



# **NAVAL POSTGRADUATE SCHOOL**

**MONTEREY, CALIFORNIA**

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## **MBA PROFESSIONAL REPORT**

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### **Benefits of an Air Force Contracting Warrant Officer Program**

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**By:        Brian E. Williams  
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                 December 2011**

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**BENEFITS OF AN AIR FORCE CONTRACTING WARRANT OFFICER  
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# **BENEFITS OF AN AIR FORCE CONTRACTING WARRANT OFFICER PROGRAM**

## **ABSTRACT**

The purpose of this research is to develop baseline research that can be expounded by future researchers to solidify the warrant officer track as a solution to creating a better contracting workforce through increased experience and more confidence within the contracting career field. This research investigates the perceived benefits and contrasting effects of adding the warrant officer track into the contracting career field. The assessment uses personal interviews and surveys covering job satisfaction model and expectancy theory. In addition, pay charts and scales are used to assess cost. Currently the Air Force (AF) is experiencing challenges in the contracting and acquisitions career field.

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## **LIST OF ACRONYMS AND ABBREVIATIONS**

ACC	Assistant Commander for Contracts
AFFARS	Air Force Federal Acquisition Regulation
AO	Appointing Official
CAE	Component Acquisition Executive
CMP	Course Management Plan
CO	Commissioned Officer
DAU	Defense Acquisitions University
DAWIA	Defense Acquisition Workforce Improvement Act
DoD	Department of Defense
DoDI	Department of Defense Instruction
DFARS	Defense Federal Acquisition Regulation Supplement
EP	Enlisted Personnel
FAR	Federal Acquisition Regulation
FSS	Federal Supply Schedule
GS	General Schedule
HCA	Head of Contracting Agency
KLP	Key Leadership Position
KO	Contracting Officer
LCE	Lead Contracting Executive

NCMA	National Contract Management Association
POI	Program of Instruction
SAP	Simplified Acquisition Procedure
SECDEF	Secretary of Defense
SOS	Squadron Officers School
TAFSS	The Air Force School System
TAC	Train, Advise, and Counsel
USAF	United States Air Force
USC	United States Code
USD(AT&L)	Undersecretary of Defense (Acquisition, Technology, and Logistics)
WO	Warrant Officer
WOCC	Warrant Officer Candidate Course
WOCS	Warrant Officer Candidate School

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## I. INTRODUCTION

This chapter presents the background, purpose, and research questions, for the proposal of integrating warrant officers into Air Force (AF) contracting. The overall problem facing Air Force contracting is that low staffing and experience have led to poor contract administration and turnover problems. As paraphrased from the article “In Betweeners” the AF stopped making appointments to the rank of warrant officer in 1959 due to not being able to find a proper niche for the rank. The Air Force claimed that the warrant officer did not “fit” into its current rank schema, resulting in another rank that was sandwiched between the enlisted and commissioned officers. However, to fill the gap in middle management, the AF created two higher additional ranks, those of Senior Master Sergeant (E-8) and Chief Master Sergeant (E-9). The creation of these ranks has done little for creating technical experts or filling the void of middle management. *“The Air Force, they contend, is losing the best and the brightest to its sister services by offering no step up for enlisted members other than a bachelor’s degree and Officer Training School.”* (Dorr, 2010)

The purpose of this study is to research the feasibility of changing the organizational structure of AF operational squadrons to include the warrant officer (WO). Warrant officer is defined by the United States Army Combined Arms Center as *“officers that must be technically and tactically focused and able to perform the primary duties of technical leader, advisor, and commander. Through progressive levels of expertise in assignments, training, and education, warrant officers perform these duties during all operations and at all levels of command.”* (ARMY, 2011), Commissioned officers, in the AF, as defined by 10 U.S.C. § 101, U.S. Congress *are typically the only persons, in a military environment, able to act as the commanding officer of a military unit* (GOV, 2011). In addition, we believe we can incentivize and retain our more knowledgeable and experienced enlisted members from the ranks of E-4 through E-7 to stay in service and increase the government’s competitive advantage in contracting. Once an enlisted member advances beyond the rank of E-6, their professional responsibilities will no longer be focused on contract management. The enlisted member enters a political

spectrum that takes aim at networking, managing, upward movement, or retirement. The underlying problem is the lack of technical experts, which should fit into the middle tier of the contracting career field. Currently, there exists no middle tier for allowing personnel to truly specialize in contracting, which has lead to increased contractual expenditures.

The Department of Defense's (DoD) government contracting components have obligated 204,000 contractual actions valued at \$64.9 billion dollars, which equated to 12 percent of the \$535 billion dollars obligated to products, services, and research and development in FY2010 (Correll, 2011). The total workforce is staffed with 8,329 professionals, 2,093 military, 6,309 civilians, and is staffing 270 contracting offices (Office, 2010). Studies by the Government Accountability Office (GAO) and others, over many years, have identified opportunities to gain efficiencies and save costs by consolidating administrative, management, and operational functions (GAO-11-318SP).

As quoted by Edward Deming, *"An organization should create constancy of purpose toward improvement of product and service, with the aim to become competitive and stay in business, and to provide jobs."* (Deming, 2011) The current mindset of the AF leadership contradicts Deming by promoting cuts to personnel in one area and then overloading AFSCs in deficient areas with untrained and inexperienced personnel. This action is centered on cutting costs in the hopes of increasing revenues, which can be disastrous for both the private and public sectors, in addition to the contracting career field (Contracting reform of 1994).

The Federal Acquisition Regulation (FAR) states that agencies shall ensure that sufficiently trained and experienced officials are available within the agency to manage and oversee the contract administration function" (FAR, 37.102(h), 2004, p. 886). According to Professor Steven Schooner, the government lacks sufficient qualified acquisitions and contract management professionals to administer its outsourcing requirements (Schooner, 2004). This parallels many findings in recent GAO reports and an article by General Schakelford who has recognized that AF contracting is stretched beyond its limits with its personnel (Schakelford, 2011). The Inspector General (IG) of the DoD in a 2003 audit of contracts for administrative and management support services

supported the findings. Based on the Schooner and Schakelford reports, leadership has found that the AF acquisition community is not meeting regulations stated in the FAR, as directed by Congress.

Furthermore, the IG supported the findings that the DoD did not have a sufficient number of trained personnel in place to support all of its contracts (IG report, 2003). This has led to bureaucratic reform within contracting. Consequently, Congress has provided more oversight on contractual procedures, pressuring contracting offices to perform better on contracts. Unfortunately, this reform does not strike at the heart of the problem faced by contracting offices in the AF. One of the more notable actions the AF has taken to address the overarching issue includes retention bonuses to military contracting employees to improve turnover. While the retention bonus has improved retention overall, ((Ginsberg-Jones May 2011). more can be done to incentivize our military to continue its commitments to serving this country. With more than 75 percent of the overall spending in service contracts across the DoD, enquiring minds need to assess whether making changes in operational contracting squadrons would improve the overall challenges in the acquisition community.

The experience of the writers and some researchers on this subject indicate that poorly trained and inexperienced personnel who are assigned to contract administration pose a significant risk to successful contract performance (Allen, 2005). This conclusion can be drawn because inexperienced personnel are not as productive as experienced personnel in most cases. Therefore, it takes longer for contracting offices to get goods and services to those in need, which can translate to lives lost. By taking a vested interest in the development of contracting personnel, we can avoid or limit situations like Iraq and Afghanistan, where billions of dollars were lost on poor business dealings (Miller, 2006) due to inexperienced contracting personnel.

A possible solution to the problem we have highlighted is a reorganizational effort to implement warrant officers (WO) to improve the quality of our contracting personnel, increase the career field's competitive advantage, and potentially save the AF millions of dollars. We suggest that the AF contracting WOs could serve as the catalyst and

cornerstone for the contracting career field, helping with retention and improving spending by keeping experienced personnel in positions where decisions on the expenditure of taxpayer dollars are made every day

In the next chapter, a literature review is conducted to help readers better understand the material being researched. The research study rethinks the organizational structure of the acquisition community to meet the challenges of the complex environment of business in the 21st century. The study will be broken down into three sections to address this problem. In Chapter II, concepts of organizational behavior are assessed to create a model that addresses retention and productivity issues with Air Force contracting. In Chapter III, a cost analysis is conducted, based on organizational change, to look at the cost of implementing the proposed changes. Finally, based on the assumptions that the warrant officer will fill experience and staffing gaps in the present structure and save on staffing costs, Chapter V will discuss a training plan that is presented to give life to the program.

This study pertains to the contracting officer rank structure within the United States Air Force. Specifically, this study will investigate the organizational structure of the contracting career field, and the overall cost benefit of adding warrant officers to this structure. Therefore, to address these issues, our research aims to answer the following questions:

1. How will warrant officers fit into the AF contracting system?
2. What are the benefits of having warrant officers?
3. Will having warrant officers incentivize enlisted members to stay in Air Force contracting, helping to retain both experience and knowledge?
4. What type of cost advantage or disadvantage will warrant officers bring to the Air Force?

## **II. WARRANT OFFICER MODEL AND PROPOSITIONS**

This review dives into the turnover and productivity model in Figure 1, which suggests that the introduction of warrant officers (WO) to Air Force contracting may simultaneously improve productivity and reduce turnover. As indicated in the model, we suggest that a WO track will increase job satisfaction and job embeddedness, which in turn, will lead to a reduction in turnover. Moreover, the model suggests that warrant officers will increase productivity as a result of increases in human capital and enlisted motivation. The sections of this literature review provide a better understanding of the variables that ultimately affect an individual's final decision to stay or leave an organization. Additionally, it offers insight into the motivational and human capital factors that impact productivity.

### **A. THE INFLUENCE OF WARRANT OFFICERS ON THE REDUCTION OF VOLUNTARY TURNOVER**

The following section takes an in-depth look at the process through which WOs can reduce turnover in the Air Force contracting field. It begins with a general overview of turnover and its predictors and then offers two primary mechanisms (job satisfaction and job embeddedness) through which WOs will lead to reduced turnover.

#### **1. Turnover**

Turnover can be defined as the function of both desirability and ease of movement (March & Simon, 1958). It is important to know that turnover is both involuntary and voluntary. Voluntary turnover is associated with quitting or resigning, whereas involuntary turnover is associated with dismissals, layoffs, deaths, and retirement. Organizations control involuntary turnover but do not control voluntary turnover, thus organizations need to best manage its people to reduce voluntary turnover. As such, this study focuses on the reduction of voluntary turnover in the Air Force. Turnover studies are of great importance because of the desire of practitioners to curb financial cost associated with turnover (Hom & Griffeth, 1995).

The primary predictors of voluntary turnover include: intent to leave/stay, job satisfaction, job embeddedness, and organizational commitment (Swider, Boswell & Zimmerman, 2011). Essentially, the more satisfied or embedded individuals are with their job, and the more committed they are to their employer, the less likely they are to voluntarily leave the organization. Furthermore, some demographic variables (such as age, gender, marital status, and number of dependents) have been shown to influence turnover indirectly through their impact on individuals' intent to find other employment (Wellington, 1993).

The findings of prior research have guided this study to look at two particular cognitive/affective predictors of turnover. Specifically, the variables researched for this study include job satisfaction and job embeddedness. As our model suggests, the increase in job satisfaction and embeddedness, resulting from a WO track, will reduce turnover in the contracting field. Simply put, if Air Force personnel are satisfied with and embedded in their jobs, they are less likely to resign. The following sections examine these two variables and their association with WOs and voluntary turnover in greater detail.

## **2. Job Satisfaction**

Job satisfaction has been defined as a pleasurable or positive emotional state resulting from appraisal of one's job or job experiences (Locke, 2004). Job satisfaction is symbolic of an individual's feelings and thoughts about their job. Figure 2 shows many elements that attribute to job satisfaction. Different predictors of job satisfaction include: skill variety, autonomy, recognition, advancement, creativity, compensation and the work itself (Hackman & Oldham, 1980; Smith, Kendall & Hulin, 1969). As illustrated in Figure 3, when these variables are optimized, job dissatisfaction will be decreased and job satisfaction will be increased (Field, 2008).

Low levels of job satisfaction lead to voluntary turnover (Hassel, 2005; Hom et al., 1984). Based on extensive evidence from research, military members that are dissatisfied with the Air Force will not reenlist (Smith, Holtom & Mitchel, 2010). Furthermore, dissatisfied employees tend to have less drive to produce work at a higher rate and can cause others to do less work, which leads to more dissatisfied employees.

Once employees are satisfied, it is more likely that they will not voluntarily leave the organization. Based on our assumptions and proposition, the predictors of job satisfaction, (advancement, creativity, compensation, responsibility, recognition and accomplishment) the warrant officer can potentially increase each of these areas by creating more upward mobility for the enlisted.

The warrant officer position creates more upward mobility, giving the enlisted personnel more options to advance, and with advancement comes a higher level of authority for employees to use their own ideas to address problems. Furthermore, with advancement, the position of warrant officer will provide higher paying salaries, closing the gap of pay differences to outside organizations and DoD civilians. The warrant officer position is a higher level of authority, increasing an individual's responsibilities and the number of subordinates that must be managed. The warrant officer rank is a position of leadership; therefore, WOs will receive more recognition for the success of their efforts and subordinates.

Finally, the warrant officer position will challenge those who make the rank. The challenges in this position will provide increased responsibility and authority, giving a greater feeling of accomplishment upon completion of a complex task. The end result is that the warrant officer can increase satisfaction and decrease turnover.

*Proposition 1: The introduction of warrant officers into Air Force contracting will reduce voluntary turnover by increasing job satisfaction levels.*

### **3. Job Embeddedness**

Job embeddedness is a multi-dimensional combination of organizational and community influences that affect a person's decision to stay with his or her organization (Mitchell et al., 2001). As our model in Figure 1 suggests, embeddedness is a variable that reduces turnover. Therefore, as individual levels of embeddedness increase within an organization, instances of turnover should decrease. It is important to note that job embeddedness is split into two components: organization-based and community-based (Hassel, 2005). As such, embeddedness suggests that people have many influences that affect their life space and lead them to become embedded in an organization and/or a

community. Nevertheless, given the mobility inherent in military careers, this study is primarily concerned with organization-based embeddedness. Specifically, individuals become embedded in their jobs when: (a) they feel a close link to their organization, (b) they feel that their organizations fit or complement each other, and (c) they feel they would make many sacrifices if they were to break the ties with their organization (Hassel, 2005).

Moreover, Mitchell et al. (2001) hypothesized job embeddedness would account for additional variance in turnover, above and beyond the traditional predictors (e.g., job attitudes and ease of movement). Job embeddedness promotes an image of attachment, suggesting that people who are more embedded are less likely to leave their job (Mitchell & Lee, 2001). This becomes an important factor because when people have a lot to lose in a sense of relationship to job, community and family, they are less likely to leave. This is no different for military personnel, especially: when military members hit ten years, at that point, they feel they have to stay in the military to earn retirement. Based on our assumptions and proposition, the predictors of embeddedness, (organizational sacrifice and fit to organization) can potentially be increased by the warrant officer program, which creates more upward mobility for the enlisted.

The assumption that the warrant officer will increase organizational link, fit and sacrifice to organization is created based on the individuals' increase in responsibility. When employees are promoted, they gain more responsibility in the success and failure of the mission. Work outcomes produced by the warrant officer and their subordinates are reflective of the warrant officer's personal efforts. Their leadership will help people succeed or fail, creating a mentor and ownership bond with the organization. Increased responsibility personalizes the warrant officer's involvement with the organization, strengthening the link between the warrant officer and the organization.

This bond will also clearly define the role of the individual that holds the warrant officer rank. The warrant officer will have a better understanding of how he or she affects the overall success of the strategic mission. This will help the individual to know how they will better fit in the organization. In addition, the bond that is created will lend warrant officers to sacrifice more. If they leave the organization, they are leaving the

people that count on and look up to them. All these factors offer a warrant officer a lot more to lose than their enlisted subordinates. The end result is that the warrant officer can increase embeddedness and decrease turnover.

*Proposition 2: The introduction of warrant officers into Air Force contracting will reduce voluntary turnover by increasing organizationally based job embeddedness.*

## **B. THE INFLUENCE OF WARRANT OFFICERS ON INCREASES TO PRODUCTIVITY**

The following section takes an in-depth look at the process through which WOs can increase productivity in the Air Force contracting field. As suggested in Figure 1, our research indicates that WOs can lead to greater productivity by generating higher levels of human capital and motivation. These variables are discussed in greater detail below.

### **1. Productivity**

Productivity is the ratio of effectiveness (output) to cost of achieving that level of effectiveness (input) (Landy & Conte, 2007). A simplified way of looking at productivity is by measuring the quality and quantity of the work provided by the effort put into the work. Both economists and sociologists have explored work productivity. Economists posit that productivity is largely related to human capital differences (Monk-Turner & Fogerty, 2010). Some of these differences include the level of formal education one attains as well as additional experience at work (Albelda & Tilly 1997; Becker 1964, 1985; Mincer 1974; Mincer & Polachek 1974; Monk-Turner & Fogerty, 2010).

