Guidance-loading

is a one-time action to start the MCB process. Henceforth, changes are made to the data only as needed. The MACOM analyze and consolidate the guidance and provide the essential information through their Major Subordinate Commands (MSC) to the installations on an as-needed basis. Information provided includes summary level data of the work that must be performed and the projected dollar guidance. The installation commanders (and MCB supervisors) then develop their funding mix, CEP, and CPP for formally requesting CPC and TOA. Because the information is not tied to any PPBES cycle, "continuous" rather than "snapshot-in-time" resourcing is achieved.²⁴

b. Requesting Process. After the initial submission, installations submit subsequent CPC, CEP, or CPP requests to the MACOM only when the on-line, real-time data base fails to provide updated CEP or CPP data or when guidance is changed. The MACOM staff personnel, using Program Budget Advisory Committees (PBAC), convert the data received from the installations into formal budget, manpower, and personnel language HQDA needs to conduct Army manpower and financial business with OSD.

The annual programming and budgeting procedures used in the formal PPBES do not go below the MACOM level, and they are curtailed at that level. Regardless, data for all years of the

PPBES, including Future Year Defense Plan (FYDP) years, are staff developed at HQDA to ensure work years, and funding data for all appropriations are included in all years of the FYDP. The annual POM, BES, Command Plan, TAP, and other manpower, force structure, and personnel submissions become transparent at the installation level and are greatly reduced at the MACOM level. Real time data bases and accounting systems provide the capability needed at all command levels. This capability permits continuous, on-going operations at the installations and staff development at the higher staff levels of the technical displays required by OSD. Fortunately, the data base storage, manipulation, and transmission capability needed to operate under MCB concepts already exists within the Army. The key to an effective requesting process is concentrating on determining the cost per output rather than on overmanipulating only the "input" factors (dollars/work years).

c. Allocating/Adjusting Process. The actual funding authority (TOA) and the CPC are provided by higher headquarters on a real-time basis to every headquarters or command using the existing formal funds allotment/control system. This allocation is done once to implement MCB and then is changed only when mission conditions or funding change. It is emphasized that

higher headquarters control is exercised based on shifts from an established cost-per-output "base line." Under revitalized MCB operations, the Army can totally eliminate manpower allocation and substantially reduce force development and budgeting processes at all levels of command.

d. Reporting/Assessing Process. The existing personnel reporting system, the PPBES, and The Army Authorization Document System (TAADS) are still usable, but a relatively easy overhaul of the whole dollar, manpower, and personnel reporting processes within these systems is possible under the revitalized MCB process. The need for separate manpower reporting disappears when the same control factor is used for both manpower and financial management. This is especially true when key items of information for that same factor are already captured by existing accounting systems.²⁵

The MCB reporting system is designed to assess planned-to-performed work center production, CEP accuracy, and CPP/CPC accuracy. Assessing "cost-per-output" is key. Work centers or commands with poor cost-per-output are targets for improvement; those with high performance are targets for exploitation as standard setters. A reward system to motivate the good performers is envisioned. Competition will increase accuracy of

funding-to-performance ratios for work centers over time. This increase will produce the refinement necessary to expand MCB applications throughout the Army.

What Are The Key Elements Of Success?

The following are actions critical to the success and long-term institutionalization of a revitalized MCB program:

a. Assure initial and continuous senior leadership support for the process.

b. Restructure TDA work centers with only a small core of FTP leadership personnel; strive to staff the work centers with part-time technical experts tied to current projects who go off the payroll when the work runs out; contract out as much of the technical touch labor as economically practical.

c. Ensure the work center supervisors are empowered to decide how to do work as well as how to structure and staff work centers concurrent with issuance of CPC authority.

d. Eliminate or reassign manpower managers and budget analysts at all levels of command not adding value to the revitalized process.

e. Assure a work-year-requirements-determination capability at the MACOM to validate installation-level CEP and CPP, type and quality of work performed, and performance measurement accuracy.

f. Acquire interns only to a level practical to refresh the core FTP work force.

g. Ensure performance measurement is means tested based on changes from a validated base line; establish aggressive systems to investigate and improve work centers with inefficiently high cost-per-outputs; set command-wide standards based on highly efficient cost-per-output work centers; let customers participate in setting performance standards.

