RECORD VERSION

STATEMENT OF

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Mr. Chairman and Members of the Committee:

Thank you for this opportunity to report to you today on United States Army personnel programs and the fiscal year 2002 budget. As a framework for this topic, I intend to focus on how our personnel programs and policies contribute to achieving The Army Vision. To meet the national security requirements of the 21st Century and ensure full spectrum dominance, The Army articulated its Vision to chart a balanced course and shed its Cold War designs. The Vision is about three interdependent components – People, Readiness, and Transformation. The Army is people – Soldiers, civilians, veterans, and families – and Soldiers remain the centerpiece of our formations. Warfighting readiness is The Army’s top priority. The Transformation will produce a future force, the Objective Force, founded on innovative doctrine, training, leader development, materiel, organizations, and Soldiers. Our manpower programs are vital to each element of the Army Vision.

Before I go any further, I want to ensure you realize how much our soldiers and leaders appreciate the work of the Congress and of this Committee in addressing our most significant concerns. Soldiers, retirees, and their families sense a renewed commitment to their well being through your support of fiscal year 2001 pay raises and National Defense Authorization Act health care provisions, coupled with the President’s recently announced initiatives to further increase funding for pay raises, retention incentives, health benefits, and housing improvements. By increasing funding to our manpower and recruiting efforts, you enabled a sustained growth in
Army personnel readiness. Though the Army must balance priorities to avoid negatively affecting our Transformation efforts and near-term readiness, the message to our uniformed soldiers, past and present, and their families, is extremely positive. We also appreciate your continued support of our Army’s Transformation. The Army has embarked on a historic endeavor to change in comprehensive and profound ways. Our objective remains to be the most strategically responsive and dominant land force of the 21st Century – decisive across the entire spectrum of military operations.

People

The Army is people. People are the core of The Army’s strength. Three years ago, we completed the Army’s draw down to an active component force structure requiring 480,000 Active Component soldiers. The speed of the draw down, the imperative of taking care of our soldiers, and the maintenance of near term combat readiness created significant manning challenges. We are addressing those challenges, with your support. Since fiscal year 1999, The Army has made significant improvements in personnel readiness. This year we will achieve congressional guidance for end strength for the third year in a row. At the same time, our average strength has steadily increased, from 473,000 man-years in fiscal year 1999, to 475,000 man-years in fiscal year 2000, and a forecasted level of 479,500 man-years in fiscal year 2001. As a consequence, we are manning our 10 active component divisions and two Armored Cavalry Regiments at 100% of authorized strength, and 94% grade and skill match. The fiscal year 2001 achievement is particularly notable. This manpower level will only be possible should Congress fund additional man-years in the fiscal year 2001 supplemental appropriation above our budget request. Our fiscal year 2002 budget request includes funding for an average strength of 476,900 man-years and 480,000 end strength. However, we are fully capable of achieving an average
strength of 480,000 in fiscal year 2002, and will put in place a strategy to execute a manpower program at that level. Increased funding for man-years directly translates into more boots on the ground each day in our formations and higher levels of personnel readiness.

Successful recruiting has been a key enabler to our increased manning levels. The Army achieved its recruiting goal in all three components in fiscal year 2000 for the first time since 1991. (The next previous time was 1982.) For fiscal year 2001, we expect to achieve our goals in all three components again, achieving the first back-to-back successful years in all components in two decades. These successes do not come easy or cheap. A large part of our success is due to the help this committee has provided us in recruiting support and enlistment incentives, and we thank you for that.

Concurrent with The Army’s transformation, we are transforming our recruiting practices. We have changed our processes to better align with the expectations and needs of today’s youth. Our vision for Army recruiting is a recruiting program that is able to connect with the youth of America through a carefully selected professional sales force, supported by credible research, relevant products, state-of-the-art systems, and world-class advertising. Our advertising campaign now features real soldiers discussing 212 ways they serve in the U.S. Army and 180 ways in the U.S. Army Reserve. In these ads, American youth learn about intriguing men and women who are their own age, serving our nation proudly. The campaign discusses camaraderie and core values. The ads stress overcoming challenges to achieve a better life. "An Army of One" unites two messages: the teamwork that makes our Army powerful and the importance of our greatest strength -- the American soldier. The response is highly encouraging. After the new campaign's debut on January 10, visits to WWW.GOARMY.COM were up to 28,000 per
day, calls to 1-800-USA-ARMY jumped one third, and participation in on-line recruiter chat rooms increased 94 percent.