Campbell, McCloy, Oppler & Sager (1993) postulate three determinants of job performance: declarative knowledge (DK), procedural knowledge skill (PKS) and motivation (M). DK deals with having information about a job or task, PKS deals with knowing how to perform a job or task and motivation deals with energy put toward work. Consistent with Campbell et al., our model reflects that higher levels of human capital and motivation will increase productivity as a result of WOs in Air Force contracting.

## **2. Human Capital**

Human Capital is defined as a unit's composition of employees' knowledge, skills and abilities (Ployhart, Iddekinge & Mackenzie, 2011). Globalization, technological advancement and market pressures have forced organizations to change the nature of human capital management (DiRenzo & Greenhaus, 2011). The military is currently giving bonuses to military personnel to retain its people. Furthermore, it is bringing in people from other career fields, but it is not focusing its efforts on those talented enlisted members that would be prime targets for private industry. Though civilian organizations are outsourcing work, and downsizing to lower cost (DiRenzo & Greenhaus, 2011), they are still hiring trained and experienced personnel from the military as a means to increase the company's human capital.

Human capital creates a competitive advantage and is arguably an organization's most precious resource. Human capital creates innovation, develops best practices and problem solves in the turbulent business environment of the 21st century. The distinction that needs to be made with human capital is that scholars consider only unit-specific human capital to create a sustained competitive advantage (Ployhart, Iddekinge & Mackenzie, 2011). Therefore, more specialized expertise in human capital like the warrant officer will have a greater pay-off in productivity than a person that is trained to have general knowledge like an officer.

On-the-job training creates unit-specific human capital, and more importantly, experience. As employees acquire greater experience, their work requires less conscious attention becoming more automatic (Ackerman, 1987). This creates more time for employees to give attention to unique customer needs and improving unnecessary bureaucratic processes. The warrant officer creates more human capital because this rank can only be attained through knowledge and experience in the career field.

Officers and enlisted can make rank without expertise in contracting. For example, both officers and enlisted can cross train into contracting as company grade officers and NCOs. These individuals will be placed in charge of individuals without an in-depth knowledge of the work to be performed. The warrant officer rank will promote

those individuals who have proven themselves in the career field to lead, teach and manage the next generation. Therefore, the training should be superior and the output of work by the warrant officer should be superior. Thus the warrant officer will increase knowledge of the personnel and experience of the overall agency with commitments that should keep their knowledge until retirement.

The human capital in an organization determines its competitive advantages. An organization's goal is to retain its experienced employees to be more productive. There are tangible and intangible skills that individuals bring. It is hard to decipher which set of skills makes one individual more productive than the next. The warrant officer program will focus on those personnel that have talented technical skills with contract management. Those talented employees that take this route will have the chance to rise up the corporate ladder while keeping their experience at the operational level. This experience in the office should translate into increased productivity.

*Proposition 3: Warrant officers in Air Force contracting will generate greater productivity by increasing unit-level human capital.*

### **3. Motivation**

Motivation is defined as the energetic forces that originate inside and outside an employee, initiating effort and determining intensity and persistence of work (Colquitt, Lepine & Wesson, 2010). Motivation exists in two forms, known as intrinsic and extrinsic. Intrinsic motivation refers to the individual's desire to expend effort based on interest in the work that is being performed (Grant & Berry, 2011). Extrinsic motivation refers to the individual's desire to give effort based on interest in receiving a reward. For the purpose of this research, motivation will be looked at with a holistic view of how the possibility of a warrant officer program could improve enlisted motivation in Air Force contracting offices.

Recent research on motivation suggests employees become more creative when motivated. Motivation channels employees to produce ideas that are creative and useful to an organization (Grant & Berry, 2011). It is the goal of organizations, both public and private, to create intrinsic and extrinsic motivation so that a person is driven to improve

performance. Research has shown that people with strong positive motivation tend to have higher levels of task performance. Motivating forces with the strongest performance effect is self-efficacy because people feel a sense of internal confidence to outperform those who doubt their capabilities (Colquitt, Lepine & Wesson, 2010).

To better understand motivation, this study looks at one of many theories that give insight into the topic of motivation. The main theory that applies to our suggested model is the equity theory. Equity theory suggests that individuals look at their world in terms of comparative inputs and outcomes (Landy & Conte, 2005). Equity theory states that employees make cognitive appraisals of their inputs relative to the outputs they receive (Barling & Cooper, 2008). This finding parallels the concept of production, which compares inputs to outputs.

By adding the warrant officer incentive, enlisted that obtain the rank receive greater outcomes such as pay and respect. Moreover, this incentive directly tailors to personnel who have the attitude and aptitude to obtain the rank. This is a potential improvement to the bonus, which does not differentiate the talented from the average. Moreover, enlisted, for the most part, perform the same job as officers and civilians in operational contracting squadrons. Therefore, the opportunity to achieve WO can offer gifted administrators, that don't make it to the officer core, another means to progress with their talents.

Once again, as depicted in the model, the warrant officer should touch on both extrinsic and intrinsic motivational forces that improve productivity by bringing more equity between talented enlisted and the officers and civilians they work next to in operational contracting offices. Thus, the warrant officer will have an affect on intrinsic and extrinsic motivation that should increase productivity in contracting organizations.

*Proposition 4: Warrant officers in Air Force contracting will generate greater productivity by increasing the motivation of enlisted personnel.*

#### **4. Synthesis**

Job satisfaction, embeddedness, motivation, and human capital are all areas of concern that the contracting community is trying to improve. The question becomes how

does the Air Force keep its experience and the right personnel? Contracting needs people who display positive aptitude and attitude toward contracting in administration as well as entrepreneurial/business savvy. The Air Force is in direct competition with private organizations and other government entities that are looking for the same qualities.

Furthermore, other organizations, like the Army and private industry, are offering desirable job alternatives. For example, the Army is offering civilian jobs at GS-11 or higher that are equivalent to work performed by Air Force enlisted. The catch is that the civilian jobs offer around two times the base pay of enlisted employees ([www.militaryfactory.com](http://www.militaryfactory.com); [www.opm.gov](http://www.opm.gov), 2011). Private industry, in some cases, can pay three times or more the enlisted pay rate ([www.payscale.com](http://www.payscale.com), 2011). These options make it challenging for the Air Force to maintain its experience. Based on the research found in the review of literature, the warrant officer will create two outcomes, as seen in Figure 1. By way of increased job satisfaction, embeddedness, motivation and human capital, the warrant officer will improve productivity through increased experience, and reduce turnover by giving quality enlisted members another road on which to excel.

## **5. Analysis**

We attempted to test the propositions described in this chapter through both quantitative and qualitative methodologies. A survey was created to assess the influence of WO on turnover via job satisfaction and job embeddedness. We were unable to acquire an appropriate sample for quantitative statistical analysis of this process. As such, that portion of our study remains theoretical in nature and we call for future research to test our first two propositions on a sample of enlisted Air Force personnel. We were able to address Propositions 3 and 4 through qualitative methods. Interviews were conducted on commanders of contracting squadrons aimed at studying predictors of motivation and human capital. The interviews helped researchers gain insight into the relationship between WO and productivity, through presumed increases in human capital and motivation. The research questions addressed in these interviews include:

1. What are the benefits of having warrant officers?
2. How will warrant officers fit into the Air Force contracting system?

3. Will having warrant officers incentivize enlisted members to stay in Air Force contracting, helping retain both experience and knowledge?

The interview consisted of twenty-one questions. Ten questions were reserved for motivation and eleven questions reserved for human capital (capability). A total of four commanders were interviewed in the process with an average of 18.125 years of experience. Two lieutenant colonels and two majors were interviewed.

## **6. Human Capital Analysis**

We attempted to answer research questions pertaining to the benefits of having warrant officers and how warrant officers fit into the AF contracting system. Proposition 3 suggested that warrant officers will improve productivity through increased experience. Based on this proposition, questions were asked about benefits of warrant officers and how commanders would use them. During our initial analysis, interviewees determined that efficiency in contracting positions could be attained anywhere between four to fifteen years. After averaging the interviewees' statements, we concluded that contracting professionals require approximately seven to eight years experience to be efficient in fulfilling contracting position duties.

The problem that contracting squadrons are seeing is that they are losing people with experience of four years or more to voluntary turnover. Furthermore, these people are being promoted to positions where they perform functions that directly affect the output of contracts. The first question of the interview was direct. Commanders were asked how they think warrant officers can improve mentorship in a contracting squadron. Three of four commanders believed warrant officers would be good for the organization and improve mentorship in the squadron. One commander specifically stated that "senior members would always be good for any organization."

Another commander discussed the benefits warrant officers bring because they hold time and rank. He stated that "more responsibility could be given to warrant officers because they do not have the newness of the CGO, they are close enough to the work to keep a good perspective on the mission and they have the training to accomplish complex tasks." The one commander that was skeptical of warrant officers improving mentorship

in the squadron believed they would not provide any more mentorship than SNCOs and NCOs who are doctrinally required to provide mentorship to enlisted airmen.

This is a valid concern, but the differences researchers see between NCOs or SNCOs and warrant officers are rank, warrants, and higher level responsibilities within the organization. First and foremost is rank, which gives warrant officers more power, respect, and authority to execute their decisions. Secondly, warrant officers hold an actual warrant and would be able to provide better guidance on requirements to complete a contract. NCOs and SNCOs are not awarded warrants in many squadrons. Thirdly, NCOs and SNCOs are required to fulfill squadron superintendent and first shirt duties as the highest-ranking enlisted members of the squadron. The responsibilities and time requirements associated with these positions pulls them away from their contracting duties.

In most cases, contracting SNCOs hold superintendent positions in squadrons that do not administer contracts. Being absent from offices that administer contracts, SNCOs and NCOs will not be as connected to daily contracting operations and requirements. Warrant officers, however, who are designed to work directly within the offices that administer contracts, will be present, active and directly leading those operations. Finally, contracting is filling most of its NCO positions with cross trainees. Cross trainees are pulled from other career fields, such as security forces or manpower and personnel and expected to permanently, proficiently perform contracting duties. Cross trainees will have less than four years experience, and by the time they become efficient contract administrators, they are being promoted and no longer administering contracts. The apparent problem is that the Air Force depends on NCOs to train our CGOs and airmen.

The high-cross training and turnover rate leaves inexperienced people, the blind leading the blind, so to speak. In some cases, the airmen are the most capable members of flight without truly being the expert that is needed. This, in itself, brings a number of problems because it can hurt the psyche of airmen with regard to the level of respect they have for their leadership. To this point, one of the most experienced commanders interviewed stated, “we have flooded the career field with too many cross trainees and inexperienced civilians that we no longer have the mid-level experienced NCOs to teach

our younger force how to succeed.” This leads to how we see warrant officers adding productivity and fixing this problem. As stated earlier, all commanders agreed that more experience is needed in the squadron.

The most important area that commanders perceived warrant officers would help was in the training program. Most commanders would prefer their warrant officers to run this program. To conclude our section on human capital, the commanders had a 50/50 split on how they perceived the warrant officer affecting officers and the enlisted personnel. Two commanders believed warrant officers would not have a significant affect in a contracting squadron.

Their biggest concerns were the negative affects warrant officers would have on the dynamics of officers with the enlisted and the senior ranking enlisted. Most people would argue that enlisted personnel with 20-plus years should be in a strategic leadership role. We disagree with that notion. The strategic leaders and managers in contracting offices should be the officers and civilians. What the Air Force contracting office is missing is the middle tier expertise that can manage the detailed nature of contracting work.

This falls in line with what the other two commanders perceived. They saw warrant officers as having a good impact on the squadron. One commander said that he saw the benefits of the warrant officer directly improving “mission focus, professionalism and attitude overall.” Based on the interview responses, it is concluded that the warrant officer position can increase productivity in the office through increased experience (human capital).

## **7. Motivation**

Proposition 4 indicated that warrant officers will improve productivity through increased motivation. Our analysis starts with interviewees’ perspectives on the question, “What do you believe motivates your airmen to work most?” We start with their quotes:

*Having clear direction training and ownership of their duties and responsibilities as well as a disciplined environment where expectations are set.*

*Decisive leadership, training, and camaraderie.*

*Mission, being part of a team, and not wanting to let other airmen fail.*

*The underlying issue that they are part of something bigger than themselves. I believe they understand what they do all day, every day is directly tied to the USAF mission and are depended upon very heavily to make things happen.*

What is deduced from these quotes is that leadership is highly valued by the enlisted workforce. Currently, the military is a voluntary force. Furthermore, we take the position, from their quotes that they perceive a large proportion of enlisted personnel joined the military because they wanted to serve their country. When the question was asked about what motivates enlisted personnel the least, the following answers were given.

*Negative reinforcement and lack of appreciation for what they do. Hostile work environments.*

*Poor or unexplained decisions from leadership, lack of authority/empowerment.*

*Any type of conflict. Feeling disrespected as a person, would drive an airmen to work less as a revenge factor.*

*Poor leadership and morale.*

A common theme is seen in factors that motivate and demotivate enlisted personnel and leadership. If leadership is good or bad it will affect the motivation levels of the enlisted. Commanders and SNCO's can be great leaders, but sometimes bad or inexperienced middle management can undermine their efforts. What was seen in our research of squadrons is that NCOs and CGOs fill middle management. In most cases, CGOs in operational contracting have less than four years' experience.

Contracting is filling most of its NCO ranks with cross trainees. The result is that most of the technical experts have less than four years' experience and, therefore, many junior enlisted personnel have equal or greater experience than their bosses. This hinders

middle management's ability to give clear direction and leadership in a technical field and can hurt morale directly. All the commanders interviewed unanimously concluded that the enlisted personnel would like to see more experienced military personnel in contracting. It is safe to assume that they all know that there is a deficiency affecting operations and morale.

This brings us to the final question for the purpose of this analysis, which was how the commanders believed the possibility of a warrant officer grade motivates the enlisted personnel. The responses were similar in that there was uncertainty in how the warrant officer grade would motivate the enlisted. One commander suggested it would affect "only a few select that are the very best technicians that would be motivated to attain the rank." Another commander saw the warrant officer grade having a minimal effect. He believed that airmen are more motivated to become senior enlisted. Another commander believed "it would only affect career airmen who were going to stay in anyway." The final commander was also neutral on the topic saying that "only a few select would work for it."

The warrant officer grade would be an incentive for those enlisted members that have the aptitude and attitude for the job. This incentive would not attract those people who do not have an aptitude or attitude for the job. It would be focused on filling the experience gap that currently exists. This could be an improvement to the CRSB (critical retention and skills bonus) that does not discriminate who we keep in Air Force contracting. Instead, the CRSB incentivizes productive and unproductive employees. Warrant officers would boost extrinsic and intrinsic motivation for those personnel who want to write contracts and avoid politics.

The next point made by the commanders was that a majority would like to see more warrants in the squadron. The only contrasting thought to the idea of having more warrants was that warrants must be balanced with the workload. As we know, contracting actions and dollars have been on the rise and the acquisition workforce has been cut. There is an effort to increase the workforce, but we are doing this by hiring people without experience instead of figuring ways to keep our experience. The warrant officer position will help contracting squadrons by increasing the number of people in the office

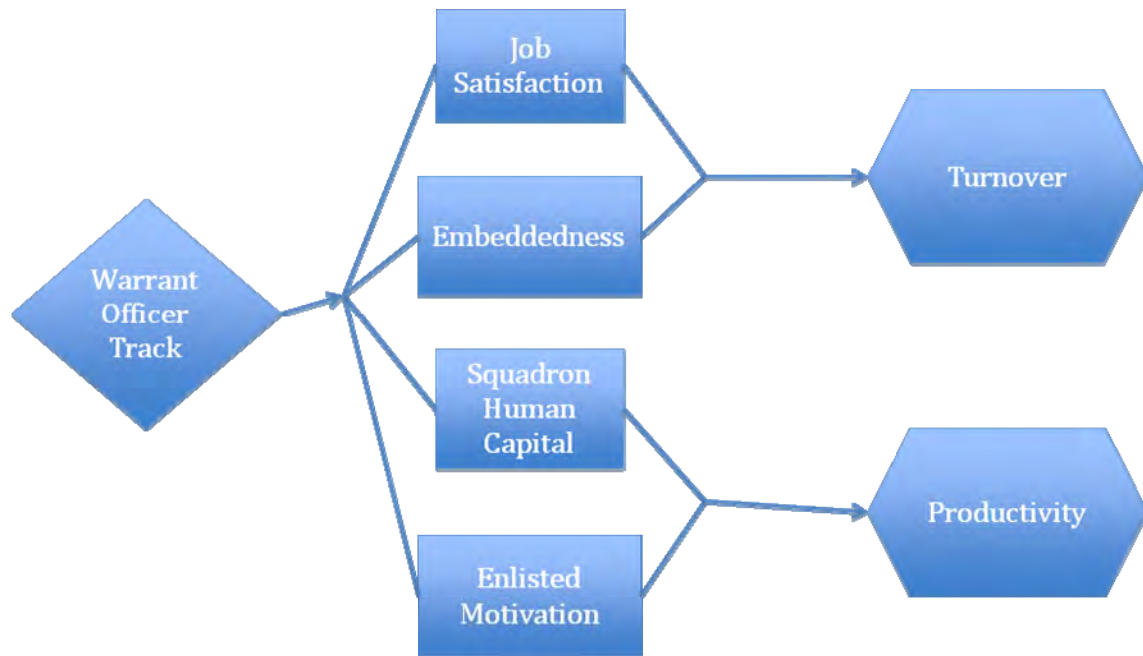
that can sign for contracts. In one commander's opinion, "this in itself would increase morale, produce a higher quality of contracting specialist that would award requirements faster."

