DoD CONTRACT MANAGEMENT CONFERENCE

1968 DALLAS, TEXAS

REPORT OF PANEL 5

MANPOWER

DEFENSE SUPPLY AGENCY
HEADQUARTERS
CAMERON STATION
ALEXANDRIA, VIRGINIA 22314

29 November 1968

To The Recipients of This Publication:

In the fall of 1968, a DoD Contract Management Conference was held in Dallas, Texas. Attending this conference were some of the foremost authorities in the field of contract management from both government and industry.

The objectives of this conference were to identify the major contract management problems of today and develop specific action programs for their resolution. These participants assembled to identify the long-range trends and problems in contract management and develop actions, plans, and goals to insure an effective and efficient operation in the future.

This publication is a record of the thoughts and ideas expressed at this meeting. It is a record which is being used in developing and implementing the recommendations expressed by these very able panel chairmen and conferees who worked so hard to produce this product.

J. L. HOWARD
Rear Admiral, SC, USN
Chairman
DoD Contract Management Conference

FINAL PANEL REPORT

Panel No. 5

MANPOWER

1968 DoD Contract Management Conference

IMPACT 73

PANEL NO. 5

MANPOWER

PREFACE

The panel conducted a detailed study of the overall field of personnel management within CAS. They reviewed past developments, considered the implications of the present situation, and then announced their coordinated decisions as to the best courses of action by which CAS might strengthen manpower resources in the future. The report treats the subject under five divisions as follows:

I. Requirements Planning

II. Recruitment

III. Career Development and Training

IV. Interface Between Personnel and Activity Managers

V. Development of Key Procurement Officers (Military)

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BRIGADIER GENERAL ERVIN MONTGOMERY GRAHAM, JR

Position: Commanding General
U.S. Army Ammunition Procurement and Supply Agency
Joliet, Illinois

Experience: Brigadier General Graham holds a B.S. degree in Electrical Engineering from Mississippi State University and a M.S. and Ph.D in Electrical Engineering from the Massachusetts Institute of Technology. General Graham has been associated with Ordnance since he entered active Army service in 1941. He served in the European theater during World War II and in Koreo in 1961. He has held various assignments at the Aberdeen Proving Ground Redstone Arsenal in key missile and munitions positions. His professional military education includes the Army Command and General Staff College, the Armed Forces Staff College, and the Naval War College. He assumed his present position in June 1968.

COLONEL PETER R. DeLONGA

Colonel Peter R. DeLonga was born at Beadling, Pennsylvania, on February 11, 1921. He received his bachelor of science degree at Slippery Rock College in Pennsylvania in 1943 and is a graduate of the Advanced Management Program of Harvard University.

After becoming an aviation cadet in February 1943, he was transferred to the Royal Air Force and attended their flying training schools, receiving both RAF and United States wings upon graduation. He was commissioned a second lieutenant in April 1944. He served in the China-Burma-India theater. He was awarded the Distinguished Flying Cross and the Air Medal with one Oak Leaf Cluster during the CBI Tour. His combat record consisted of 86 combat missions and 634 combat hours.

In 1945 the Air Force reinstituted its old Engineering school under the new title of AFIT (Air Force Institute of Technology) at Wright-Patterson Air Force Base. Colonel DeLonga attended the First Class of the Institute, graduating in 1948 with the equivalent of a second Bachelor of Science degree, this one in Industrial Engineering and Logistics. For the next year, he was a research psychologist in the Aero-Medical Laboratory of the Engineering Division of the Air Materiel Command.

Stationed in Celle, Germany, 1949, he was a Squadron Operations Officer during the Berlin Airlift. From 1954 to 1958 he was stationed at Headquarters, USAF; then he went to Inglewood, California, where he was Director of Logistics at Ballistic Missiles Center and later Deputy Chief of Staff for Material and Technical Operations of the Ballistic Systems Division at Los Angeles. On 1 April 1965, he was assigned to the 6200 Material Wing, Clark Air Base in the Philippine Islands as its Vice Commander and later as Commander. He came to the Pentagon for a second tour on 11 July 1967 as Chief of the Operations Division, Assistant for Logistics Planning, DCS/S&L.

MAJOR GENERAL FRED J. HIGGINS

Position: DCS/Procurement and Production
HQ Air Force Systems Command

Experience: B.A. LL.B. University of Montana. World War II experience in Supply and Transportation. Procurement Officer, Air Material Command USAF, 1947-1951. Various Staff Judge Advocate assignments from 1951 until 1967. Has occupied present position since August 1967.

Biographical Information

WILLIAM R. (BOB) BRUCE - Chief, Civilian Career Management Division, Department of the Army.

Responsible for policy guidance and direction of the Department's Civilian Career Management system for key occupations world-wide.

Previous assignments:

Field Representative - In charge of one of five field offices (Baltimore, Maryland) of the Department of Army, responsible for evaluating civilian personnel management effectiveness at field activities and liaison with private industry and other Federal agencies.

Staff Officer, Department of Army's Office of Civilian Personnel, concerned with developing basic career management system and policy.

Deputy Personnel Officer at field activity (Ft. Leonard Wood, Missouri) administering personnel management program for civilian workforce.

Native of Missouri.
Graduate of Southwest Baptist College.

COLONEL CLIFTON O. DUTY, USA

Chemical Corps

Present Position: Deputy Commander for Acquisition
U.S. Army Aviation Materiel Command
St Louis, Missouri

Experience, Etc: B.S. degree, Engineering, Texas A & M University, and M.S. degree, Industrial Engineering, Purdue University. Participated in Industrial Training Program with Union Carbide, Oak Ridge, Tenn. During 1942-1955 served as Troop Commander, Operations and Training Officer, and as Training Staff Officer with the Chief Chemical Officer, HQ DA.