ACTIONS NEEDED TO REVITALIZE THE MCB PROGRAM

Realization of the revised MCB program's near-term objectives is relatively easy to achieve because most of the documents used to implement the original program are still valid and available. This documentation can form the basis for a new prescribing directive and an updated training package. The implementers must, however, include provisions for the RC, non-CONUS, revolving fund, logistical, and scientific-oriented MACOM and SRA that are different from Army garrison commands. The following are the sequential steps recommended:

Step One. Appoint the Assistant Secretary of the Army for Financial Management and Comptroller (ASA FM&C) as the initial executive agent. Ensure the ASA (FM&C) works closely with the

Assistant Secretary of the Army for Manpower and Reserve Affairs in this endeavor.

Step Two. Form a Revitalization Project Office (RPO) consisting of a full-time, three-person team. This team is headed by a Senior Executive Service civilian (possessing financial, force development, and manpower management background) with a full colonel as deputy and supported by an administrative assistant. An RPO option is to appoint a general officer as the team head as an additional duty with a full-time GS 15 deputy, an ABO action officer, and an administrative assistant. The team serves as the core element of the MCB revitalization implementation force. The team works directly for the ASA (FM&C).

Step Three. Upon receipt of a favorable decision from the senior Army leadership, expand the size and role of the RPO with senior-graded representatives from the manpower, force development, accounting (Defense Finance and Accounting Service), budgeting, information, programming, and personnel management communities into a Process Action Team (PAT). An activity based costing expert from the Cost and Economic Analysis Center and selected MACOM/SRA personnel would also serve on the PAT on an on-call basis. Primary and alternate full-time members are

appointed to the RPO from offices represented on the PAT. The PAT works directly for the SA/CSA. The primary duties of the PAT are to:

- a. Finalize revitalized operating concepts and procedures.
- b. Develop revised implementation instructions including a training module.
- c. Publish implementing instructions to HQDA, MACOM, and SRA.
- d. Develop and present information briefings to the Army Secretariat, HQDA, MACOM, SRA and operating officials (including all Army Reinvention Laboratories).
- e. Train HQDA, MACOM, and SRA staffs and selected installation commanders.
- f. Provide field assistance.
- g. Monitor and manage program implementation.
- h. Provide In Process Reviews to the Army senior leadership.
- i. In conjunction with AAA, assess program implementation.
- j. Recommend date of PAT dissolution.

Step Four. Reduce the resistance to the reinvention effort by minimizing mixed signals and processes. For example, the 1993 GPRA indicates reinventors are to focus on outcomes, but Army budget examiners pay abnormal attention to spending, the ultimate

input measure.²⁶ And Army headquarters staffs are still clogging the arteries of the reinventors. Reinventors need help to do battle with their bureaucratic brethren all the way to the National Command Authorities. That is why the PAT should work directly for the Secretary of the Army. The PAT must have the authority to affect regulatory changes and to promote a "speak with one Army voice" process.

CONCLUSIONS

The United States Army will benefit significantly from revitalizing the MCB program. First, it will reduce the resources required to operate the Army's infrastructure and thereby improve the current "tooth to tail" distribution of resources. Second, implementation of a revitalized program will enhance existing strategic and technical level performance by simplifying the processes needed to structure, staff, fund, and operate Army TDA work centers. Third, it will bring Army operations closer to private sector business and industrial practices by adopting operating processes that feature continuously improving quality, customer satisfaction, empowered employees, efficient and effective organizations and performance-related financial operations. Fourth, implementation will bring the Army in closer compliance with public laws and executive

orders relating to making the government work better and cost less. Fifth, the concepts and processes used to improve operations in the TDA Army under a revitalized MCB program could also apply to the non-TDA Army. Sixth, a revitalized MCB program could serve as the first step in a badly needed overhaul of the Army's PPBES and possibly the PPBS used by OSD. And seventh, implementation of near-term objectives is fairly easy to achieve because much of the work produced to implement the original MCB program is still applicable and available.