Going back to the research questions, the first question asked was how would warrant officers fit into the AF contracting system? The answer that we gleaned from the commanders is that they can see the warrant officer working as a training officer. They also suggested using the warrant officer as a customer liaison creating programs like a customer college to educate base personnel and vendors on the acquisition program. The second research question asked was about the benefits of having warrant officers? The commanders' responses varied from mentors to training managers to customer liaisons and expert contracting personnel. The benefits are as numerous as the imagination of the leaders that are commanding warrant officers.

The final research question, that was answered indirectly, was whether having warrant officers would incentivize enlisted members to stay in Air Force contracting, helping retain both experience and knowledge. A majority of the commanders were torn by this question, believing that warrant officers would have a minimal affect on incentivizing enlisted members to stay in Air Force contracting. The enlisted personnel will be motivated by having more experience to lean on, but not all enlisted will be motivated by the opportunity to reach the warrant officer ranks. Either way we look at the situation, the warrant officer track, based on the comments of the commanders, can increase productivity by increasing human capital and motivation.

# Turnover & Productivity Model

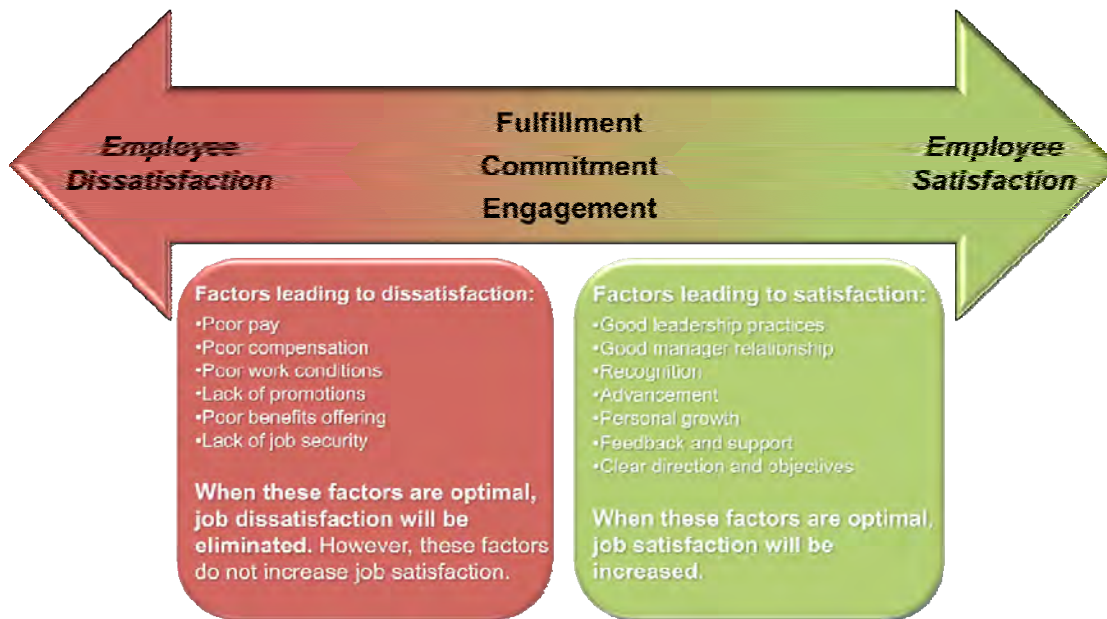
Figure 1



**Figure 1.** Turnover & Productivity Model



**Figure 2. Facet of Job Satisfaction (From Hackman & Oldham, 1980; Smith, Kendall, Hulin, 1969)**



**Figure 3.      Satisfaction Model (From Field, 2008)**

### **III. ORGANIZATIONAL CHANGE**

#### **A. INTRODUCTION**

Organizational change is the study of change, development, and transformation in organizations (Barling & Cooper, 2004). In the last two decades, authors have increasingly framed organizational change as a strategic imperative (e.g., Oswick et al., 2005), citing major modifications in government regulations, global competition, and technology as factors that contribute to the need to implement change on an ongoing basis (Barling & Cooper, 2004).

The policy that directs change in the U.S. Air Force acquisition community is WSARA, 2009. One of the initiatives of this policy is to strengthen the acquisition workforce to have the capacity in knowledge and experience to address the procurement of goods and services (Kendall, 2011). The U.S. Army is already taking steps to implement change to their contracting offices and the Air Force should follow suit.

The Army is seriously considering warrant officers in their contracting offices. They plan to grow their force by offering a blue to green program where Air Force NCOs will attain the status of Army warrant officer (Hess, 2010). As discussed in the last chapter, opportunities in the external environment can increase employees' intent to leave. This offer by the Army will incentivize many Air Force NCOs to voluntarily leave for increased pay while maintaining military benefits. Therefore, there is cause for the Air Force to change aspects of its organization to secure its human capital.

Different types of organizational change include episodic and continuous changes. Episodic change describes changes that are infrequent, discontinuous, and international (Barling & Cooper, 2004). Episodic changes occur during periods of organizational disequilibrium started by external events like a decline in organizational performance (Barling & Cooper, 2004). Continuous change describes changes that are ongoing, evolving, and cumulative (Barling & Cooper, 2004). These changes occur in response to

everyday contingencies and circumstances (Orlikowski, 1996). Changing Air Force contracting offices to include the warrant officer is the proposed change this study looks at.

Episodic change is hard to implement because it requires deliberate efforts from change agents to fight organizational inertia (Barling & Cooper, 2004). In the last decade, the Air Force tried to implement episodic change with the Air Force Installation Acquisition Transformation (IAT) program. IAT was designed to create the most efficient and effective installation acquisition organization, consistent with the goals of Air Force Smart Operations for the 21st century (AFSO21). However, during the implementation planning, several factors caused Air Force contracting leaders to relook at the risks involved.

Lessons learned from other transformation efforts, coupled with the economic downturn, indicated that few of the personnel needed to staff the regional groups would actually move. In addition, infrastructure and information technology upgrades failed to materialize, contracting operations and deployment tempo elevated, and key stakeholders, while agreeing on the need for IAT, voiced concerns on the implementation (Force, 2009). The lessons learned have been taken into consideration and the proposed change of the warrant officer does not ask for as much sacrifice.

For the purpose of this study, a current and typical operational contract organizational structure is examined compared to the proposed organizational structure with the warrant officer. We will explain in more depth the Air Force contracting organization and warrant officers. From there, we will compare the organizational structure of a current Air Force contracting office to the proposed design that will include warrant officers. We will break down how the new structure can improve upon the old structure and this will lead into the next chapter where we will analyze the cost benefits of making the change.

## **1. Air Force Contracting**

To begin, an Air Force contracting office is a unit that negotiates the sale of reliable, durable, high-quality supplies and equipment at the right time and place in order

to ensure mission success. Contracting helps ensure that Air Force units are well-stocked by managing contracts for commodities, services, and construction. Contracting units also follow marketing trends, evaluate offers, gather supply sources and consolidate and share their findings to maximize efficiency and set appropriate terms in contracts. The contracting organization ultimately ensures that contracted systems and functions are responsive to mission needs and in keeping with regulatory requirements.

## **2. Key Functions and Tasks**

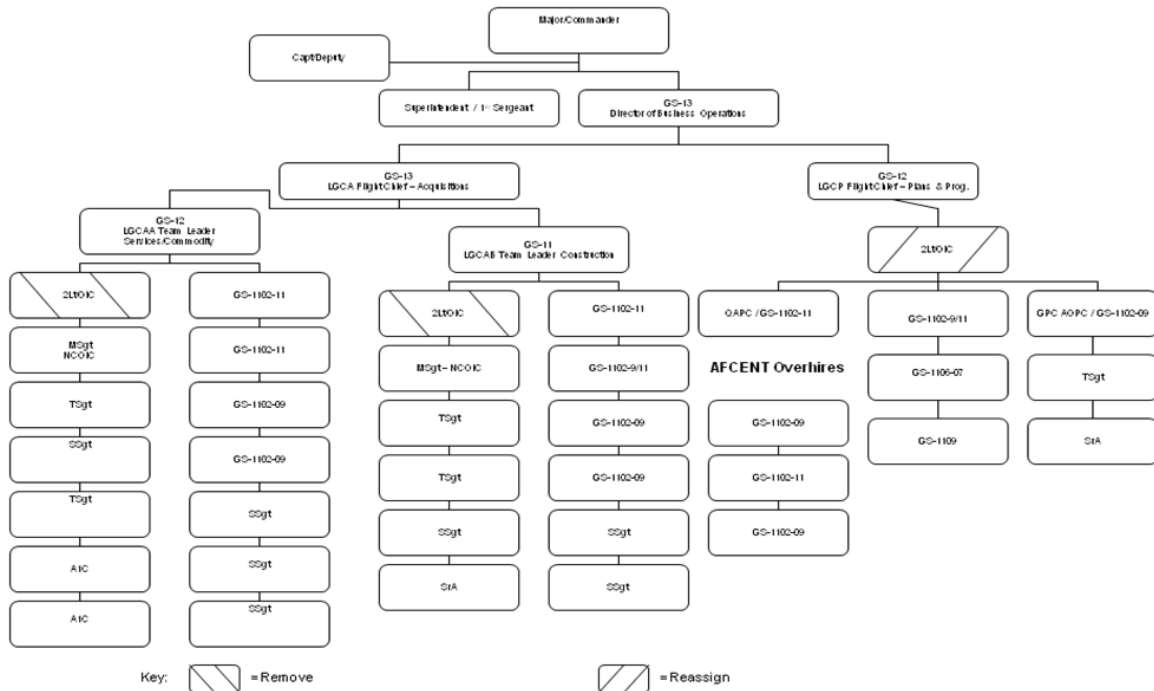
- Plan and organize contracting operations
- Establish organizational structure and personnel
- Select contract sources, negotiate and ensure compliance

(Defense, Careers, 2011)

There are two designations of personnel in contracting offices. They are either contracting officers or contracting specialists. As stated by the FAR, a contracting officer is an agent who has the authority to enter into, administer, or terminate contracts and make related determinations and findings. Contracting officers may bind the government only to the extent of the authority delegated to them. Contracting officers shall receive from the appointing authority clear instructions, in writing, regarding the limits of their authority. Information on the limits of the contracting officers' authority shall be readily available to the public and agency personnel. No contract shall be entered into unless the contracting officer ensures that all requirements of law, executive orders, regulations, and all other applicable procedures, including clearances and approvals, have been met (University, 2011).

The official definition of a contracting specialist is not stated in the FAR, however, they advise the government and contractor personnel on contracting related issues. Additionally, they assist in the award of contracts by preparing documents, processing transactions, and maintaining files applicable to automated contracting

systems and other electronic methods. The most significant aspect is that they are not authorized to obligate the government. Therefore, they cannot make any final decisions as to whether the government will or will not make an award.



**Figure 4. Typical Organizational Structure Without Warrant Officers**

Figure 4 shows the organizational structure of a contract office of an Air Force base within the continental United States. The structure is similar to what will be found in all bases in the continent of the United States and outside. Structures will differ slightly based on the size and type of mission. Some bases have as few as twenty-five personnel and others may have thirty-five or more. Some squadrons will separate offices by the items purchased. Therefore, construction purchases will be separated from services and commodities purchases.

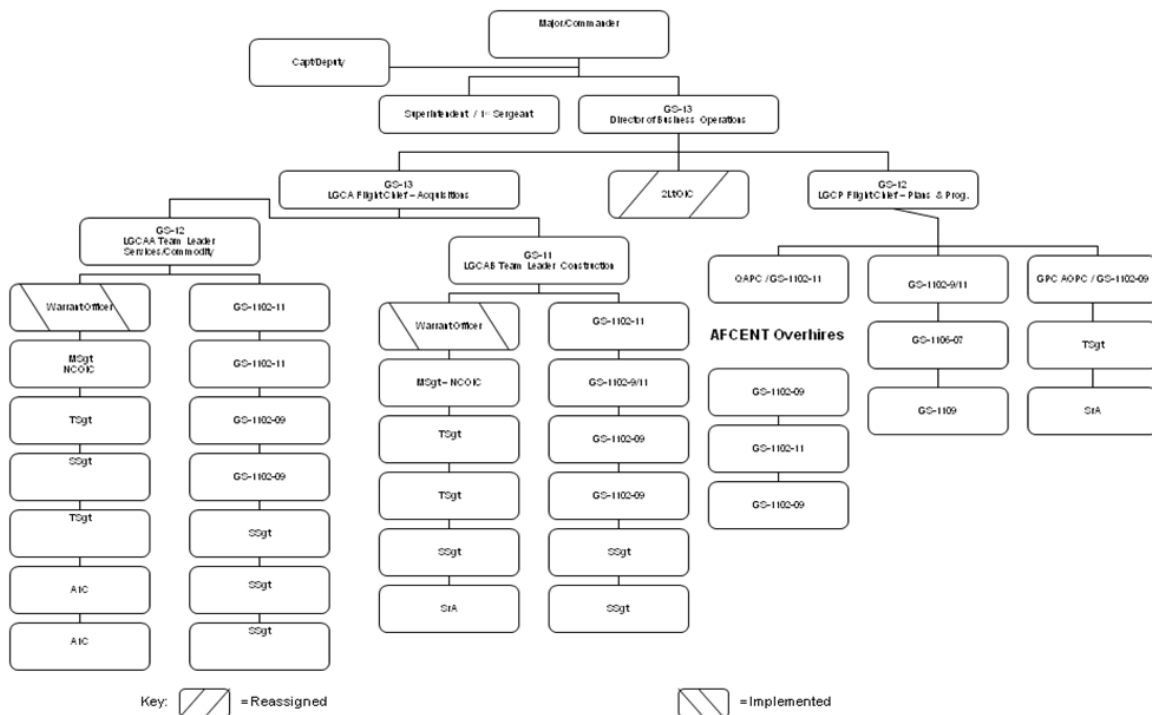
The managers of these offices can be called flight chiefs or team leads. In most cases, these are the only positions eligible to sign contracts that obligate taxpayer dollars based on the current organizational structure. As described in their core documentation, these personnel act as managers in their area of expertise. In the example, we see that the

office manager gives oversight to both construction and service contracts. In the current structure, the LGCA and LGCB team leaders will be headed by civilians. These team leaders or flight chiefs will distribute workloads and manage all the respective work in their area of expertise. In addition, the team leader or flight chief will usually have a warrant and sign for a majority of contracts within their area of expertise.

The next person in charge of these structures will be a company grade officer. The company grade officer is considered the officer in charge and acts as an assistant manager. The company grade officer will assist the civilian team lead or flight chief in managing all contracts in their office. It is typical to see 100 or more contracts flow between each office. Members under the company grade officer to include the company grade officer will administer these contracts. Under the company grade officer is the noncommissioned officer in charge (NCOIC) who will be the highest ranking enlisted person. It is the job of the NCOIC to deal with all enlisted personnel matters in addition to administering contracts. The NCOIC will most likely not hold a warrant and will be a contract specialist.

The Company Grade Officer (CGO), NCOIC, and everyone else under these positions, both civilian and military, will be contract specialists, performing contract administration. The squadron commander, squadron superintendent, or the CGO may assign additional duties to military members as required. These additional duties can include functions such as Unit Fitness Program Monitor, Unit Deployment Manager, Unit Training Manager, or fill-ins for squadron superintendents. These additional duties can disrupt the oversight and administration of contracts.

Based on an analysis from Dr. Michels, the current structure strains the ability of the installation contracting community to effectively perform its mission (Michels J., 2009). The findings of Dr. Michels support the analysis of the writers of this article that there is room for improvement in this structure. Therefore, the focus area of change proposed by this study is on the military personnel level currently held by CGOs. The suggested proposal is removing CGOs from the deputy position (assistant manager) and inserting the warrant officer.



**Figure 5. Organizational Structure with Warrant Officers**

The revised organizational structure with warrant officers will apply at operational contracting units. A substantial portion of warrant officer selectees will be introduced to the program from within the current contracting acquisition workforce. The realignment in personnel under this structure consists of repositioning a CGO under the supervision of the Director of Business Operations, (DBO) who is the head civilian of the entire contracting organization. Moreover, the warrant officers will fill deputy flight lead of construction contracting offices, LGCA, and service contracting offices, LGCB, respectively.

The roles and responsibilities of the DBO provide the necessary oversight and direction to the entire contracting unit to ensure successful market research, acquisition planning, contract award, contract performance management, and interpretation of contract law (Force S. o., 2005). As supervisors of newly assigned CGOs, DBOs will guide in the full range of contract management to include all pre and post award functions. This will provide future squadron commanders the overarching understanding

of contracting practices and procedures beneficial in their career progression. The next change is incorporating warrant officers into the deputy flight lead position.