Procurement and Production experience: Director of Procurement for Chemical Corps 1955-1957; taught Procurement and Logistics, Chemical Corps School, 1957-1960; Procurement Staff Officer, DCSLOG and OASA (I&L), 1961-1965; Director of Procurement and Production, Edgewood Arsenal, 1965-1967; Director of Procurement and Production, Army Aviation Materiel Command, 1967-1968. Served as Advisor to J4 Republic of Viet Nam Armed Forces and as Logistical Advisor to RVNAF Logistical School, Regional and Popular Forces, 1960-1961. Graduate of Infantry Advanced Course, Chemical Career Courses and C&GSC.

MR. JENNINGS W. MCLAIN

1. Born - Statesville, North Carolina April 9, 1914

2. Education -

Albemarle High School
Wake Forest College - pre-law
Columbus Law School (Catholic Univ.) LLB
Officers' Candidate School, Quantico, Va.
Various Service Schools

3. Job History

General Accounting Office	-	1935 - 1942
U. S. Marine Corps (Active Duty)	-	1942 - 1946
General Accounting Office	-	1946 - 1950
U. S. Marine Corps (Active Duty)	-	1950 - 1953
U. S. Marine Corps (Civilian)	-	1953 - present

4. Present Assignment

Director, Procurement Division, Supply Department,
Headquarters, U. S. Marine Corps

COLONEL JOHN P. GIBBONS, USAF (RET)

Colonel John P. Gibbons majored in Industrial Management at the University of Kansas. He is a graduate of the Industrial College of the Armed Forces.

Since 1949, Colonel Gibbons has held a series of key positions in procurement, production and contract administration areas. These included assignments to Headquarters, U.S. Air Force, Washington, D.C.; Air Materiel Command, Wright-Patterson Air Force Base, Ohio; and Headquarters, Ballistic Systems Division, Los Angeles, California. Colonel Gibbons represented the Air Force at the Martin Company's Denver, Colorado, facility during the development and production of the Titan intercontinental ballistic missile. Prior to his retirement 1 September 1968, he was Commander of DCASR Chicago.

Colonel Gibbons is presently the Operations Manager for the Astronautics Corporation of America, Milwaukee, Wisconsin. He is in charge of the planning, development, and production of sophisticated aeronautical flight instruments.

MR. JACK LIVINGSTON

Mr. Livingston is the Procurement Management Analyst for the Directorate of Procurement Management, Office of the Assistant Secretary of Defense (Installations and Logistics). He also serves as the Alternate OSD (I&L) Coordinator for the Defense Management Education and Training Board.

He held various positions before entering Government Civil Service. These include the following: Application Engineer, Pomona Pump Company; Regional Manager, Engineer and Sales, Joshua Hendry Iron Works; Manager, Pomona Pump Sales, Chicago Office, Fairbanks-Morse Company; District Manager, Peerless Pump Division, Food Machinery Corporation, Denver, Colorado; President, FIC Corporation, Denver, Colorado; and President, Borden Corporation, St. Croix, Virgin Islands. As Director of Procurement for the Washington Office of Harbridge House, Inc., he served as Senior Instructor for Advanced Procurement Management, Procurement Management for Technical Personnel, Art and Technique of Negotiation, Advanced Price/Cost Analysis, and other courses.

Mr. Livingston has contributed to many DoD procurement projects. He had the primary responsibility for writing the 1965 edition of the DoD Incentive Contracting Guide and served as a member of the Committee which developed the DoD Pricing Guide. He also was the Alternate Chairman of the Procurement Career Development Program.

Mr. Livingston has lectured at various colleges and universities, including San Francisco University, Northeastern University, Hoffstra College, and Rensselaer Polytechnic Institute.

In February 1964, Mr. Livingston was made an honorary faculty member of USALMC in recognition of his outstanding contribution to the Center's guest speaker program.

MR PAUL L. VAN DE MARK

Director, Personnel, DCASR Chicago

Mr Van De Mark attended Arkansas State College and Sinclair University. His experience has involved extensive involvement in mergers, reorganizations, and activation of organizations throughout DoD. Military assignments provided progressively responsible experience in organization and management analysis. Assignments in Civilian Personnel have been of a progressive nature, beginning with Position Classification and extending through Civilian Personnel Officer. Mr Van De Mark has been assigned as a Personnel Officer since 1960 in USAF and DSA.

LT COLONEL MICHAEL J. TASHJIAN, USAF

Position: Executive Officer, Defense Contract Administration Services, Defense Supply Agency, Alexandria, Va.

Experience: Lt. Col. Tashjian holds a B.S. degree from the U.S. Military Academy, West Point, New York and M.S. degree in Industrial Administration from the USAF Institute of Technology, Dayton, Ohio. His assignments have been predominantly in the procurement and production career field, in field offices, national headquarters and mutual aid programs overseas. His education includes one year training-with-industry program with North American Aviation. He was a member of the National Planning Group which programed the consolidation of field contract administration offices, establishing the Defense Contract Administration Services (DCAS). He is currently Executive Officer to the Deputy Director, Defense Supply Agency, (Contract Administration Services).

CAPTAIN IRVING G. COCKROFT, USN

Position: Director, Quality Assurance, DCASR San Francisco

Experience: Captain Cockroft received his education at University of California College of Agriculture and various Service Schools, including Armed Forces Staff College.

He was designated a Naval Aviator in 1942 and has been assigned many squadron and shipboard jobs. In 1959 he was Commanding Officer of Patrol Squadron Forty and Commander Philippine Air Patrol. Subsequently, he was assigned to CincPacFlt as Fleet Operations Logistics Officer. He was formerly assigned to Staff Chief NavMat as Director, Contract Administration.

WALTER G. INGERSKI

Currently the Staff Director, Civilian Personnel, Defense Supply Agency. Has held this position since 1961.

Served as Chief of the Civilian Personnel Division for the Office of the Quartermaster General from 1959 to 1961.