Just as in the private sector, dollars is the key management factor needed by the Army to manage its assets. This single control feature will provide the HQDA staff as well as the MACOM commanders and operating officials at all levels an essential checks and balances capability to manage their operations. They need only this one factor to assure achievement of the NSS and NMS objectives in the most efficient and effective manner.

It is in the Army's best interest to recognize that MCB is truly a cornerstone in the long-standing effort to provide greater flexibility to commanders, operating officials, and supervisors during times of austere funding. This program actually balances workload with budget authority, reduces infrastructure while increasing quality of support, and keeps the

US Army a "commander's army." The revitalized MCB program allows Army leaders at all levels of authority to implement simplified but effective "performance budgeting" and "activity based costing." It also tightly aligns financial operations with workyear management. However, the most significant advantage of revitalized MCB implementation is that it will pay for itself through reduced operating costs at the same time it improves infrastructure effectiveness and efficiency.

ENDNOTES

¹United States Army. "Increasing Financial Flexibility To Commanders." Electronic message from Department of the Army, Vice Chief of Staff. Washington, D.C.: P 012005Z JUN 90.

²Participants Handbook. "Course Title: Manage the Civilian Work Force to Budget." Civilian Personnel Directorate, Deputy Chief of Staff for Personnel, Administrative and Logistics: August 1991.

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⁴Ryson, Paul D. Manage The Civilian Workforce To Budget. "Course for Military & Civilian Supervisors." Headquarters, Army Materiel Command: Fall, 1991.

⁵Participants Handbook.

⁶Ibid.

⁷United States Army. "Increasing Financial Flexibility To Commanders." Electronic message from Department of the Army, Vice Chief of Staff. Washington, D.C.: P 121345Z JUN 89.

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¹¹Purdum, Gary L. Interview.

¹²Gray, Bruce. Discussion with Paul D. Ryson on methods to defeat the provisions of the Managing The Civilian Workforce To Budget Program within the United States Army, August, 1991.

¹³Wilkinson, William M. Interview by Paul D. Ryson on implementation progress of the Managing The Civilian Workforce To Budget Program within Forces Command, May 1991.

¹⁴Stugart, Harold L. Test of Managing The Civilian Workforce to Budget. Alexandria, VA.: Report of Audit by The U.S. Army Audit Agency, 22 July 1991.

¹⁵Gregory, Ernest P. Interview by Paul D. Ryson on strategy the Army Chief of Staff is following to retain Active Component end strength, July 1996.

¹⁶Ibid.

¹⁷Maroni, Alice C. "DoD Implementation of the Government Performance and Results Act (GPRA)" Armed Forces Comptroller. Vol 41, No 4 (Fall 1996): 23-26.

¹⁸Stugart, Harold L. AAA Audit.

¹⁹Gugliotta, Guy. "Capital Notebook Total Management, Little Quality." *Washington Post.* Washington, D.C.: 3 December 1996, A-9.

²⁰Ibid.

²¹Ibid.

²²Ryson, Paul D. "Course for Military & Civilian Supervisors."

²³Ibid.

²⁴Bowsher, Charles A. Executive Guide Effectively Implementing the Government Performance and Results Act. Washington, D.C.: Comptroller General of the United States, June, 1996.

²⁵Crowell, Stephen. Interview by Paul D. Ryson on implementation progress of the Managing The Civilian Workforce To Budget Program within the United States Army Force Integration Support Activity and force development activities across the Army, June 1991.

²⁶Sperry, Roger. "Reinvention: An Assessment"

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