The implementation of the warrant officer in the deputy flight lead position will not change the roles and responsibilities of the position. However, warrant officers can aid in achieving efficiency by bringing another warrant to assist the flight chief/team lead. Their unique technical expertise in the revised structure can directly minimize the contractual touch time. Additionally, under the current structure the lieutenant is limited in experience when it comes to making essential procurement decisions, which opens the door to redundancy in efforts and inefficient use of time. More specifically, warrant officers can (1) increase quality control; (2) enhance training requirements of subordinates; and (3) address issues frequently directed towards the flight leads. The goals, objectives, and specific initiatives outlined above will provide a launching point for the effective and efficient cost analysis supported in Chapter IV.

### **3. Analysis**

This proposed change can assist in strengthening the core knowledge base in the contracting office. CGOs lack the extensive skill set or experience of a seasoned employee to make informed decisions on complex issues. This is of extreme importance in the absence of civilians with signature authority who usually make decisions. Contracting is a detailed business that requires expertise only gained through hands-on experience. CGOs can be satisfactory contract administrators, but they will not offer the mentorship and guidance in contract administration that is needed.

The critical need to implement a warrant officer program in Air Force contracting with highly qualified noncommissioned officers is based on the decrease in journeyman and master skill-level positions over the last ten years (Michels J., 2009). The warrant officer will be the signing authority needed to make sound decisions regarding the course of a contract. By incorporating warrant officers, the Air Force can supplement inexperienced CGOs by bringing in a fully trained, knowledgeable, and technically capable component to be utilized in critical contracting positions. In addition, they would

be able to supervise and mentor all levels of contracting employees, both officer and enlisted. Realigning the organizational structure to include the warrant officer can help contracting offices to be more efficient and effective in providing contracting services.

## IV. COST ANALYSIS

### A. INTRODUCTION

The primary objective of this chapter is to evaluate the costs of an Air Force Operational Contracting Organizational Structure with and without warrant officers. The transition from the current contracting personnel structure to the structure implementing warrant officers could improve Air Force contracting capabilities. This realignment could also result in cost savings. President Obama wants the national security establishment to find an additional \$450 billion in cuts—and most of those savings are expected to come from the Pentagon budget (Clark, 2011). Additionally, U.S. Defense Secretary [Leon Panetta](#)'s memorandum addressed “eliminating wasteful spending, consolidating duplicative functions, and driving ongoing and new efficiencies initiatives that can help achieve the aggressive budgetary goals” (Weisgerber, 2011). Senior defense and military leaders are in opposition to substantial cuts to the number of Soldiers, Sailors, airmen and Marines who serve the nation. However, the tremendous challenge of balancing mission success, mission funding, and mission resources will require the retention of well-trained personnel in critical career fields. Air Force Contracting is one of those critical career fields as determined by the force development council.

The DoD expends billions of taxpayer dollars each year to recruit, retain, and motivate its personnel using other pays and benefits. In fiscal year 2008, for active duty servicemembers, the DoD spent \$17.1 billion on nontaxable housing allowances; \$10.9 billion on health care for active duty servicemembers and their dependents; \$31.4 billion on retirement pay and retiree health care; and \$6.4 billion on special and incentive pays, such as enlistment and reenlistment bonuses (GAO-11-318SP, 2011). To meet retention goals in the contracting career field, bonuses have been established to influence contracting servicemembers to remain in the military to meet present and future readiness capabilities. The Air Force has maxed out its statutory limit for SRBs in the contracting career field. However, with high demands in civilian sectors for purchasing agents, the bonuses have delivered marginal results. In efforts to proactively counterbalance costs,

additional alternatives are required to incentivize military members' individual choices. The concept of implementing the warrant officer rank into AF contracting will provide an alternate retention incentive as a more attractive opportunity for personal advancement. The driving factors for change in the traditional contracting structure are targeted to increase core competencies by retaining skilled personnel, while simultaneously being fiscally efficient.

The Government Accountability Office (GAO) report, "Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue" highlighted opportunities for potential cost savings or enhanced revenues ranging from tens of millions to several billion dollars annually (GAO-11-318SP, 2011). For example, the report illustrated how realigning the DoD's military medical command structures and consolidating common functions could increase efficiency and result in projected savings ranging from \$281 million to \$460 million annually (GAO-11-318SP). These projected cost savings can also be met by the implementation of the Air Force contracting warrant officer initiative. The objective of this cost benefit analysis, therefore, is to analyze the estimated costs associated with establishing a WO personnel structure within Air Force contracting.

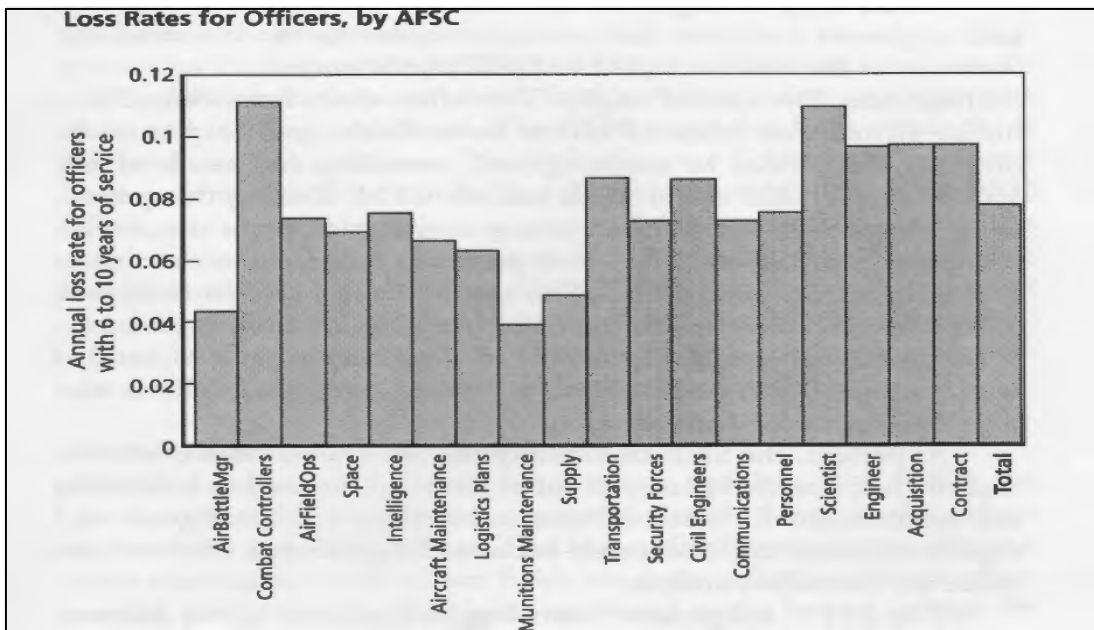
This analysis is intended to be a tool to measure end state personnel costs based on certain personnel assumptions in Chapter III. As a result, dollar estimates are subject to change given the changes in both the annual basic pay increases and benefit estimates. Finally, to address end-strength and budgetary challenges, we recommend a revised personnel structure with the implementation of the warrant officer position to realize potential cost savings.

## **B. RELATED LITERATURE**

### **1. Environment**

While the vision and mission of all military services have evolved over the last decade, this ever-changing environment has filtered into the fundamental operations of Air Force contracting. As stated in Chapter III, the draw down in force between 1990 and 1995 has affected workforce competency. The long-term end strength of Air Force

Contracting depends on its ability to adapt to changing dynamics and selecting innovative ways to accomplish that mission. This clash of forces has also been intensified by the lack of strength and competency of the workforce. This increasing demand of skilled personnel attracted to the civilian sector demonstrates that Air Force contracting has one of the highest attrition rates in the Air Force (Figure 6).



**Figure 6. Loss Rate for Officers**

As a result, over the last two decades, the total Air Force Contracting workforce has decreased by about half and the number of dollars obligated has increased 75 percent (Air Force Contracting Strategic Plan 2009–2013). With an increasing number of retiring and retirement eligible personnel and budget constraints limiting the number of new recruits, the workforce is facing a critical juncture (Air Force Contracting Strategic Plan 2009–2013). Given the decrease in workforce and increase in requirements, actions have been focused to meet numeric retention goals via selective reenlistment bonuses (SRB). Annual increased spending trends by the DoD on personnel costs may be lessened by the implementation of the Air Force Warrant Officer Program.

Air Force Manpower Agency commanders are accountable for determining manpower requirements, developing program factors, and managing Air Force

performance management programs. According to the FY12 Air Force Posture Statement, The responsible source for providing Air Force leaders the tools to identify essential manpower requirements, forecasting accurate reenlistment rates can aid in effectively and efficiently accomplishing the Air Force mission (Salomon, 2007). Each fiscal year (FY), reenlistment goals are determined to meet end strength and mission requirements. To meet these goals, the Air Force offers monetary reenlistment bonuses to servicemembers, who agree to reenlist in certain, designated critically manned Air Force Specialty Codes (AFSCs).

### **C. HISTORICAL PAY AND BENEFITS**

Military pay is a measurable output developed through a designed strategy. Over the years, the Department of Defense's (DoD) military compensation system has become an increasingly complex and piecemeal addition of pays, allowances, and benefits costing over \$200 billion each year. Pay and benefits are important tools used by the DoD to recruit, retain, and motivate approximately 1.4 million active duty and 1.2 million reservists (GAO-11-318SP, 2011). In recent years, Congress has taken steps to fund enhanced compensation and benefit programs for active duty and reserve personnel at a time when many military personnel are spending months or years away from home, often in harm's way (GAO-11-318SP, 2011). In 2005 and 2007, GAO found that the cost for military compensation was significantly increasing, and the total cost for compensation was not transparent because it was spread across different budgets within the DoD (GAO-11-318SP, 2011).

The DoD and Congress have expanded military pay and benefits using a piecemeal approach rather than a total compensation approach that could help to balance the appropriateness, affordability, and sustainability of personnel-related costs. The GAO has estimated that the federal government's total compensation costs for active duty servicemembers increased about 32 percent, using fiscal year 2008 constant dollars, from \$143.8 billion in fiscal year 2000 to \$189.4 billion in fiscal year 2008 (GAO-11-318SP, 2011). Also, the GAO found that using fiscal year 2008 constant dollars, the federal government's total estimated compensation for reserve and national guard members grew

over 31 percent from about \$17.8 billion in fiscal year 2001 to nearly \$23.5 billion in fiscal year 2008 (GAO-11-318SP, 2011). In 2000, the DoD authorized that basic pay for service members would rise 0.5 percentage points faster than wages in the civilian sector through 2006 (Office, 2007). Basic pay alone, the largest component of active duty military compensation, has increased from \$45 billion to \$50.1 billion between fiscal years 2000 and 2008 (GAO-11-318SP, 2011).

Much of the increase in basic pay in recent years has been driven by concerns that military basic pay was not equivalent to civilian (or private sector) pay, without fully considering the full military compensation package (GAO-11-318SP, 2011). The GAO reported in April 2010 that studies done by the Congressional Budget Office and the Center for Naval Analyses concluded that when pay and benefits are taken into account, military compensation compares favorably to civilian compensation when considering personnel of similar age and education level (GAO-11-318SP, 2011). In addition, recent growth of total compensation has been driven by the costs for deferred compensation, primarily attributed to enhanced health care benefits, and DoD officials anticipate significant continued growth in health care costs because of these expansions in coverage (GAO-11-318SP, 2011). These reports (GAO-11-318SP, 2011) and (Office, 2007), have identified significant cost parameters in analyzing factors included in implementing warrant officers.

#### **D. METHODOLOGY**

To understand the elevated levels of job satisfaction or dissatisfaction documented in Chapter II between FY 2010 and FY 2011, a proper assessment of military incentive alternatives must be linked to job embeddedness for enlisted servicemembers. The information gathered will address the internal service implications and fundamental advantages of implementing warrant officers in AF contracting using a cost benefit analysis approach. Additionally, a thorough examination of the current bonus structure, economic, and geographical compensation factors will be conducted, as they relate to financial returns.

Data was collected using quantitative measures. The quantitative information was compiled from data collected from the Military Composite Standard Pay Reimbursement Rate (MSCPRR) of FY2012. There are a total of 71 bases with two warrant officers assigned to each operational contracting squadron. We estimate that with a realignment of the current organizational workforce structure will provide greater utility in end strength. The pay of each military employee was collected and the delta of the two was multiplied by 71 operational squadrons. Such information will provide a baseline for the application for the warrant officer program and measurements for the distribution associated with operational contracting installations conus and oconus. Because of the evident distinctions in the installations vision, mission, and goal, our model does not represent the effects of each individually. These variables can consist of installation size and requirements obtained for daily functionality. This study builds the insight for reducing costs, increasing core competencies, and increasing retention. We perform our analysis using the given equation:

$$\left( \begin{array}{c} \text{(MSCPRR)} \end{array} \right) \left( \begin{array}{c} \text{(Operational} \\ \text{Contracting} \\ \text{Bases)} \end{array} \right) = \text{Annual Costs}$$

The intent is to identify a steady course of action to create value from within. Our documentation could reveal potential alternative opportunities for advancement of our high-quality enlisted servicemembers in the ranks of E-5 to E-7, while meeting mandated initiatives by reducing cost growth.

## **E. MILITARY COMPENSATION SUMMARY**

### **1. Monetary Compensation**

The relevant cost factors, which are a set of grade-specific cost factors for military personnel, are multiplied into the annual calendar parameters. Under DoD regulations, these are the rates to be used in cost calculation comparisons for civilianization purposes. The MCSPPR includes average basic pay for each military grade along with significant

other pays including basic allowance for housing, and basic allowance for subsistence. All cost figures shown are fiscal year 2011 dollars.

***a. Basic Pay***

Basic pay is the fundamental component of military pay. All members receive it and, typically, it is the largest component of a member's pay. A member's grade (usually the same as rank) and years of service determine the amount of basic pay received. Basic pay is received by all and is the main component of an individual's salary. We will address basic pay because this factor will vary between enlisted and warrant officer pay grades.

***b. Allowances***

Allowances are the second largest element of military pay and will also vary between enlisted and warrant officers. Allowances are moneys provided for specific needs, such as food or housing. Monetary allowances are provided when the government does not provide for that specific need. For example, the quantity of government housing is not sufficient to house all military members and their families. Those who live in government housing do not receive full housing allowances. Those who do not live in government housing receive allowances to assist them in obtaining commercial housing. Basic Housing Allowance (BAH) is an allowance to offset the cost of housing when you do not receive government-provided housing. BAH depends upon your location, pay grade, and whether you have dependents. Additionally, BAH rates are set by surveying the cost of rental properties in each geographic location. Therefore, BAH rates in high-cost areas will be much greater than those in low-cost areas. For example, according to the DoD, in 2011, the basic allowance for housing in the Washington, D.C., for the contracting commander in the rank of Major, is capped at approximately \$2,739 a month. However, the basic housing allowance rate for the same rank in Washington State is \$1,383 a month. A majority of the force receives both the Basic Allowance for Subsistence (BAS) and BAH and, in many cases, these allowances comprise a significant portion of the member's total pay.

Basic Allowance for Subsistence is meant to offset costs for a member's meals. This allowance is based on the historic origins of the military in which the military provided room and board (or rations) as part of a member's pay. This allowance is not intended to offset the costs of meals for family members.

BAS is intended to provide meals for the servicemembers; its level is linked to the price of food. Therefore, each year it is adjusted based upon the increase of the price of food as measured by the USDA food cost index. An increase to BAS will not necessarily be the same percentage as that applied to the increase in the pay table, as annual pay raises are linked to the increase of private sector wages and as authorized by Congress.

The following Basic Allowance for Subsistence (BAS) rates are the rates effective January 1, 2011 ([militarypay.defense.gov/pay/BAS.html](http://militarypay.defense.gov/pay/BAS.html)).

**Table 1. (FY 2011 BAS Rates)**

Personnel	Compensation Rates
Officer	\$223.04/month
Enlisted	\$323.87

***c. Special Pays and Bonuses***

Special and Incentive (S&I) pays provide the services with flexible additional pays that can be used to address specific staffing needs and other force management issues that cannot be efficiently addressed through basic pay increases. For example, there are special pays for aviators and parachutists; special pays are also paid for dangerous or hardship duties ([militarypay.defense.gov/pay/index.html](http://militarypay.defense.gov/pay/index.html)).

Unlike basic pay and allowances, which vary by pay grade and years of service, S&I pays can be used to improve recruiting and retention by increasing compensation in key occupation specialties or critical skill areas. These pays are also used to compensate for onerous or hazardous duty assignments or conditions. In addition,

S&I pays can be used to provide incentives for servicemembers to develop certain skills that are important to national security objectives.

Currently, there are over sixty S&I pays authorized by law. For many of these pays, detailed eligibility requirements and precise payment amounts were set by law and could only be changed by congressional action. Previously, when needs or conditions change, force managers could sometimes not adjust S&I pay eligibility criteria or payment levels fast enough in response to those changing circumstances. So in 2008, Congress provided for a 10-year phased-in consolidation of S&I pays to eight broad categories allowing more flexibility and opportunity to adjust payment levels and eligibility criteria ([militarypay.defense.gov/pay/special.html](http://militarypay.defense.gov/pay/special.html)).