From 1956 to 1959 served as Deputy Civilian Personnel Director, Office of the Chief Signal Officer, Washington, D. C. Also, served as Chief of the Departmental Civilian Personnel Section from 1955-1956 with the Office of the Chief Signal Officer.

From 1946-1955 served as Civilian Personnel Officer at the Decatur Signal Depot, Decatur, Illinois.

From 1940 - 1946 - Varied positions in the Personnel Field with organizations such as the U. S. Civil Service Commission, Reconstruction Finance Corporation, National Youth Administration, and the Civilian Conservation Corps.

In 1935 received AB degree from Eureka College, Eureka, Illinois.

General Chairman, Annual Conference, Society for Personnel Administration, 1968.

Vice President for Chapters, Society for Personnel Administration, 1966.

Married to Doris C. Ingerski. Has two sons, Walter William and Donald Ray. Resides at 945 N. Quantico Street, Arlington, Virginia.

PANEL 5

MANPOWER

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CONFERENCE REPORT

Panel No. 5

MANPOWER

1968 DoD Contract Management Conference

IMPACT 73

PANEL 5 - MANPOWER

ABSTRACT

Manpower is normally considered inadequate in quantity and quality by managers at all echelons. However, the manager seldom fully realizes his responsibility for manpower management and development.

In reviewing a number of reference documents, panel 5 listed the following conclusions about our manpower resources:

a. The average age of the workforce is too high and increasing.

b. The average education level is too low.

c. Experience level is too low and dropping particularly in the military procurement officers.

d. The most severe shortage is in middle managers (GS11-14).

e. We face a tightening and more competitive labor market at a time when skill and technology requirements are increasing.

After some deliberation, it was decided to analyze manpower problems and recommendations in the following 5 subject areas:

I. Requirements Planning

II. Recruitment

III. Career Development and Training

IV. Interface between Personnel and Activity Managers

V. Development of Key Procurement Officers (Military)

Discussion in the body of the report is given in 5 sections covering the above listed subject areas. Recommendations are included in each section. A summary of the most significant recommendations is listed below: (Note: numbers in parenthesis after each recommendation indicates where it is given in the body of the report.)

1. Establish manning standards for use in verifying personnel requirements. (Ia)

2. Establish reporting procedure for visibility of requirements and work-force statistics (Ib).

3. Designate DoD-Wide college relations program coordinator (IIa).

4. Increase entry level for college graduates with bachelors degree to Grade 7 (IId).

5. Provide overhire authorization to permit recruitment of college graduates at time of availability and authorize activity commander to make on-site committments at colleges and universities (IIb & IId).

6. Designate on element of OSD (I&L) and each service (I&L) responsible for establishing, monitoring, and coordinating career programs and training of procurement management personnel. (III)

7. Authorize a 10% "float" of personnel spaces under appropriate controls to be utilized for recruitment, career development and training as invisioned in the 1966 DoD instruction 1430.10 (IIb & IIIg).

8. Provide orientation training for activity managers on personnel operations and for personnel officers on mission activities (IV).

9. Increase the availability of specified military procurement officers by actions to gain recognition of the importance and responsibility involved in this type career. In this regard, steps must be taken to insure equitable promotion opportunity for officers in this field (IIf, IIIf and V).

I. REQUIREMENTS PLANNING

Introduction

The organizational success and effectiveness in every organization is largely dependent upon their having the required number of employees, with the proper skills, at the right place at the right time. Accomplishing this staffing goal can be a significant problem in new organizations. In on-going businesses and Government agencies, however, it should be thought of, or dealt with, as a totality. Even though the primary job of the personnel office is to assist management in attracting, training, and keeping high quality employees, the task is usually organized and handled as a series of relatively unrelated actions, without substantial preplanning and coordination. Indeed, in some personnel offices, the whole process does not begin until a requisition is received to fill a particular position which has become, or will soon become, vacant.

This lack of preplanning may persist, in part, because of the difficulty in gathering and manipulating the data necessary for making realistic forecasts. It is obviously impossible to guess who is going to quit next, or even who is going to seek optional retirement. This is true for military personnel as well as civilian personnel. In fact, the situation is frequently even more unstable for military personnel since requirements for overseas duty, career schooling or operational assignments tend to complicate requirements planning. The precise effects of technological changes on employee numbers and skills are hard to anticipate. Future workloads may be unpredictable, especially in Government agencies where workload can depend more on nature and scope of missions assigned than on an overall long range plan of growth or direction.

Recently, however, two factors have served to accelerate interest in overall manpower planning. One is the increased necessity for planning. There is a growing difficulty in obtaining the needed numbers and skills because of a tightening labor market and the rising technological level of work to be performed. The old practice of setting out to find a replacement for each individual when he leaves the organization's employ no longer works. Substantial delays often occur between a quit and its effective replacement, caused by extensive recruiting and training time. For example, the U. S. Army Munitions Command, Dover, New Jersey, has concluded a study which shows the likelihood of losses of up to 80% of its current workforce within the next five years. Most of these losses are anticipated to be at the critical skill level in grades 11 through 14.

The second factor is the increased practicability of long range planning, by the use of Automatic Data Processing in gathering and analyzing the applicable information. We still don't know who will quit or retire next, but we can now effectively estimate the impact of quits and retire-

and date of loss, keyed to the occupation, salary level, sex, age, location, length of service and many other factors. For quits, the reason for leaving would also be coded. The Defense Supply Agency currently provides this data on a quarterly basis to all functional managers.

Thus, utilization of the information in a Data Bank would make it possible to detect trends and develop other analyses, based upon past experience. For example, a presentation presented to OSD (I&L)) by the DSA representative of the DoD Manpower Planning Board denoting a trend to an aging workforce showed how the average age could be reduced by (1) improving the flexibility to manage retirement losses and (2) by employing (and retaining) younger workers.