***d. Retirement Pay***

Members who accumulate twenty or more years of active service are eligible for retirement pay. There are three nondisability retirement plans currently in effect for active duty retirees. These are Final Pay plan, High-36 Month Average plan, and Military Retirement Reform Act of 1986 (more commonly referred to as REDUX) plan ([militarypay.defense.gov/Retirement/activeduty.html](http://militarypay.defense.gov/Retirement/activeduty.html)). In support of the department's efficiency initiatives, a small group of Defense Business Board members was tasked to develop alternative plans to the current military retirement system. The group briefed its findings and draft recommendations to the full board during their July 21 quarterly meeting. According to Navy Adm. Mike Mullen, "There's no immediate plan to affect retirement."

**2. Nonmonetary Compensation**

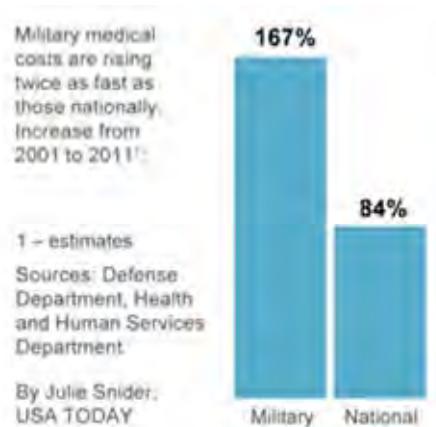
***a. Healthcare***

Military health care spending is rising twice as fast as the nation's overall health care costs, consuming a larger chunk of the defense budget as the Pentagon struggles to pay for two wars.

The surging costs are prompting the Pentagon and Congress to consider the first hike in out-of-pocket fees for military retirees and some active-duty families. Pentagon spending on health care has increased from \$19 billion in 2001 to a projected \$50.7 billion in 2011, a 167 percent increase.

This rapid rise has been driven by a surge in mental health and physical problems for troops who have deployed to war multiple times and by a flood of career military retirees fleeing less-generous civilian health programs (Gregg Zoroya, 2010).

**Table 2. Military Costs Estimates**  
**Rapid Rise in Military Medical Costs**



***b. Tax Advantages***

While all pays are taxable, most allowances are tax-exempt. The primary allowances for most individuals are BAS and BAH, which are tax-exempt. Conus COLA is one allowance that is taxable. A law change mandated that every allowance created after 1986 would be taxable. CONUS COLA was authorized in 1995 and, thus, became the first taxable allowance. Tax savings can be significant as BAS and BAH averages over 30 percent of a member's total regular cash pay. In addition to being tax-exempt from Federal and State taxes, these allowances are also excluded from Social Security taxes. Working in a combat zone will trigger another tax advantage. Earnings received

while in the combat zone are excluded from taxable income. This exclusion is unlimited for enlisted members and warrant officers and is limited to \$7,368.30 per month in 2009, for officers. If you spend a single qualifying day in the combat zone, your pay for the entire month is excluded from taxable income. Tax advantages effectively increase servicemembers' take-home pay without an increase in pay.

Bonuses and special pays are also excluded from taxable income if within the previously stated limitations and earned in the same month in which you served in a combat zone. For example, an enlisted person's reenlistment bonus is excluded from taxes if the member reenlists in the same month in which the member served in a combat zone. Since there is no limitation on amounts excluded for enlisted members, the entire reenlistment bonus would be excluded. As another example, an officer's flight pay would also be excluded from taxable income, but only up to the point at which basic pay and the flight pay do not exceed the maximum enlisted pay amount. The Career Status Bonus received by members who may choose between High-3 and CSB/REDUX retirement plans and who elect the CSB/REDUX retirement plan also falls into this category. To be considered "earned" in the combat zone, the CSB/REDUX election must be accepted by the Service and considered final in the month in which the member was in the combat zone ([militarypay.defense.gov/Pay/combatzone\\_exclusions.html](http://militarypay.defense.gov/Pay/combatzone_exclusions.html)).

Although the listed monetary and nonmonetary compensation objectives may differ between the enlisted personnel and officers, the actual values represent a correlation in the DoD's reenlistment rates and which AFSCs receive SRBs.

#### **F. SELECTIVE REENLISTMENT AND CRITICAL SKILLS RETENTION BONUSES (SRB AND CSRB)**

The overall Air Force budget for initial enlistment bonuses for FY12 is \$14.5M, providing four and six year bonuses ranging from \$1,000 to \$17,000. This helps target hard-to-fill, chronically critical, and battlefield airmen occupational specialties (Ginsberg-Jones May 2011). While active duty officer retention, as a whole, remained strong through FY10, higher retention in targeted year groups for specific specialties including contracting, control and recovery, public affairs, civil engineering, intelligence,

logistics readiness, and certain medical specialties (Ginsberg-Jones May 2011). In FY11, the total budget set aside for officer and enlisted bonuses was \$570.8 million, which equates to almost \$35.6 million more than in FY10 (Rolfsen, 2010). Of the total, \$248.2 million went to SRB candidates and \$322.6 was allocated to officer special pay (Rolfsen, 2010).

# **1. FY 2011 Retention Measures (Enlisted)**

The Selective Reenlistment Bonus (SRB) Program is a monetary incentive paid to Airmen serving in certain critical military skill areas who reenlist for additional obligated service (AFI 36-2606, 5-11). It is set subject to authorization under 37 USC 308 and the combined SRB and Critical Skills Retention Bonuses (CSRB) received by an individual servicemember throughout their career shall not exceed \$200,000, unless specifically authorized as an exception (Dunbar, 2011). Additionally, eligible airmen may receive an SRB in each enlistment zone and the maximum SRB payable is \$90,000 per zone (Dunbar, 2011). Bonuses are incentives used to attract and retain servicemembers in both enlisted and officer ranks. Most bonuses are focused on airmen in their first enlistments. “The bonuses are designed to encourage first-term airmen who have the option of changing career fields to go from what might be an overmanned career field into an undermanned career field and get a bonus ([www.airforcetimes.com/news/2011/01/air-force-2011-service-retention-bonuses-010211w/](http://www.airforcetimes.com/news/2011/01/air-force-2011-service-retention-bonuses-010211w/)).”

Another reason the Air Force continues to target airmen in Zone A is because of the size of the 2005 year group. The Air Force Specialty Code (AFSC) for contracting and the SRB multiplier is displayed in Table 3.

**Table 3. AFSC SRB Multiplier**

AFSC	Zone A	Zone B	Zone C	Zone E
Contracting	7.0	7.0	7.0	4.5

**Table 4. Reenlistment Zones**

Zones	Length of Service	Average SRB	Contracting's SRB	Statutory Max
Zone A	< 6 years of service (YOS)	\$33,000	\$90,000	\$90,000
Zone B	6 to < than 10 YOS	\$43,000	\$90,000	\$90,000
Zone C	10 to < than 14 YOS	\$43,000	\$90,000	\$90,000
Zone D	14 to 20 YOS	N/A	N/A	N/A
Zone E	> than 20 YOS	\$59,000	\$90,000	\$90,000

In 2005, more than 30,000 servicemembers were projected to be recruited, but results ended up with 19,000, creating a shortfall as that year group continues to move through their careers.

But, this year the Air Force is also targeting senior NCOs in eight AFSCs, including four specialties that last year were not eligible for re-up bonuses.

In career fields that are chronically undermanned, the bonus rates have not changed from last year. For example, explosive ordnance disposal, tactical air control, special operations weather and contracting airmen retain the highest multiplier of seven in zones A, B, and C when compared to the seventy-eight career fields eligible for bonuses. Selective reenlistment bonuses are calculated by multiplying an airman's monthly base pay with the number of years for which he/she reenlists, and multiplying

that by the multiplier assigned to his/her enlistment zone. Half of the bonus is paid when an airman reenlists and the rest is paid annually over the airman's new term.

The Air Force reviews the SRB structure twice a year to keep up with the changing retention environment and our mission changes. The expectation is high for retention over the next couple of years, but there are still significant needs within a variety of AFSCs and within specific zones that make selective reenlistment bonuses a primary force management tool for the enlisted force.”

([www.airforcetimes.com/news/2011/01/air-force-2011-service-retention-bonuses-010211w/](http://www.airforcetimes.com/news/2011/01/air-force-2011-service-retention-bonuses-010211w/)) No other career field receives higher SRBs than personnel in contracting. The contracting SRB multiplier is the maximum amount relative to statutory limits.

## **2. FY 2011 Retention Measures (Officer)**

In order to address officer retention concerns, contracting, control and recovery were approved by the Office of the Under Secretary of Defense for Personnel and Readiness in FY09 as critical skills and are currently receiving a CSRB. As a result, the CSRB is significant in our analysis as the potential total personnel cost can be reduced and applied to new acquisition initiatives. The projected CSRB costs for FY12 are approximately \$9M (\$2.8M budgeted for control and recovery and \$6.2M for contracting). The largest bonuses are allocated to doctors and dentists with “critical wartime skills (Rolfsen, 2010).” These critical positions qualify for one-time bonuses of up to \$300,000, initially, to join, for a four year obligation (Rolfsen, 2010).

Retention efforts to maintain the desired number of servicemembers in Air Force contracting, using the Critical Skills Retention Bonus (CSRB) has extended to the contracting officer ranks as well. Select Air Force contracting officers are eligible to receive a retention bonus as part of the service's fiscal year 2010 Critical Skills Retention Bonus Program. Officers eligible will receive \$20,000 per year if they sign a four-year CSRB agreement for a maximum of \$80,000. This is the second year a retention bonus has been offered to eligible contracting officers who are in high demand at stateside and deployed locations around the world. According to Major Thomas Clohessy, the intent

of the contracting CSRB is to retain senior company grade officers who possess extensive contracting experience. "This is another vital tool at the disposal of Air Force leaders to manage the force and meet mission needs."

As stated earlier, even with bonus initiatives available, the acquisition contracting workforce struggles to maintain a competitive advantage through the use of bonuses and continues to lose its critical personnel in contracting. This inability to compete with the outside sector in terms of pay and benefits has deteriorated the intellectual leverage of the contracting career field (Salomon, 2007).

In order to present legitimate costs comparisons, metrics were selected from the FY2011 MCSPPR. The DoD and the Office of Under Secretary (Comptroller) manage the development and execution of the Defense budget; there is renewed emphasis on improving financial management across the Department to ensure that taxpayer resources are managed wisely and efficiently. The bottom line, as always, is to ensure that the U.S. military has the resources needed to protect and defend the United States, its interests, and its people ((Comptroller), 2012). The data collection theory used for cost accuracy was based on: (1) available data; (2) the relevancy of the parameter for comparison purposes; and (3) the understanding of discriminating factors. The amount shown in Table 5 represents the "Programmed Amount," which differs from the MCSPPR, in that it includes costs for recruitment, advertising, training, subsidized groceries, education assistance, child development, and other costs that are incurred through the provision of nonmonetary benefits to military members (Fox, 2010).

**Table 5. Military Cost Elements And Data Sources (From  
www.defenselink.mil/comptroller)**

<b>Military Cost Elements</b>	<b>E-5 to E-7 Avg.</b>	<b>Warrant Officer (Army WO-1)</b>	<b>Officer (0-3)</b>
Basic Pay	\$93,459.00 (MSCPRR FY12)	\$103,267.00 (MSCPRR FY12)	\$140,582.00 (MSCPRR FY12)
Basic Allowance (BAH & BAS)			
Incentive Pay			
Special Pays			
Allowance *			
Subsistence in Kind			
Family Subsistence Supplemental Allowance			
Social Security and Medicare			
Permanent Change of Station – All but Separation Travel			
Permanent Change of Station – Separation Travel			
Retired Pay Accrual			
Separation Payments			
Education Assistance (e.g., GI Bill)			
Other Military Personnel Costs *			
Medicare-Eligible Retiree Health Care Fund			
Health Care (AD and AD FM) Acceleration Factor in FY09	\$8,672.00	\$8,672.00	\$8,672.00
Education Assistance	\$628.00	\$628.00	\$628.00
Discount Groceries	\$322.00	\$322.00	\$322.00
Child Development (Facilities)	\$312.00	\$312.00	\$312.00
Training	\$5,060.00	\$5,060.00	\$5,060.00
Recruitment, Advertising, Etc.	\$629.00	\$629.00	\$629.00
DoDEA and Family Assistance	\$1,519.00	\$1,519.00	\$1,519.00
Child Education (Impact Aid)	\$928.00	\$928.00	\$928.00
Veterans' Employment and Training	\$9.00	\$9.00	\$9.00
Treasury Contribution to Retirement	\$7,119.00	\$7,119.00	\$7,119.00
Treasury Contribution for Concurrent Receipts	\$1,236.00	\$1,236.00	\$1,236.00
Treasury Contribution to MERHCF	\$8,675.00	\$8,675.00	\$8,675.00
Veterans' Benefits (Cash & In-Kind)	\$3,367.00	\$3,367.00	\$3,367.00
<b>Total</b>	<b>\$131,935.00</b>	<b>\$141,743.00</b>	<b>\$179,058.00</b>

\*Allowances include: Uniform Clothing, Station Allowance Overseas, CONUS COLA, Family Separation, Personal Money Allowance, and General and Flag Officers

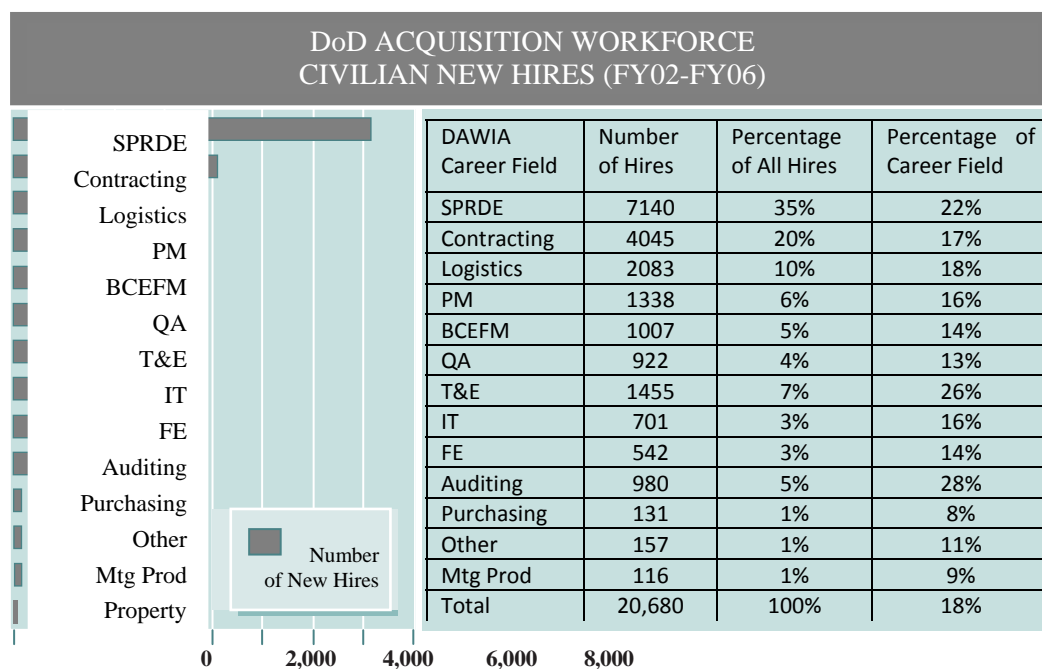
\* Other Military Personnel Costs include: Adoption, Partial Dislocation, Transportation Subsidies, Unemployment Benefits, Death Gratuities, Survivor Benefits, and Other

## G. ANALYSIS AND INTERPRETATION

### 1. Current Organizational Structure

In late 2005, the Deputy Assistant Secretary of the Air Force for Contracting (SAF/AQC) chartered the Installation Contracting Realignment Study to thoroughly examine the current state of active duty CONUS installation acquisition support. The study also revealed inconsistent use of skilled contracting resources and an inability to leverage economies of scale for the Air Force to delivery an effective workforce.