Manpower planning is a two-step process of anticipating the future (1) through forecasting manpower needs and (2) developing and implementing manpower action programs to meet the implication of the forecast. To achieve these objectives DoD should have a reasonably accurate fix on (1) the number of new employees that will be needed in a given period, (2) the occupational types, (3) the grade levels, and (4) the locations. Essentially, the answer to these questions is found in the input needed to replace losses, with modifications arising from changes in workload, mission, and technology.

The basic ingredient for the manpower planning approach is, then, a forecast of future losses modified by workload trends. Past experience is the only available significant basis for forecasting future turnover. We do not know who will leave but we can utilize past general turnover patterns as a guide for the future.

The problem is how to identify, organize, analyze and use the turnover patterns of the past.

The influence of changing technologies such as (1) increased mechanization of CAS functions, and (2) CAS work methods, such as reduction of controls on contractors would be considered. In addition, the five year budget forecasts of DoD would be used to develop a correlation factor between CAS manpower vs defense procurement expenditures. Annual update of data for refinement of forecasts would be necessary. One point to be considered is that the functional managers and personnel specialists need to collaborate on manpower planning. Precise and comprehensive manpower planning should result from their joint effort.

Recognition must also be given to the requirement for standard workload data. To obtain maximum benefit from a central Data Bank, the personnel statistics must be matched against workload data to determine priorities in the allocation of people. Hence, coincident with the development of a Data Bank for personnel, a standard format for workload reporting would be necessary. The ultimate objective being to assign

ments by projecting known trends. For example, the Defense Supply Agency, through the use of ADP, has been able to show that in 1973 46% of the personnel in the DCAS Regions (GS-1102, - 11 & -12s) would be above 54 years of age.

A further consideration is the need to develop a common base line for allocation of resources. The continuing trend within DoD to develop standards and the increasing competition among DoD components for limited resources dictate a need for the establishment of firm manning criteria in the procurement field.

A. Lack of Manpower Planning

1. Statement of the Problem.

A. The lack of a DoD manning standard to be used as a basis for allocating resources.

B. The lack of visibility to forecast personnel requirements, military, and civilian, for the next five years, resulting in a lack of a coordinated nationwide effort to develop a pool of new input to the CAS occupational field to replace those lost to industry or through retirement.

2. Specific Comments.

A. Background

There is presently no central planning and policy guidance within DoD for staffing the CAS function. ASD(I&L) recently designated Mr. Robert D. Lyons, a staff member of the Deputy Assistant Secretary of Defense (Procurement), as a focal point for the current DoD manpower study. It is significant to note that (1) he is in the procurement field without supporting personnel staff, and (2) the assignment was in addition to his other duties.

The lack of a permanent focal point for personnel planning is further compounded by a a lack of DoD-wide consolidated CAS personnel data. For example, the DoD Manpower Planning Board found that the Services data collection system could not provide the discrete data requested for analysis by that group.

B. Comments

The forecasting of manpower needs depends on a DoD Personnel Data Bank which would be a fairly comprehensive inventory of the CAS workforce in terms of conventional data such as name, age, grade, occupational code, sex, location, etc. The particular feature of a DoD Data Bank which makes it potentially useful for manpower planning is its historical file. Not only would it contain current information about each employee, but it would maintain a record of changes which have taken place during his employment history. For example, for every loss there would be a coded and automated record, of type of loss (quit, transfer, retirement, etc.)

personnel on the basis of demonstrated need rather than on a basis of existing vacancies.

C. Conclusions/Findings

As a practical matter, we can make little or no immediate change in today's workforce profile. It stands as the product of the planning, or lack of it, done over the past five years. What must be done now is to understand today's problems and trends and to make use of them in planning an optimum CAS workforce for the years to come.

For example, a study by the U. S. Army on military personnel resources in support of contract management functions shows that out of an estimated requirement for end FY 73 for 936 officers only 140 will be available, for a shortfall of 796 officers. A U. S. Air Force study recently completed shows a steady decrease in experience level of procurement and production officers, e.g., in 1963 Majors (O-4) and Lt Colonels (O-5) continued 50% of the middle management resource whereas by 1968 it had dropped to 32%. In short, the pattern evolving from an analysis of current military personnel manning is comparable to the civilian personnel picture of projected shortages of middle and upper level managers in the next 5 to 7 years.

Accelerating changes in technology affecting skills requirements and work processes, and the rapidly evolving character to today's workforce make it unrealistic to assume that unplanned methods of employment and training can adequately meet future staffing requirements. Only aggressive planning and action will insure a workforce with skills and abilities fully commensurate with future mission requirements.

A broad perspective on the part of CAS managers will be required to resolve the complexities of the next five years. One can no longer afford a view confined to near-term objectives and questions. Thorough planning is the key to the future unknowns. Advanced concepts techniques, and systems are emerging which provide the necessary overview and equip managers to deal effectively in unknowns. One such process is manpower forecasting.

None of the DoD components as yet has in operation a central program of forecasting which covers all functions. Such a program would be of inestimable value to management and could assist in solving many of the problems confronting the IMPACT 73 conferees.

A manpower forecasting program must be built on a sound base of information. While the initial information must be comprehensive workforce data and workload projections, subsequent inclusion of labor market projections would be necessary for long range forecasts.

Neither functional managers nor personnel specialists can bring about operationally useful forecasts by independently pursuing their manpower planning responsibilities. A collaborative planning group, composed of

personnel representatives and planning managers from each major function and having the unreserved backing of top management, should be formed. Meeting periodically, the group would debate, clarify, and agree to functional manpower objectives associated with particular dates. The implications of relocations, automation, mission changes, budget, training and development, and present manpower utilization must be defined. Precise and comprehensive manpower needs, firmly based in functional program requirements, would form the product of this group. Proceeding from this, the DoD focal point would formulate refined manpower forecasts and set in motion programs designed to realize them.