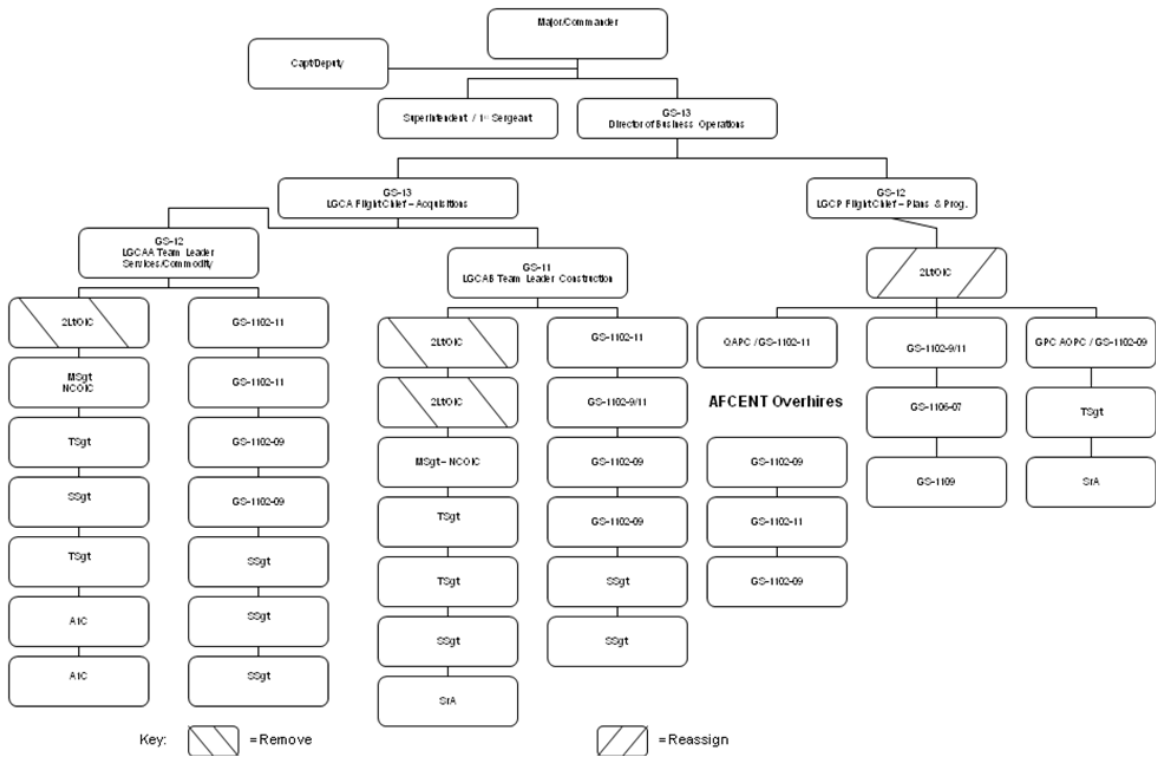
From 2002 through 2006, the DoD hired 4,045 to its Acquisition contracting workforce, which equated to 17 percent (does not account for attrition) of the career field (Defense, 2007). The workforce chart (Figure 7) demonstrates the categories of recent civilian hires for the DoD acquisition workforce.



**Figure 7. DoD Acquisition Workforce Civilian new Hires (FY02-FY06)**

Systems Planning, Research, Development and Engineering, Program Management, and contracting career fields represent the majority of the civilian DoD workforce (Defense, 2007). These hires represented 22 percent, 16 percent, and 17 percent of the respective functional civilian workforce population. In spite of success, the Acquisition workforce acknowledges and is addressing the major challenges regarding new skill sets and the projected loss of experience and knowledge expected from retirements of “Baby Boomers” (Defense, 2007). This issue has impacted every employer since half of the national workforce is comprised of “Baby Boomers” and older generations. Civilian personnel in the Department and in the Acquisition community represent an aging workforce in which 71 percent and 76 percent, respectively, are comprised of these retirement-eligible categories (Defense, 2007). As this generation retires, competition between government and industry for new hires will intensify. To compete for and retain Acquisition talent, the Department is demonstrating that the Acquisition workforce is valued. This includes appropriate compensation, development and future career opportunities, managerial development, and providing a world-class work environment (Defense, 2007).

These challenges, compounded by an increased contracting workload with more complexities and ongoing mission support commitments, were stressing installation contracting and Acquisition to effectively perform their missions (Headquarters, 2008). The current organization chart, based on correlated personal accounts, illustrates a standard workforce structure responsible for performing contracting actions (commodities, services and minor construction), providing business advisory and contract administration services at the installation level (Headquarters, 2008).



**Figure 8. Contracting Organizational Chart (Without Warrant Officer)**

**Table 6. Total Manning Costs by Paygrade FY12 (Without and With Warrant Officer)**

Pay Grade	# Assigned	MCSPRR	Cost <u>without</u> WOs	# Assigned	Cost <u>with</u> WOs
Officers*					
O-4	1	\$166,559	\$166,559	1	\$166,559
O-3	1	\$140,582	\$140,582	1	\$140,582
O-2	3	\$114,651	\$343,953	0	\$0
O-1	1	\$91,654	\$91,654	1	\$91,654
WO-1	0	\$103,267	\$0	2	\$206,534
Officer Totals	6		\$742,748	5	\$605,329
Enlisted*					
E-7	2	\$107,647	\$215,294	2	\$215,294
E-6	5	\$93,337	\$466,685	5	\$466,685
E-5	7	\$79,393	\$555,751	7	\$555,751
E-4	2	\$65,526	\$131,052	2	\$131,052
E-3	2	\$51,994	\$103,988	2	\$103,988
Enlisted Totals	18		\$1,472,770	18	\$1,472,770
Total	24		\$2,215,518	23	\$2,078,099

\*2012 Military Composite Standard Pay and Reimbursement Rates Department of the Air Force

## H. ORGANIZATIONAL APPLICATION OF WARRANT OFFICER

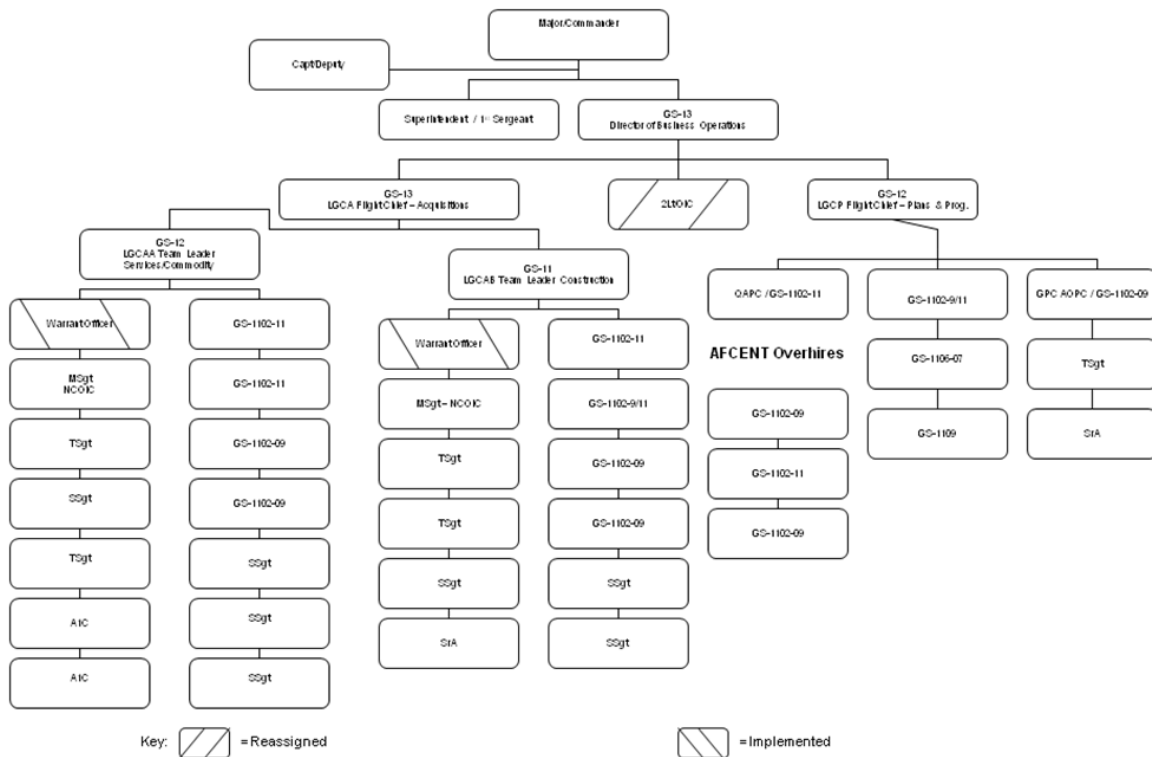
The analysis gained from the review of sources in Chapter III, analyzing current military compensation cost figures, and the selective reenlistment bonus alternatives to resolving retention concerns have presented optimistic insight into the Air Force's capability to implement the Air Force Contracting Warrant Officer Program. Although current force structure and operational needs will be case-by-case specific, there is an overarching void constant throughout operational contracting installations. By adopting the initiative to implement warrant officers, using a precautious approach will introduce two warrant officers to each operational installation, identified with the comparable workforce structure in Figure 8 and the cost comparison in Table 6. Consequently, with 71 operational bases identified within the IAT report, a total of 142 warrant officer positions are likely to be implemented Air Force wide.

The most commonly recognized improvements can be identified in the areas of resources, retention, and the need to recoup savings. The goal of the modified contracting organizational chart is to improve both in-house continuity and accuracy in procurement, while meeting the SECDEFs cost savings initiative. The fundamental foundation in restructuring is the added benefit gained by multiple stakeholders invested in the transparent and efficient DoD procurement process. As a result, in evaluating the Air Force Contracting Organizational Structure costs, it was determined that by implementing a Contracting Organizational Structure with warrant officers, versus an organization without, would result in an estimated delta cost savings of \$9.7 million annually.

The total cost delta between Air Force Contracting Organizational Structures with and without Warrant Officers is summarized in (Table 7):

**Table 7. Annually Costs Savings**

	<u>Without</u> Warrant Officers	<u>With</u> Warrant Officers
Total Enlisted/Officer Costs	\$2,215,518	\$2,078,099
Air Force Bases x Costs	71 x \$2,215,518 = \$157,301,778	71 x \$2,078,099 = \$147,545,029
Total Annually Savings	\$157,301,778 - \$147,545,029 = <b><u>\$9,756,749</u></b>	



**Figure 9. Contracting Organizational Chart (With Warrant Officer)**

## I. CONCLUSION

The successful implementation of warrant officers in Air Force contracting is contingent upon the theoretical alignment of the organization's behavioral assessment. However, strategic implications of any subjective solution are examined on the objective outcomes closely associated with the mission impact. Potential objective outcomes can be identified as an increase in core competencies, decreased Procurement Administrative Lead Time (PALT) and Contract Acquisition Lead Time (CALT), or an increase in retention figures. The accurate determination of these objectives will need additional evaluations currently not addressed within this study. Another way the implementation of warrant officers can influence mission success is demonstrated in the cost savings analysis.

As stated in Chapter II, there is significant opportunity for financial and managerial advancements in the civilian sector for purchase managers. As it stands now,

bonus programs offered to enlisted servicemembers and officers within the contracting career field have the potential to meet retention goals, but thus far have delivered a marginal upside. Subsequently, millions of dollars have been devoted to a program not obtaining the desired impact of retaining skilled personnel. Air Force bonuses are maxed out and other alternatives are needed to motivate retention of knowledge. Additionally, cost savings can be identified with a more efficient structure.

This analysis recommends further research to design a database with the least cost and the greatest benefit to the Air Force. The highest levels of authority in the Department need to engage in providing incentives to institute this change across the Acquisition System. There has to be a driving force focused on enhanced environment with career incentives for the workforce, whether procedural, operating capabilities, increased funding, or healthy compensation based.

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## **V. IMPLEMENTATION PLAN**

### **A. INTRODUCTION TO THE IMPLEMENTATION PLAN**

As the Air Force and our nation continue to evolve and grow, so too the requirements and approaches to organizations within the Air Force must grow and evolve. Focusing on the Contracting career field, specifically, has brought about the realization that the organizational structure with which contracting operates must be revitalized. The U.S.'s budgetary challenges, in addition to staffing constraints, have brought about the need for the Air Force to revisit the warrant officer program. The reinstatement of the warrant officer program would address some of the challenges and setbacks of the current Contracting force structure. The warrant officer program would allow prospective Non-Commissioned Officers to enter into a competitive and challenging program that would encompass the values, practices, and techniques necessary to evolve our acquisition workforce. Their skills will be harnessed and structured towards increasing competitive advantage and technical prowess in the contracting career field.

**Summary.** This chapter lays out an implementation plan for developing an Air Force Warrant Officer program.

### **B. OVERVIEW**

The Warrant Officer Candidate School for the Air Force would aim to provide suitable enlisted candidates a chance to become technical experts, teachers, and liaisons in the contracting career field. Every airman involved in the Warrant Officer Candidate School would be taught discipline and given clear guidance concerning the execution of warrant officer training. A course curriculum breaking down the warrant officer program must be developed to provide clear standards in addition to precise guidance concerning the Air Force Warrant Officer Candidate School training.

The intent of the Warrant Officer Candidate School will be to develop and evaluate the technical abilities and leadership skills of select qualified airmen who strive for an appointment in the United States Air Force Contracting Career Field. In addition, Warrant Officer Candidate School will enable our most talented contracting personnel to further their knowledge, becoming experts, leaders, and liaisons between the officer and enlisted branches. The Warrant Officer Candidate School program will also enable qualified airmen to become teachers and retainers of Contracting practical knowledge. Warrant Officer Candidate School candidates will demonstrate task mastery through skill, application, and fine tuning their talents and skills throughout the program.

Implementing a program that sustains a demanding and stressful environment to test candidates' experience and maturity will be essential for furthering existing skills, and tempering candidates' abilities, in addition to helping prior enlisted candidates achieve their highest leadership potential. In training to become a warrant officer, candidates must not only lead their enlisted personnel, but they must also "lead" the officers above them with sound counsel, experience, and judgment. Candidates entering the program will already possess the skills to manage and perform the tasks given to them. The Warrant Officer Candidate School will be built around teaching candidates additional skills that will enable the candidates to focus and harness their talents in such a way as to be able to lead others, accomplish oversight, and mitigate contracting issues. Training tasks will be based around contracting efforts and activities that when performed one at a time, are manageable, especially when unfettered with time constraints or stress. However, when stress, time constraints, and multiple contracting activities are combined, candidates must rely on their knowledge, prioritization, delegation, and leadership skills to lead their groups, flights, or squadrons to mission accomplishment. The candidates who succeed in this environment will become warrant officers in the United States Air Force.

The proposed curriculum will be designed to complement and enhance the Warrant Officer Candidate School environment while providing the requisite preappointment training. Structured warrant officer candidates and instructor time will be based on creating opportunities for evaluating and developing leadership skills. The Air

Force Warrant Officer Candidate School would utilize Contingency Contracting environments in addition to Field Leadership Exercises as vehicles to provide opportunities in evaluating the warrant officer candidates. The candidates would be required to demonstrate leadership abilities while under stressful circumstances, which would be in the form of a bull-headed high ranking officer making illegal procurement demands or in the situation of a contingency environment, where the contracting officer has significant power and capability with limited oversight. Simulated deployed operations in addition to mock homeland disaster scenarios will require candidates to quickly analyze a situation and develop, communicate, and implement their contracting knowledge to demonstrate capability, skill, and leadership principles. Candidates are not expected to become commanders and are not evaluated against this standard. However, they will be evaluated on their ability to be the knowledge base, basis of reasoning and know-how of contracting. Warrant officers are expected to be leaders and will be evaluated on their maturity in utilizing their existing knowledge and abilities and to navigate their way through stressful environments where command and customers may not be rational. The warrant officer program will be aimed at developing airmen in a 360-degree approach towards balancing and meeting mission accomplishment in addition to making the right calls and decisions in the operational contracting environment.

The Warrant Officer Candidate School program will develop existing enlisted members Contracting Specialists with Signature Authority who will be able to act as liaisons between the officers and enlisted personnel in addition to acting as trainers and leaders of excellence. The Warrant Officer Candidate School would provide mission-ready capable and unit-ready warrant officers for the Contracting Career Field.

### **C. METHODOLOGY**

Data was collected using qualitative information taken from the OCS WOCS Course Manager of the 185<sup>th</sup> Regiment Regional Training Institute out of Fort Rucker, Alabama and The United States Army Course Management Plan (CMP) #020-09W and 911-09W. The interviews with the Course Manager and the data from the Course Management Plan were then analyzed to determine the best means of building an outline

for an Air Force warrant officer program. The use of information from the Course Manager and the Course Management Plan would mitigate the risk of implementing a similar program for Air Force warrant officers.

#### **D. ARMY'S WARRANT OFFICER PROGRAM AND ANALYSIS**

This section will serve to explain the Army's warrant officer program. The section will look at the phases of training, candidate selections, and the command structure. Not all aspects of this Warrant Officer Training Plan will be incorporated or utilized by the proposed Air Force Warrant Officer Training plan (discussed later). The intent is to give background and understanding of how a current and successful warrant officer program is being run and administered. All information below is paraphrased and summarized from the United States Army Course Management Plan (CMP) #020-09W and 911-09W, which is the most current, up-to-date plan which supplements the ongoing warrant officer training school, which is currently active at Fort Rucker, Alabama. The Army Warrant Officer Training School is broken up into three phases:

- **Phase I.** Online or In-Resident Training. Curriculum is Warrant Officer Candidate School specific.
  - o Distance Learning: This is a six month "perform-at-your-own-pace" home station computer-based testing and exams. This allows the candidate's respective unit to save money by not having to send the candidate in residence.
  - o In Resident: This is a two week program at the Warrant Officer Career College for members that are not eligible to take the home station online tests and exams. Utilized for Guard, Reserve, and Active Components.

- **Phase II.** This is a five week in-resident program that takes place at the Regional Training Institutes for Guard and Reserve units while Active Military attend Warrant Officer Candidate School at Fort Rucker in Alabama. Training is derived around the following:
  - Required Readings
  - Warrant Officer Candidate School lessons
  - Awareness Training
  - Warrior task and battle drill lessons
  - Regional specific training
- **Phase III.** This is a fifteen day active duty training for active, guard, and reserve components that is performed in-resident at one of the respective Regional Training Institutes. This phase encompasses evaluations of leadership in addition to going before boards, and performing outlined tasks.

Warrant officers in the Army are made up of two distinct fields: those who are aviators and those who are technicians. The technicians are those who are experts in their respective career fields, usually prior enlisted personnel composed of the rank of E-5 or above. The aviators can be of prior enlisted background or can originate as civilians entering the program. Those entering the program as prior enlisted personnel must receive recommendation from their respective command, and candidates must meet prerequisites, in addition to being qualified for an appointment to include, height, weight, and physical fitness standards to be eligible for selection into the Warrant Officer Program. Guard and Reserve members must meet the Federal Recognition Requirements which are outlined in the National Guard Reserve 600-1-1 (NGR600-1-1).



**Figure 10. Warrant Officer Candidate School Command Training and Structure**

- Tactical Officers perform all duties and responsibilities as the first-line trainer, counselor, and mentor for candidates. They are trained and certified. Tactical officers recommend disposition of candidates to the senior Tactical Officer, as needed
- Senior Tactical Officers are selected prior to the beginning of the phase, whether Phase II or Phase III. They are trained and certified. Senior Tactical Officers recommend disposition of candidates to Warrant Officer Company Commanders, as needed.

- Warrant Officer Company Commanders are selected prior to the beginning of the phase, whether Phase II or Phase III. Company Commanders must be CW4s who have been previously trained and certified, but they are not Tactical Officers training team members during the cycle. Warrant Officer Company Commanders recommend the disposition of candidates to Warrant Officer Deputy Commandants, as needed.
- RTI Warrant Officer Deputy Commandants are selected prior to the beginning of the phase, whether Phase II or Phase III. Deputy commandants must be CW5s, who are trained and mentored by deputy commandants in other units. Deputy Commandants have final disposition authority for all candidate issues. Deputy Commandants report directly to RTI commandants and provide timely updates on candidate issues.
- RTI Commandants serve as the appellate authorities for candidates who appeal disposition actions approved by the RTI Warrant Officer Deputy Commandants.

(Guard, 2009)

## **E. PROMOTION OF WARRANT OFFICERS**

1. Criteria quoted from the Warrant Officer Management Guide:
  - a. The promotion of warrant officers will be based on a sound level of technical and tactical competence, time in grade, military education, and progressive levels of expertise, leadership and potential for service in the next higher grade.
  - b. Promotion will not be used solely as a reward for past performance.
  - c. Promotion will be made without regard to race, color, religion, sex, or national origin.

- d. All warrant officers recommended for promotion must be fully qualified under the terms of this WO Management Guide and the respective State Defense Force and Active Duty regulations.
- e. Promotion from WO1 to CW5 is the responsibility of the Personnel Review Board.
- f. Promotions should be in accordance with the established minimum time-in-grade provided the warrant officer meets the above promotion criteria per State Defense Force guidelines and respective Active Duty regulations. Promotion orders will be published by the Assistant Chief of Staff, G-1. A copy of the promotion order shall be forwarded to the unit.
- g. Promotions from W1 through CW5 will be based upon the written recommendations of the immediate commander with subsequent concurrence of each intermediate commander.

(Defense, WARRANT OFFICER MANAGEMENT GUIDE, 2011)

## **F. ANALYSIS**

The existing Army Warrant Officer Candidate School program provides a good baseline and structure for the Air Force to utilize in developing and implementing a program to sustain its warrant officer needs. The phase approach will be an essential element of the program for progression and assessing candidates' skills and abilities. However, this paper does not address or utilize the guard and reserve portion of the Army's training plan. The focus of this paper is to enhance the Air Force active duty contracting component with respects to experience, technical knowledge, and retaining our most skilled and talented contracting officers. Currently the Air Force Contracting career field is hurting on active-duty end strength and has lost significant competitive advantage with respects to administering and negotiating contracts.

## **G. PROPOSED AIR FORCE WARRANT OFFICER CURRICULUM**

### **1. Purpose**

The purpose of the course curriculum will be to create an outline of the course requirements and specify the core function and responsibilities of an Air Force Warrant Officer Candidate School. The curriculum will provide the structure, background, and detailed information pertaining to the conduct, execution, and administration of Warrant Officer Candidate School training. The curriculum will be directed at the Contracting Career Field and will be designed to create a foundation for becoming a technical expert in addition to teaching future warrant officers to becoming a bridge between the enlisted and officer corps.

### **2. Warrant Officer Candidates**

Selection of the Air Force's top contracting specialists is the key to the successful implementation of a warrant officer program. Warrant officer candidates will be enlisted members in the contracting career field. Applicants would receive written recommendation and approval from their respective supervisors and commanders before being considered for Warrant Officer Candidate School entry. This ensures that warrant officer candidate knowledge, experience, and education requirements are met prior to entering training. Enlisted members who recently crossed trained into the contracting career field would not be an appropriate candidate for becoming a contracting warrant officer due to a lack of contracting skill and experience. Warrant Officer Candidate School instructors should consist of qualified DoD civilian, senior enlisted, and officer personnel with significant knowledge, experience, and expertise in the contracting career field. The staff's primary intent will be focused on selecting the most qualified candidates. In addition, the staff will set a tone that training and maintaining of progress is critical to the successful completion of the candidates' training. However, as with any training course, the ultimate success of the students will depend on their attitude, effort, and capability. Candidates will be required to adhere to the following guidelines and all regulatory guidance pertaining to Warrant Officer Candidate School as follows:

- The candidate should meet all course prerequisites pertaining to time in service, having possessed signature authority, in addition to written recommendation from supervisors and squadron commanders. These prerequisites are paramount prior to enrollment in Warrant Officer Candidate School.
- The Candidate is to meet all physical, academic, and leadership performance requirements. Candidates are subject to a urinalysis screening throughout their attendance at Warrant Officer Candidate School. They must meet the requirements of each phase of training before moving on to the subsequent phase. Candidates must also meet all graduation requirements before being recommended for appointment as WO1s.

### **3. Course Design and Sequencing**

**Course Design.** Air Force Warrant Officer Candidate School, by design, will be a demanding and rigid leadership development course. An Air Force Warrant Officer Candidate School guide should be developed and should contain detailed discussions on how to establish and maintain the Warrant Officer Candidate School learning environment.

**Course Sequence.** The curriculum will be written out and stated in terms of Air Force Warrant Officer Candidate School lessons and modules that are to be taught in each phase of training. The program should be designed so as to have potential students being selected by their respective supervisor and commander and submitting a package to a consolidated warrant officer selection board prior to being allowed to enroll in Phase I of the school.

**Phase Training.** The Air Force Warrant Officer Candidate School program will be a nine-week program built upon three phases.

- **Phase I (Two Weeks):** This phase will be Federal Acquisition Regulation specific training based in a classroom environment examining and investigating the application and usage of the FAR.

It will evaluate students' utilization of written "what if" scenarios, how the FAR applies, and will end with exams and practical knowledge tests.

- **Phase II (Four Weeks):** This phase will be in Garrison Scenarios and Contingency Based Training and Application. Candidates will be evaluated based on their ability to perform tasks and duties in Garrison, Deployed, and Natural Disaster environments.
- **Phase III (Three Weeks):** Candidates will plan, prep, and go before leadership and contracting boards to have their training evaluated by leadership. This will be the culmination of the Warrant Officer Candidate School program.

Candidates will take written exams at the end each module accomplished. All candidates will be measured throughout the phases on a percentile scale and must pass all phases with a 75 percent or better to have met requirements. (Guard, 2009)

#### **4. Promotion of Warrant Officers**

Warrant Officers in Air Force Contracting would have to promote based on promotion boards that will examine the candidates' records, recommendations, work experience, and current knowledge. The make-up of members serving on the promotion board should consist of the following:

- Senior Warrant Officers (After sufficient time has passed and they are developed)
- Senior enlisted personnel
- Commissioned Contracting Officers of the rank O-4 or higher
- DoD Civilians (GS 13 and above)
- Possess signature authority
- DAWIA Certified CON Level II or III

The board should be focused on determining the general qualifications of each applicant to evaluate suitability for higher grade as a warrant officer and in the

Contracting Career Field for which the applicant is applying by considering the following criteria:

- Military education in Contracting.
- Civilian education relating to Contracting.
- Military experience relating to Contracting.
- Civilian experience relating to Contracting (if any).
- Duty performance and leadership potential (consideration of past duty assignments, overall performance and demonstrated support in the attainment of the units mission, leadership potential and suitability for assignment of greater responsibility as a warrant officer).

Individuals who are passed over for promotion twice are examined to make sure that they are still fit to operate in their position. (Defense, WARRANT OFFICER MANAGEMENT GUIDE, 2011)

## **5. Warrant Officer Jobs**

W-1s through W-3s will work flight level Contracting consisting of either Deputy Flight Leads or Deputy Team Chiefs. W-4s through W-5s will work systems level Contracting working in positions of team leads.

## **6. Proposed Training Location**

Fort Rucker, Alabama would be the ideal location for an Air Force Warrant Officer Candidate School. This location has an existing Army Warrant Officer Candidate School in place, in addition to the infrastructure and training facilities to support the proposed Air Force warrant officer training mission. In addition, Fort Rucker's location is within the proximity of the Defense Acquisition University's south eastern satellite location in Huntsville, Alabama. Being able to tap into the existing Army's veteran warrant officer community in addition to the nearby contracting knowledge facility in Huntsville, Alabama would allow candidates and trainers access to the most pertinent knowledge, training, and experience base for creating a successful warrant officer program. In addition, *"Fort Rucker's mission of the Warrant Officer Career College is to educate and train warrant officer candidates and senior warrant officers at key points in their career. Fort Rucker serves as the focal point for the U.S. Army warrant officer*

*professional and leader development matters diverse”* (Defense, 2011). Given that Fort Rucker has the existing foundation, background, and spirit of a true warrant officer training school, this would be an ideal fit for the Air Force Warrant Officer Candidate School.

## **7. Conclusion**

The implementation of an Air Force warrant officer program is both a feasible option and one that is in alignment with the Air Force’s future goals, objectives, and vision. The road towards implementing the warrant officer training program may initially be difficult, however, given the existing Army warrant officer training program template, which is successful and ongoing, the Air Force can utilize this to facilitate its own success. Copying the Army’s existing Warrant Officer Training Plan will mitigate risk to the Air Force and can be accomplished to implement this program.

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## **VI. CONCLUSION**

### **A. RESEARCH SUMMARY**

The objective of this research was to provide an in-depth view of the current contracting organizational structure and the impact of adding warrant officers by using an analysis of organizational theory and costs. Next, an implementation plan, including selection, training, and promotion criteria was developed. We began our research by asking and answering the following questions:

1. How will warrant officers fit into the AF contracting system?
2. What are the benefits of having warrant officers?
3. Will having warrant officers incentivize enlisted members to stay in Air Force contracting, helping to retain both experience and knowledge?
4. What type of cost advantage or disadvantage will warrant officers bring to the Air Force?

### **B. WARRANT OFFICER MODEL**

The section on the warrant officer model covered the first three research questions. Research questions were answered by an analysis utilizing surveys and questionnaires which analyzed the commander's viewpoint on the benefits of a warrant officer in addition to the current job satisfaction and embeddedness of current contracting enlisted professionals in operational contracting. Commanders revealed mixed feelings on warrant officers working in the organization. They could see the warrant officer improving training programs and adding Signature Authority to each unit. They also suggested the warrant officer may cause problems in a power struggle with SNCOs and CGOs. Overall, commanders believed warrant officers would add mentorship to each individual unit.

### **C. COST ANALYSIS DETERMINATIONS AND FINDINGS**

The costs analysis of an Air Force Operational Contracting Organizational Structure with Warrant Officers provided insight to an alternative method to meet the DoD's budgetary constraints. After developing a new contracting organizational structure, we analyzed the change in personnel costs. The implementation of our contracting structure with warrant officers resulted in \$9.7 million in annual savings in personnel costs. This quantified savings has a potential long term return on investment of \$97 billion over the first ten years, aiding the ten year savings initiative set by President Obama. The value in implementing a warrant officer program in Air Force contracting would substantially decrease personnel costs over the long term and immediately enhance the core competency of a critically skilled career field.

### **D. TRAINING PLAN AND IMPLEMENTATION**

The implementation of an Air Force warrant officer program will be structured best if utilizing the existing Army Warrant Officer Training plan. The benefits of using an existing program are that the program is tried and tested, which will require only minor modifications for implementation to fit the Air Forces' needs. A warrant officer program is a feasible endeavor in addition to being in alignment with the Air Force's budgetary goals, intent to retain qualified contracting personnel, and giving substantial assistance to maintaining competitive advantage.

### **E. LIMITATIONS AND IMPROVEMENT**

The approach to our research was carefully and methodically prepared, however, there are limitations and shortcomings that must be addressed. The surveys that were conducted were restricted due to the limited number of bases contacted which resulted in twenty-three responses to the surveys from twelve bases. By receiving more responses, the findings would be more supported and reliable. In addition, had surveys been available to all enlisted personnel, more responses would have been received.

Second, our study was focused on military personnel realignment with status quo civilian structure. A professionalized military structure may result in potential optimization of the civilian personnel structure. Further research could be done to analyze how these changes impact the civilian personnel structure. However, the majority of the contracting workforce is DoD civilians.

Third, the study assumed that warrant officers would, in fact, increase the Air Force's contracting expertise and improve retention. There are no existing warrant officers in contracting and as a result no quantifiable data was able to be collected on their effect on productivity or turnover.

Fourth, our cost model of Air Force warrant officers considers only end-state personnel costs. Transition costs and other than personnel costs are not considered.

Last, our research serves only as a baseline for additional study. That said, there is room for expansion and growth for research into warrant officers in the Air Force.

## **F DISCUSSIONS**

Government regulation stipulates that agencies shall ensure that sufficiently trained and experienced officials are available within the agency to manage and oversee the contract administration function (FAR, 37.102(h), 2004, p. 886). Scholars, generals, and government oversight organizations have all stated publically that DoD acquisition agencies are not meeting these regulations, lacking a sufficient number of trained personnel (Schooner, 2004, Allen, 2005, Schackelford, 2008, IG, 2003). This failure hinders the ability of our workforce to make rational, reasonable decisions, and undermines the authority and legitimacy of the leadership, the organization, and ultimately the government they represent. Furthermore, in a time of budget uncertainty, the government needs the very best with experience. Instituting the warrant officer will help with retention and improve procurement efficiency by keeping experience in positions where decisions are made every day on the expenditure of taxpayer dollars.

In the contracting career field, there currently exist areas for potential improvements in the organizational structure. Officer expectations are ingrained from

entry that members are to lead, to exert influence, and to aggressively pursue command. On the other hand, enlisted members are brought up to follow, become knowledgeable and proficient in their respective career fields and to one day aspire to be superintendents or “chiefs.” Once an enlisted member gets beyond the rank of E-6, his job shifts away from technical proficiency. The enlisted member enters a political spectrum that takes aim at networking, managing, upward movement, or retirement. The underlying problem is the lack of technical experts, which should fit into the middle tier of the contracting career field. Currently, there exists no middle tier for allowing personnel to truly specialize in contracting.

The reorganizational effort to implement warrant officers is an answer to the problems seen in the Air Force contracting community. Warrant officers can improve the quality of our contracting personnel, increase the career field’s competitive advantage, and potentially save the Air Force millions of dollars. The analysis conducted showed that warrant officers can be added to a squadron, decreasing overall numbers with cost savings. Additionally, there is potential for significant cost savings from improved performance once changes have been implemented. The Air Force contracting warrant officer will serve as the catalyst and cornerstone for the contracting career field helping achieve national strategic goals. Based on our research, these are some of the pros and cons identified:

#### **G. PROS**

- Reduces enlisted voluntary turnover through improved job satisfaction and embeddedness
- Improve productivity through additional signature authority
- Improve productivity through efficient utilization of human capital
- Improve contracting training knowledge
- Cost savings

## **H. CONS**

- Will require the establishment of a training program requiring additional resources
- May overload contracting signature authority in the operational squadrons
- May blur lines of authority with enlisted members and officers in addition to the potential for causing organizational structure growing pains

## **I. CONCLUSION**

The research conducted in this study analyzed a potential advantageous scenario of adding warrant officers to the Air Force contract organizational structure and established a baseline for more in-depth analysis. With a career field that is severely stressed, it has never been more important than it is now for the contracting and acquisition workforce to be well trained and motivated to do their jobs. Poorly trained and inexperienced personnel pose significant risk to the defense of our nation (Allen, 2005). The warrant officer is an option for filling gaps in experience and knowledge in the current Air Force operational contracting organizational structure.