3. Recommendations.

a. Develop and establish manning standards as a guide for operating managers to use in establishing personnel requirements in procurement management. The standards should apply to military as well as civilian personnel and should establish the desirable mix (ratio of military to civilian).

b. Establish a reporting procedure and format, specifying essential items of information, to periodically provide DoD-wide information on requirements versus current resources. Requirements should be forecast for five years with annual updates. Recommendations may be developed at each level of management but basic data should be carried through the channel without modification other than consolidation.

c. Establish a central focal point in DoD for review and analysis of data and recommendations, and preparation of necessary policy and action documents.

4. Activity Responsible.

The ASD(I&L) would make this determination following receipt of recommendations of the DoD Contract Management Conference - Impact 73. The following alternatives are offered, in the order in which they are recommended:

a. A DoD Chaired Panel, with membership of the Services and DSA, be established to:

(1) Conduct such additional inquiry necessary.

(2) Prepare implementing DoD Issuances on Personnel Data Accumulation.

(3) Review the annual submissions and develop policy - action directives.

b. DSA, as the principal CAS component of DoD, Chair the Panel, and be the responsible activity.

c. Assignment to one of the military departments or DSA, as an "Executive Agent" on behalf of OSD.

5. Time Phase Schedule for Implementation.

a. Designation of Panel - Within 60 days following issuance of the DoD Contract Management Conference - Impact 73 Report.

b. Issuance of Implementing DoD Issuances on Method and Scheduling of Data Accumulation - Within 60 days after designation of Panel.

c. Review Annual Submissions and Develop Policy - Action Directives First policy - action directive target date - 1 September 1968.

II. PERSONNEL RECRUITMENT

Introduction

A number of factors are responsible for the present, unfavorable, manpower posture of the current workforce of the procurement and contract management occupations in the Department of Defense. A principal area of concern is the aging of the workforce and the inadequate input of "young blood" into our organizations. Increasing age of the workforce, losses from retirements, and lack of competitive entry salaries, probably rank as the most severe personnel problems facing management over the next five to eight years.

Another important factor to be considered is the impact on the nature of this workforce caused by the technological advancements of the work processes. The resulting effect will be to diminish needs for relatively unskilled workers and accelerate the needs for those possessing new and higher skills. Our 1973 workforce will then be constituted of those remaining from today's workforce and those still employed who are hired during the next five years. The exact nature and number of future hires is an unknown factor. However, if present trends in separations and projected retirements continue at the present rates, only forty-five percent of the persons presently employed will remain through 1973.

1. Statement of the Problem

The loss of so many experienced personnel will present many problems. Management must find ways to substantially rebuild the workforce and increase the level of professionalism with people possessing growth potential, higher level of education and the sophisticated skills required to perform the duties inherent in our technological advancements.

Top level management must be made responsible for reacting to these turnover rates and trends, the specific causes, and the kinds of positions and grade levels affected, in order to be better equipped to formulate plans to reduce turnover, particularly at the trainee level, and to plan for the adverse effects sure to result from the drastic retirement rate.

The aging trends, turnover rates, recruiting, training and the retaining of college graduates must all be reacted to, in order that an acceptable workforce posture can be obtained in an economical and timely manner.

At present, each department within DoD pursues college relations and recruitment differently and with different degrees of emphasis. DoD-wide coordination is now lacking which reduces efficiency, economy, effectiveness and a focal point for study and evaluation.

Recruitment is further impeded by failure to provide requirements for entry level personnel prior to the beginning of any fiscal year. The effectivity of a coordinated nationwide effort is impaired in competing on the campuses. As a result, during scheduled campus visits, recruiters are unable to make firm offers of employment to interested and available students. By the time DoD requirements are known, the student has been recruited by another employer. This type of condition deters the receptivity and cooperation with universities and colleges afforded DoD recruiters.

The disparity between federal salaries and those of private industry has manifested itself in several ways. Private industry salary lures have contributed to higher turnover rates, especially among technical, professional, and managerial personnel. Moreover, the competitive position of DoD has become difficult to maintain in the recruitment of college caliber personnel and college graduates. The dollar lag for any one point in time ranges from $900 to $1200.

2. Comments

Retirement losses will reduce the present preponderance of older workers. Vacancies thus created should be filled by younger, better educated workers, thereby balancing the age distribution, lowering the average age level and educationally upgrading the workforce.

Advances in information systems and theories, command and control, and management sciences will have far reaching consequences affecting our 1973 workforce profile.

Various recruitment programs are presently being conducted by the individual services. In addition to direct hire of graduates, other programs are designed to attract undergraduates through the use of work-study and cooperative agreements negotiated with colleges and universities. Increasing attention is being given to cooperative and work-study programs.

All of these programs have proven generally effective in establishing early orientation of students toward employment in our procurement, contract administration and quality control areas and parallel approaches of industry.

Entry level requirements for any fiscal year depends on turnover, changing missions and workloads. The sophistication of these requirements and the quality and caliber of the entry level program is dependent to a large extent on the realism of manpower forecasting which, to date, is untimely and ineffective.

Many times historical data reveals that where spaces and funds were authorized to support entry level personnel, a dissipation has gradually

occurred. Supervisors in these instances have converted the space to employ journeyman level personnel. This defeated the purpose of the trainee entry program.

Activity Commanders and succeeding levels of supervision have not provided entry trainees maximum opportunity or utilization commensurate with their education and capability levels.

3. Recommendations

Assuming the realization of a mandatory requirement that each service and other DoD components prepare a five-year personnel requirements forecast and that simultaneously the budget and manpower spaces are made available commensurate with the forecast, the following actions are proposed.

a. Designate a DoD-wide College Relations Program Coordinator to serve as a focal point to study and evaluate the program.

b. Based on gross manpower needs, rationale could be developed to provide for overhire authorization of the trainee input system as covered in DoD Directive 1430.10, Paragraph V, dated 2 June 1966. This would permit employment and a period of training of the new recruit prior to the occurrence of vacant positions. In order that this may be accomplished, full compliance with the reporting requirement of subject DoD Directive is mandatory by each Activity Commander.

c. Requirements of each department would be merged at the DoD level for use in periodic evaluation and analysis of the nationwide needs.

d. Obtain authority from the Civil Service Commission for increasing the entry level for college graduates with a bachelor degree to grade 7 as entry from the Federal Service Entrance Examination. Also secure from the Civil Service Commission authority to test and rate applicants so that recruiters can utilize delegated authority from Activity Commander to make on-site commitments.

e. Evaluate the propriety of the assignment of goals on a DoD-wide basis requiring filling a percentage of vacancies with college caliber input at the trainee level.

f. Take action to reduce the loss of experienced managers resulting from retirements of military officers at the peak of their usefulness. Selective retention beyond normal retirement point would provide some relief, but the repeal of dual compensation legislation should be the ultimate goal.

4. Responsibility

The ASD (I&L) would make determination, following receipt of DoD Contract Management Conference Impact 73 recommendations.

The U. S. Civil Service Commission would make determinations upon presentation of recommendations from the DoD Contract Management Conference Impact 73.

5. Time Phase Schedule for Implementation

Immediate compliance with reporting requirements of Paragraph V. D. Directive 1430.10, dated 2 June 1966.

Designation of DoD-wide College Relation Program Coordinator within 60 days following implementation of Impact 73 recommendations.

Obtain authority to hire college graduate at GS-7 as entry trainees - within 60 days following issuance of the DoD Contract Management Conference - Impact 73.

Issuance of implementing DoD instructions - within 60 days after designation of DoD Program Coordinator.

REFERENCES

DoD Directive 5010.16C, Defense Management Education and Training Program

DoD 5010.16-C, Defense Management Education and Training Catalog

DoD Instruction 1430.10, Civilian Career Programs

III. CAREER DEVELOPMENT AND TRAINING

Introduction

The increased tempo of operations because of Southeast Asia, the recognition of our aging work force in the Contract Management field, the new technological advances in management tools and in the management sciences, have all focused on the need for a central authority responsible for Career Development and Training plans within the logistics function to insure that our programs meet the needs of our present workforce development as well as those projected to meet the changing needs of the next five years.

A. Adequate Training Programs

1. Problem: To assure that government and college training programs are adequate and available to meet the anticipated needs for development of procurement/contract management careerists during the next five years.

2. Comment: The adequacy and availability of training facilities to meet the needs for developing contract management careerists should be continuously examined from three viewpoints:

a. Are there enough training billets available in courses currently available?

b. Do courses currently offered adequately cover recent procedural/technological changes introduced to DoD?

c. Are courses available in all subject areas of prime concern in the development of functional management specialists?

B. Career Management

1. Problem: To determine whether Career Management programs of the DoD Components are providing development plans adequate to build an effective Contract Management workforce and assignment of authority for assuring effective program administration. To determine whether there is need for establishing a single DoD Career Management Program for Logistics Management.

2. Comment: Not all of the disciplines involved in Contract Management work are fully covered under the provisions of the DoD Procurement Career Programs. An examination of the adequacy of the current and planned programs seems warranted. Such examination should be conducted to assure that career opportunities in the Procurement/Contract Management are

adequate to attract and retain well qualified employees. The review of current programs should include an estimate of the acceptance of the programs by the careerists at all levels. Additionally, supervisory and managerial personnel should be queried to determine whether current programs are adequate and useful instruments for developing plans for (1) meeting management's needs, (2) improving the knowledge and qualifications of careerists, and (3) programming for the absence of employees to undertake instruction. Other areas that could be examined are: (1) problems of employee mobility for training or reassignment, (2) need for expanding the base of required and available programs for executive level careerists, (3) need for crosstraining Contract Management careerists in related areas of logistics, (4) utilization of Career University Educational Facilities to serve as a capstone for overall Service School Training.

3. Specific skills or attitude training should be presecribed:

a. During the junior level emphasis should be placed on providing intensive experience in two or three of the career disciplines of contract management, for example, contract administration, procurement, and quality and reliability. This experience should be coupled with a formal educational program at the graduate level such as the graduate program offered by George Washington University for procurement and contract administration. At this stage, the employee is considered a specialist and his technical abilities are sharpenened.

b. During the intermediate level, developmental efforts should be expanded to provide supervisory and managerial skills including insights into the behavioral sciences, conference leadership, management analysis and financial management. Advanced technical development in the several disciplines of contract management should continue. Development of this nature may be achieved by intra-agency work group assignments without regard to grade level of assignments coupled with selective training courses in the technical areas and human relations.

c. At the senior level, emphasis should be placed on developing conceptual abilities and the responsibilities of top level management. These may best be achieved by high level educational programs for potential executives, e.g., Defense Management, Systems Analysis, Economic Analysis, Automated Management Information Systems, and Exchange Assignments which may or may not be at the same grade level. For pay and personnel action purposes, the employee would retain his official position, grade, and salary.

d. At the Executive or Generalist level, professional development may be achieved by interagency exchange assignments, which may or may not be at the same grade level; educational programs such as ICAF, Brookings Executive Seminars, independent research and opportunities for participating in public relation activities.

4. Recommendations

Identify an element of OSD (I&L) and each Service I&L who will be responsible for monitoring and coordinating career programs for procurement/contracting management personnel. Specifically, charge these responsible offices with the following tasks:

a. Establish and define career patterns in every procurement related series.

b. Delineate training requirements at each grade level in the series, beginning with executive cross-training between series for incoming college graduates.

c. Make reasonable accomplishment of training at each grade level mandatory for promotion with the provision that waiver of this requirement must be approved by the next higher headquarters.

d. Coordinate efforts to continue improvements in training and education opportunity in service schools, OJE, local programs and college programs.

e. Establish a rating system for supervisors to evaluate their performance in education, training and career development of their personnel.

f. Service programs for career development of military officers personnel are adequate; however, insure that adequate numbers enter the program at the 4-6 year career point.

g. Authorize a 10% "float" of personnel spaces for purposes of career development and training outside of mission requirements. This follows the 1966 DoD Instruction 1430.10.