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## APPENDIX A. AFSC SRB CHART

SRB	AFSC'S	EFFECTIVE	14				
AFSC	CLEAR-TEXT	ZONE A	ZONE B	ZONE C	ZONE E		
1A0X1	IN-FLIGHT REFUELING	2	0	0	0		
1A1X1	FLIGHT ENGINEER	1	1	0	0		
1A2X1	AIRCRAFT LOADMASTER	2	4.5	2	0		
1A4X1	AIRBORNE BATTLE MGT SYS	0	0	1	0		
1A7X1	AERIAL GUNNER	3.5	0	0	0		
1A8X1	AIRBORNE CRYPTO LINGUIST	6	6	6	0		
1A8X2	AIRBORNE ISR OPERATOR	4	5	3	0		
1B4X1	ON-NET OPERATOR	1	0	0	0		
1C1X1	AIR TRAFFIC CONTROL	6	5.5	4.5	0		
1C2X1	COMBAT CONTROL	7	7	7	0		
1C3X1	COMMAND POST	4	1	3	2		
1C4X1	TACTICAL AIR CONTROL PARTY	7	7	7	4.5		
1C5X1	AERO CON/WARN SYS	1	0	0	0		
1C5X1D	AERO CON/WARN SYS (WEAP DIR)	3	1	2	0		
1C6X1	SPACE SYS OPERATIONS	5	0	0	0		
1C7X1	AIRFIELD MANAGEMENT	4	1	1	0		
1N0X1	OPERATIONS INTEL	4	5	4.5	0		
1N1X1A	GEOINT ANALYST	6	7	6	0		
1N1X1B	GEOINT TARGETER	3.5	4	4	0		
1N2X1A	SIGNALS INTELLIGENCE	0	0	2.5	0		
1N2X1C	SIGNALS INTELLIGENCE	2	0	0	0		
1N3X1	CRYPTOLOGIC LINGUIST	4	6	2	0		
1N4X1	NETWORK INTELLIGENCE	2	3	3	0		
1T0X1	SURV, EVAS, RES, ESCAPE	4	4	4	4.5		
1T2X1	PARARESCUE	7	7	7	0		
1U0X1	RPA SO	6	5	4	0		
1W0X1	WEATHER	2	1	1	0		
1W0X2	SPECIAL OPERATIONS WEATHER	7	7	7	4.5		
2A3X1	A-10, F-15 & U-2 AVIONIC SYS	0	0	1	0		
2A5X1	AERO MAINT	3	1	1	0		
2A5X2	HELICOPTER MAINT	2	0	0	0		
2A5X3C	INT AV SYS, ELEC WARFARE	0	2	0	0		
2A7X1	AIRCRAFT METAL TECHNOLOGY	3	0	2	0		
2A7X2	NONDESTRUCTIVE INSP	0	0	3	0		
2A7X3	AIRCRAFT STRUCTURAL MAINT	0	0	1	0		
2A7X5	LO A/C STRUC MAINT	3	3	3	2		
2M0X1	MSL & SPACE SYS ELECT MAINT	2	0	1	0		
2M0X2	MSL & SPACE SYS MAINT	1	0	0	0		
2M0X3	MSL & SPACE FACILITIES	2	0	0	0		
2R0X1	MAINT MGMT ANALYSIS	2	0	0	0		
2T2X1	AIR TRANSPORTATION	0	0	1	0		
2T3X2A	SPEC VEH MAINT FIRE TRUCK	1	0	0	0		
2T3X2C	SPEC VEH MAINT MHE	1	0	0	0		
2T3X7	VEHICLE MGMT & ANALYSIS	0	1.5	1	0		
2W2X1	NUCLEAR WEAPONS	3	0	1	2		
3D0X2	CYBER SYSTEMS OPS	2	2	0	0		
3D0X3	CYBER SURETY	1	1	0	0		

3D0X4	COMPUTER SYS PROGRAMMING	0	1	2	0
3D1X7	COMM CABLE & ANTENNA	0	1	0	0
3E0X1	ELECTRICAL SYSTEMS	2	0	0	0
3E2X1	PAVEMENT & CONST EQUIPMENT	4	0	0	0
3E3X1	STRUCTURAL	6	0	0	0
3E4X1	WATER & FUEL SYS MAINT	2	0	0	0
3E5X1	ENGINEERING ASSISTANT	3	0	0	0
3E6X1	OPERATIONS MANAGEMENT	6	2	4	0
3E8X1	EXPLOSIVE ORD DISPOSAL	7	7	7	4.5
3E9X1	EMERGENCY MANAGEMENT	0	0	5	0
3N0X1	PUBLIC AFFAIRS	3.5	3	0	0
3N0X2	RADIO&TV BROADCAST	4	1	0	0
3P0X1A	SECURITY FORCES MIL WORK DOG	5	2	0	0
3S3X1	MANPOWER	0	2	0	0

4B0X1	BIOENVIRONMENTAL ENGR	1	0	0	
4C0X1	MENTAL HEALTH SERVICES	1	2	4	
4E0X1	PUBLIC HEALTH	0	2	0	
4H0X1	CARDIOPULMONARY LAB	2	1	3	
4N0X1B	MEDICAL SERV NEUROLOGY	1	0	0	
4N0X1C	AEROSPACE MED SERV (IDMT)	2	2	0	
4N1X1B	SURGICAL SERV UROLOGY	1	1	0	
4N1X1C	SURGICAL SERV ORTHOPEDICS	0	2	2	
4P0X1	PHARMACY	2	2	0	
4R0X1	DIAGNOSTIC IMAGING	2	0	0	
4Y0X1H	DENTAL HYGIENIST	0	0	2	
4Y0X2	DENTAL LABORATORY	1	1	0	
6C0X1	CONTRACTING	7	7	7	
6F0X1	FINANCIAL MGT & COMPTROLLER	1	0	0	
7S0X1	SPECIAL INVESTIGATION	0	3	2	
9L0X0	INTERPRETER/TRANSLATOR	4	5	2	
9S1X0	TECHNICAL APPLICATIONS SPEC	2	1	0	

**NOTES:**

(1) AIRMEN'S CAFSC AND DAFSC MUST MATCH THE AUTHORIZED AFSC AS SPECIFIED IN ORDER TO RECEIVE THE BONUS (EXCEPT IF AUTHORIZED BY AFI 36-2606, PARA 2.11)

(2) AIRMEN WHO POSSESS AN AFSC WITH A PREFIX ARE ELIGIBLE FOR THE SRB SPECIFIED ON THIS LIST.

(3) AIRMEN WHO POSSESS AN AFSC WITH A SUFFIX RECEIVE THE SRB AT THE SAME RATE AS THE SLICK AFSC, UNLESS THE AFSC/SUFFIX IS OTHERWISE SPECIFIED ON THE LIST

(4) SRB ZONES:

**ZONE A:** 17 MOS-6 YRS TAFMS

**Z**

**O**

## APPENDIX B. WARRANT OFFICER MOS

### OCCUPATIONAL CLASSIFICATION OF WARRANT OFFICERS WITHIN THE UNITED STATES ARMY

WOMOS	Warrant Officer Title	Enlisted Feeder MOS
<u>120A</u>	<u>Construction Engineering Technician</u>	<u>12K, H, P, R, T, W</u>
<u>125D</u>	<u>Geospatial Engineering Technician</u>	<u>12Y and 35G,</u>
<u>131A</u>	<u>Field Artillery Targeting Technician</u>	<u>11C, 13B, C, D, E, F, M, P, R, S, W</u>
<u>140A</u>	<u>Command and Control Systems Technician</u>	<u>14J, &amp; 14S</u>
<u>140E</u>	<u>Air and Missile Defense (AMD) Tactician/Technician (Patriot Systems Technician)</u>	<u>14E, 14T</u>
<u>150A</u>	<u>Air Traffic Control Technician</u>	<u>15Q</u>
<u>150U</u>	<u>Tactical Unmanned Aerial Systems (TUAS) Operations Technician</u>	<u>15W</u>
<u>151A</u>	<u>Aviation Maintenance Technician</u>	<u>All CMF 15 MOS (Excluding 15P &amp; 15 Q)</u>
<u>153A</u>	<u>Rotary Wing Aviator</u>	<u>All MOSs</u>
<u>180A</u>	<u>Special Forces Warrant Officer</u>	<u>All CMF 18 MOS</u>
<u>250N</u>	<u>Network Management Technician</u>	<u>All MOSs (Must have 4 years IT experience IAW prerequisites)</u>
<u>251A</u>	<u>Information Systems Technician</u>	<u>All MOSs (Must have 4 years IT experience IAW prerequisites)</u>
<u>254A</u>	<u>Signal Systems Support Technician</u>	<u>All MOSs (Must have 4 years IT experience IAW prerequisites)</u>
<u>270A</u>	<u>Legal Administrator</u>	<u>27D</u>
<u>290A</u>	<u>Electronic Warfare Technician</u>	<u>29E or all MOSs with ASI 1J or 1K</u>
<u>311A</u>	<u>CID Special Agent</u>	<u>31D</u>
<u>350F</u>	<u>All Source Intelligence Technician</u>	<u>35F</u>
<u>350G</u>	<u>Imagery Intelligence Technician</u>	<u>35G, H</u>
<u>350Z</u>	<u>Attaché Technician</u>	<u>All MOSs with ASI 7</u>
<u>351L</u>	<u>Counterintelligence Technician</u>	<u>35L</u>
<u>351M</u>	<u>Human Intelligence Collection Technician</u>	<u>35M</u>
<u>352N</u>	<u>Traffic Analysis Technician</u>	<u>35N</u>

<u>352P</u>	<u>Voice Intercept Technician</u>	<u>35P</u>
<u>352S</u>	<u>Non Morse Intercept Technician</u>	<u>35S</u>
<u>353T</u>	<u>Intelligence and Electronic Warfare Technician</u>	<u>35T</u>
<u>420A</u>	<u>Human Resources Technician</u>	<u>42A/42F</u>
<u>420C</u>	<u>Bandmaster</u>	<u>All CMF 02 MOS's (ALL CMF 42R and 42S)</u>
<u>640A</u>	<u>Veterinary Services Food Safety Technician</u>	<u>68R, 68S, 68T</u>
<u>670A</u>	<u>Health Services Maintenance Technician</u>	<u>68A</u>
<u>740A</u>	<u>Chemical, Biological, Nuclear and Radiological (CBRN) Technician</u>	<u>74D</u>
<u>880A</u>	<u>Marine Deck Officer</u>	<u>88K</u>
<u>881A</u>	<u>Marine Engineering Officer</u>	<u>88L and Z; 21P, w/ASI S2</u>
<u>882A</u>	<u>Mobility Officer</u>	<u>ALL MOS's</u>
<u>890A</u>	<u>Ammunition Technician</u>	<u>89B, 89D</u>
<u>913A</u>	<u>Armament Systems Maintenance Warrant Officer</u>	<u>91F, 91G, and 91K</u>
<u>914A</u>	<u>Allied Trades Warrant Officer</u>	<u>91W and 91E</u>
<u>915A</u>	<u>Automotive Maintenance Warrant Officer</u>	<u>91A, B, C, D, H, L M, P, X,</u>
<u>919A</u>	<u>Engineer Equipment Maintenance Warrant Officer</u>	<u>91C, D, H, J, L, and X</u>
<u>920A</u>	<u>Property Accounting Technician</u>	<u>92Y, 68J</u>
<u>920B</u>	<u>Supply Systems Technician</u>	<u>92A</u>
<u>921A</u>	<u>Airdrop Systems Technician</u>	<u>92R</u>
<u>922A</u>	<u>Food Service Technician</u>	<u>92G, 68M</u>
<u>923A</u>	<u>Petroleum Systems Technician</u>	<u>92F, 92L, and 92W</u>
<u>948B</u>	<u>Electronic Systems Maintenance Technician</u>	<u>94D, E, F, H, K, L, R, V, W, Y &amp; Z; 39B; 25P or 25S may qualify</u>
<u>948D</u>	<u>Electronic Missile Systems Maintenance Technician</u>	<u>94A, M, P, S, T, &amp; Z</u>

## APPENDIX C. FY2011 MILITARY PAY SCALE

2011 Pay Tables by Grade (1.4% Increase over 2010) For Basic Military Pay Rates With LESS THAN 20 Yrs of Experience										
Pay Grade	2 or Less	Over 2	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18
<b>Officer</b>										
O-8	\$ 9,531	\$ 9,843	\$ 10,108	\$ 10,367	\$ 10,798	\$ 10,899	\$ 11,309	\$ 11,426	\$ 11,780	\$ 12,291
O-7	\$ 7,919	\$ 8,287	\$ 8,593	\$ 8,838	\$ 9,080	\$ 9,360	\$ 9,639	\$ 9,919	\$ 10,798	\$ 11,541
O-6	\$ 5,870	\$ 6,448	\$ 6,872	\$ 6,898	\$ 7,193	\$ 7,232	\$ 7,232	\$ 7,643	\$ 8,370	\$ 8,797
O-5	\$ 4,893	\$ 5,512	\$ 5,966	\$ 6,204	\$ 6,346	\$ 6,660	\$ 6,889	\$ 7,186	\$ 7,641	\$ 7,857
O-4	\$ 4,222	\$ 4,887	\$ 5,286	\$ 5,589	\$ 5,913	\$ 6,317	\$ 6,632	\$ 6,851	\$ 6,977	\$ 7,049
O-3	\$ 3,712	\$ 4,208	\$ 4,952	\$ 5,189	\$ 5,449	\$ 5,618	\$ 5,895	\$ 6,039	\$ 6,039	\$ 6,039
O-2	\$ 3,207	\$ 3,653	\$ 4,349	\$ 4,439	\$ 4,439	\$ 4,439	\$ 4,439	\$ 4,439	\$ 4,439	\$ 4,439
O-1	\$ 2,784	\$ 2,898	\$ 3,503	\$ 3,503	\$ 3,503	\$ 3,503	\$ 3,503	\$ 3,503	\$ 3,503	\$ 3,503
O-3E*			\$ 4,952	\$ 5,189	\$ 5,448	\$ 5,618	\$ 5,895	\$ 6,128	\$ 6,262	\$ 6,445
O-2E*			\$ 4,349	\$ 4,439	\$ 4,579	\$ 4,819	\$ 5,003	\$ 5,140	\$ 5,140	\$ 5,140
O-1E*			\$ 3,503	\$ 3,740	\$ 3,879	\$ 4,020	\$ 4,159	\$ 4,349	\$ 4,349	\$ 4,349
<b>Warrant Officer</b>										
W-4	\$ 3,836	\$ 4,126	\$ 4,361	\$ 4,562	\$ 4,761	\$ 4,962	\$ 5,264	\$ 5,530	\$ 5,782	\$ 5,988
W-3	\$ 3,503	\$ 3,649	\$ 3,848	\$ 4,005	\$ 4,314	\$ 4,635	\$ 4,786	\$ 4,961	\$ 5,142	\$ 5,466
W-2	\$ 3,100	\$ 3,393	\$ 3,545	\$ 3,747	\$ 4,059	\$ 4,213	\$ 4,366	\$ 4,552	\$ 4,698	\$ 4,830
W-1	\$ 2,721	\$ 3,013	\$ 3,259	\$ 3,456	\$ 3,746	\$ 3,881	\$ 4,071	\$ 4,257	\$ 4,403	\$ 4,538
<b>Enlisted</b>										
E-9					\$ 4,635	\$ 4,740	\$ 4,871	\$ 5,028	\$ 5,184	
E-8					\$ 3,794	\$ 3,962	\$ 4,190	\$ 4,325	\$ 4,568	
E-7	\$ 2,637	\$ 2,879	\$ 3,135	\$ 3,249	\$ 3,444	\$ 3,555	\$ 3,751	\$ 3,914	\$ 4,025	\$ 4,143
E-6	\$ 2,281	\$ 2,510	\$ 2,728	\$ 2,841	\$ 3,094	\$ 3,192	\$ 3,383	\$ 3,441	\$ 3,484	\$ 3,533
E-5	\$ 2,090	\$ 2,230	\$ 2,448	\$ 2,620	\$ 2,800	\$ 2,947	\$ 2,966	\$ 2,966	\$ 2,966	\$ 2,966
E-4	\$ 1,916	\$ 2,014	\$ 2,231	\$ 2,326	\$ 2,326	\$ 2,326	\$ 2,326	\$ 2,326	\$ 2,326	\$ 2,326
E-3	\$ 1,730	\$ 1,839	\$ 1,950	\$ 1,950	\$ 1,950	\$ 1,950	\$ 1,950	\$ 1,950	\$ 1,950	\$ 1,950
E-2	\$ 1,645	\$ 1,645	\$ 1,645	\$ 1,645	\$ 1,645	\$ 1,645	\$ 1,645	\$ 1,645	\$ 1,645	\$ 1,645
E-1	\$ 1,467									

\*Special basic pay rate. Applicable to O-1 to O-3 with at least 4 years & 1 day of active duty or more than 1460 points as a warrant and/or enl. member

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