INTERFACE BETWEEN PERSONNEL MANAGERS AND ACTIVITY MANAGERS IN THE DEVELOPMENT OF PERSONNEL RESOURCES

Introduction

The degree of interaction of personnel managers and the activity managers, for whom personnel services and staff guidance are furnished, has a direct bearing on the maintenance of an effective civilian workforce. This sub-topic discussion is directed to an evaluation of the interaction at the various levels of organization and to suggested courses of action which could be expected to result in a closer working relationship and improved understanding by both concerning the roles and responsibilities of the other. Improved relationships and better understanding along with improved communication between activity or functional managers and personnel staffs is a key factor in the development of personnel resources.

1. Comments

a. This subject and discussion relates to the civilian workforce although some of the approaches presented could be applicable in both military and civilian personnel management. It is generally agreed there is a direct correlation between the maintenance of a workforce and the degree of interface or effectiveness of relationships between the personnel staff manager and the functional, line or activity manager. There is substantial evidence of variance in the effectiveness of this interface from one activity to another and from one level to another within a department or agency. There are, however, a number of problems associated with these relationships which are common to most activities and for which a common approach to improvement can be taken. These problems include (1) lack of knowledge or appreciation of the mission or function by civilian personnel staff members and conversely insufficient knowledge of personnel management objectives and plans on the part of activity or line managers, (2) tendency by activity managers to look to the personnel managers staff as "an office of last resort," "a place responsible for keeping me out of trouble" instead of looking to the personnel manager as a link in the management chain that should be involved in activity planning and all other efforts having staffing implications at the inception of plans or projects, (3) personnel managers in many cases have been reluctant to recommend increased latitude for activity managers in such areas as grade determination, distribution of cash awards or determining use of other motivational devices. This hesitancy appears to be related to some fear of a lack of concern for or knowledge of handling these responsibilities in a manner appropriate for the best interest of the total workforce and DoD management.

b. These problems of interface or relationships are not acute but steps need be taken to overcome them. There is little evidence of positive action to change or improve these relationships. Few agency managers receive

specific training or orientation on personnel management policies or practices nor are they formally oriented on procedures of personnel administration. Conversely, there is too little attention directed to assuring personnel managers are fully acquainted with the mission of the workforce they are responsible for supporting. There are planning requirements which provide for inclusion of manpower requirements in the earlystages of the design or inception of new hardware or systems but actual practice reveals that too often personnel managers are not included in the planning processes or feasibility studies and manpower implications are in many instances overlooked or given low priority. Long-range planning effectiveness is also adversely affected by the lack of interface between activity and personnel managers. The automation of personnel data is making available increasing amounts of information (e.g., age, experience, education) upon which to base manpower projections and employee development plans, but these data are not normally sought out or reviewed by Functional Managers and personnel staffs are content with keeping the information within the personnel office channels. Some Departments have adopted the functional chief concept in the career management of a workforce in key occupations but much is to be done to bring manpower planning to an equal with planning in financial, commodity, or hardware areas.

2. Recommendations

a. That initial training covering Personnel Management practices and policies of their Department or Agency be mandatory for Activity Managers and that updating orientation be required at intervals sufficiently frequent to assure current knowledge of agency personnel practices.

b. That orientation to mission and occupational job requirements of the agency be mandatory for key personnel staff members of activities and that updating of their knowledge of mission requirements be made at time of significant change in these requirements.

c. That Activity Managers who have been trained in personnel management practices and procedures be given greater responsibility and latitude for action in such areas as pay administration, and the use of various motivational devices under the guidance of Personnel Managers and subject to their surveillance. It is further recommended that Activity Managers personally exercise more voice in the classification of positions.

d. That one element considered in the evaluation of a manager's effectiveness, at any level of management, be the degree of positive effort made in planning for, developing and maintaining an effective workforce.

e. That one element considered in the evaluation of a personnel manager be his knowledge of the activity mission and his involvement with the Activity Manager in assuring mission accomplishment through effective workforce management and development.

3. Action on all recommendations should begin immediately upon acceptance and approval. Initial training of Procurement and Personnel officials should begin no later than July 1969 and should be a continuing effort to assure the needs of new incoming personnel are met.

V. DEVELOPMENT OF KEY PROCUREMENT OFFICERS FOR CONTRACT MANAGEMENT

I. Introduction

Before discussing development of Key Procurement Officer, the requirements, education, experience, etc., we must first assume that plant cognizance under Project 60 will remain status quo through 1973. In other words, the military departments will retain cognizance of those plants producing highly sophisticated weapons systems specifically oriented toward one military department. The geographical assignment of industrial complexes and/or specific plants to DCAS will continue.

Key Procurement Officers involved Contract Management are Program Managers, Plant Representatives, Commanders or Senior Staff or Operating Officials in organizations whose principle mission is acquisition.

Ideally these officers are military officers and possess a Bachelor's Degree in one of the engineering disciplines as well as advanced business or industrial management training. They must also have demonstrated management ability and be in the top one-fourth of their contemporaries with advanced service schooling commensurate with rank and time in service. They should also have had actual field operational experience with equipment similar to that being produced. Lastly, they should have had previous experience in a program/project office, or material acquisition activity.

II. Problem

Although recent efforts have been made by the military departments to design officer career development programs for Procurement/Logistics Officers, there is at present no identifiable program pointed specifically at developing Key Procurement Officers for Contract Management. This condition prevails because of lack of planning and improper utilization of the existing training courses.

Associated Problem

Lack of career planning for officers to be assigned duty as plant representatives (DCASRs and Plants assigned to military/DCAS cognizance) has resulted in (1) Too frequent assignment of officers to this duty without proper qualifications; (2) An unwillingness of well qualified officers with promotion potential to either seek or accept duty in this field; or (3) Putting a damper on further promotions for those officers who are assigned this duty.

III. Discussion

While there are some real professionals in Program Offices DCASRs and plants, past, and some present, officers have in many instances been

assigned this duty as a result of "being available for assignment," "knowing the detailer," "knowing a senior commander in the procurement area," or "requesting such duty as a terminal assignment nearest his desired retirement home." For the most part, he has received little training in the procurement/production area. He has lost his promotion potential and has little incentive to really produce.

A. Officer Profile

In reviewing the reasons for this situation, we find that the military departments have placed emphasis on operational command and have had small regard for the procurement aspects, particularly field contract administration. Those officers who either chose or were detailed into the business of managing contracts have generally not been selected for advancement along with their contemporaries. This has been true despite the fact that the education level for officers in key procurement billets is generally higher than the level attained by the average officer. Throughout the DoD, approximately 81% of the officers in procurement/production have a BA, and approximately 23% have advanced degrees.

The three military departments have provided training to Key Procurement Officers, varying from none to "training with industry" and the AFIT graduate logistics course; however, there are officers who have had graduate procurement training or training with industry but who have not served tours in Key Procurement Billets. Also, many officers with this requisite background, although in "the system," cannot be located because their MOS/NOBC or specialty code does not reflect their procurement training/education and qualifications.

B. Staffing

The three departments have established Position Identification Codes for procurement/production specialists to varying degrees. For example, the Air Force has three basic codes to identify Procurement/ Production Officers; the Army has six MOS's in the broad procurement lostistics area. The Navy, on the other hand, has many billet designators which identify officers for Procurement (buying), Weapons Engineering, Electronic Engineering, Naval Engineering and Aviation. Officers assigned to field contract administration offices are generally selected from one of these broad designator codes. Departmental Officer Classification Manuals fully describe these codes and the requisite education and experience.

For the most part, key procurement billets within the individual departments and DSA are staffed with officers of broad experience or "generalists." Supporting rationale is:

> Military Procurement Officers, particularly "Plant Reps," are Managers and require a broad knowledge of all the specialties

of Procurement/Production. Specialist expertise is provided by the younger officers and civilian counterparts. Regardless of the nature of the situation, the same good principles of management and procurement practices, and the same sound judgement as in any other management position, apply.

The Army recently published AR 614-113, Procurement Officer Program, which provides guidelines for selection and assignment of Procurement Officers. The Air Force established an aggressive, centrally controlled program to develop and control Procurement/Production Officers to man AFPROs, Program Offices and key headquarters billets. This program is now under revision. In the Navy, assignment to billets in Program/ Project Offices and at plants, shipyards and other industrial activities is controlled by each Systems Commander. Selection for assignment has been based on service reputation and little or no training has been provided in the Procurement/Production functional fields.

C. Requirements

Gross DoD officer requirements for Key Procurement billets and junior officers at activities such as Program Offices and Field Contract Administration Offices at eight DCASRs or Plants under cognizance of the military departments and their associated headquarters are approximately 2400. In order to assure filling these billets with officers of requisite qualifications and to provide for the normal individual officer progression, rotation and training, we must clearly identify and dedicate to the Program, total numbers in the order of 3 to 1. In short, about 9000 officers must be identified to the Procurement Production Profession at all times in order to fill junior positions and Key procurement billets.

D. 1973 Requirements

In 1973, the officer force for Procurement/Production will in comparison to the present, based on present programs, be:

1. Approximately the same size.

2. Slightly better educated.

3. Less experienced as a group.

4. A leveling of the trend toward increasing numbers of junior officers compared to total population.

5. No appreciable change in the retention rate of junior officers.

It is essential that young officers be motivated and brought into the Procurement/Production Program and provided incentives which will induce retention in this field. Officers should be brought in after about 5-6 years of operational experience in any field/sea billet and then rotated through the subspecialties of the procurement field. At about his eighth to tenth year of service he should start specializing in one or several related sub-specialties. As he approaches 16-18 years of service, he should then broaden his scope so as to be fully qualified for Procurement jobs of higher responsibility at the senior (05 and 06) level. Of course, training in appropriate service schools and post graduate work must be phased into the career pattern.

E. Education and Experience

The sophistication of procurement disciplines, the expanding volume of procurement and attention focused thereon requires a concommitant increase in personnel. Young officers must therefore be motivated toward procurement with job satisfaction and advancement opportunities must be stressed in order to attract and retain qualified officers.

There is no doubt that today's young officer is much better educated than those of 10 to 25 years ago. The young officer must be afforded training at a level and in an environment which recognizes his attainments and also is stimulating. Unplanned OJT has no place in today's training programs. He must seek a goal and take pride in his accomplishments. The managers of procurement activities have a real job on their hands as they must provide the necessary motivation and personally participate in the training of young officers if we are to meet procurement demands.

IV. Recommendations

In order to retain our present professional expertise in Contract Management activities and to counter the officer losses expected through retirement of WWII officers and the phasing out of "Korea" officers, it is essential that DoD components devise career progression programs which provide for systematic rotation from field/sea operational billets to successively important Procurement/Production billets culminating in assignment to a Key Procurement billet. Appropriate Training in Service and graduate schools must be provided. Retention incentives must be developed.

V. Action Activity - each Military Department

VI. Time of Completion - Implementation must be immediate and continuous.

Seated left to right: Mr McLain, Mr Livingston, Lady unknown, General Graham, Col Delonga, Col Gibbons, Mr Van de Mark;
Standing left to right: Mr Ingerski, Col Tashjian, General Higgins, Capt Cockroft Col O'Duty – alone Mr Bruce

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