We are continuing to shift our emphasis from our traditional high school senior market to the college and high school graduate markets. As a result, we have made major strategic improvements in recruiting production. By enlisting soldiers who have already completed high school, we have been able to fill near-term training seats. Delayed Entry Program (DEP) losses are down. The number of enlistees with some college education has increased, providing us with soldiers better able to meet the demands of our high-tech job requirements. In fiscal year 2000, we enlisted over 8,000 soldiers with some level of post-secondary education an increase of 30 percent.

We have repositioned our recruiting force to match population shifts and more effectively connect with our market. In fiscal year 2000, we opened and relocated more than 180 recruiting stations. More than 20,000 newly trained recruits participated in the Hometown Recruiter Assistance Program, going back to their hometowns to provide personal testimony about their experiences. We continue to leverage the growth of technology in automating the recruiting force. We have modernized our job placement system Army-wide, giving us better visibility of job availability, allowing us to offer a greater variety of enlistment packages and options to enlistees, and reducing the processing time for our applicants. As a result, we have substantially reduced the number of applicants who are qualified to enlist but decide not to accept available options. Likewise, the enhancements associated with the fielding of the Army Recruiting Information Support Systems to our recruiting force are showing positive results. Closely linked with our improvements in automation is our exploitation of the capabilities and opportunities offered through the Internet. The expansion and redesign of WWW.GOARMY.COM allows us
to offer more information for web users to surf, click, see and hear. In fiscal year 2000 we had more than 3,000,000 visitors to our web site, providing us with over 90,000 follow-up opportunities (recruiter leads). Our ‘cyber-recruiters’ corresponded with more than 30,000 chat users visiting our chat room, generating over 7,000 follow-up email messages. Our enlistment contract per lead rate from the Internet is higher than all other lead sources. The new Army advertising campaign is intended to drive potential applicants to our web site. Since the launch of the campaign in January 2001, hits on our web site are up 197 percent, and recruiter chat room visits are up 94 percent.

Today’s young men and women have more employment and educational opportunities than ever before. Competition for these young people has never been more intense. The Army needs to have competitive incentives to make service to our country an attractive option. To that end, we’ve developed programs we think will attract high quality young men and women. The potential impact of these programs is broad-based and far-reaching. Our recruits, colleges, private industry, the Army, and the nation all benefit from a better-educated, highly skilled Army of opportunity that returns a disciplined, mature citizen back to society.

Announced in July 2000, the Partnership for Youth Success (PaYS) program consolidates Army and industry recruiting efforts into a partnership that is cooperative rather than competitive. When a new soldier enlists under this program, he or she can choose from 94 job skills offered by the Army and needed by industry, receive accredited certification in that job skill, and upon successful completion of their term of service, receive preferential hiring status with a participating corporation in need of that skill. Currently, ten major corporations are participating in this program and 1288 soldiers have taken advantage of this opportunity.
The Army’s High School completion program or GED Plus offers high quality young people who have not completed their high school education, but score high on the Armed Services Vocational Aptitude Battery and the Assessment of Individual Motivation test and are otherwise qualified, the opportunity to gain their GED and then enlist in the Army. We expect this program to pay big benefits not only to the new soldiers, but also to the Army and the Nation as well. The Army accessed 3,449 through this program in fiscal year 2000. By 1 July 2001, the Army had accessed an additional 4,818 and had another 481 in the DEP for 2001.

Geared toward vocational or junior college interests, the College First program offers high school graduates an opportunity to attend two years of college before joining the Army. The Army provides enlistees in this program with a monthly stipend during their time in college in exchange for a commitment to service upon graduation. Even though research shows this is precisely the type of option that youth are looking for, response to the program during its first year was very low (less than 250 contracts). In fiscal year 2001, the Army contracted 281 for the program as of July 2, 2001. The stipend that we are allowed to pay is $150 per month. We are examining proposals on how to address this program and may be asking for your help to make this a viable program as we continue to increase our presence in the college market.

Business practices, incentives and advertising are a part of recruiting but our most valuable resource is our recruiters. Day in and day out, they are in the small towns and big cities of America and overseas, reaching out to young men and women, telling them the Army story. We have always selected our best soldiers to be recruiters and will continue to do so. These soldiers have a demanding mission in making their individual goals. We owe it to these recruiters and their families to provide them the resources, training and quality of life environment that will
enable them to succeed. The Army appreciates Congress’s continued support for recruiting programs and also for your support for improving the quality of life of our recruiting force.

Like recruiting, retention is critical to our success in manning the Army. The Army’s retention program remains the most successful in the Department of Defense. This year, the Army will meet or exceed its retention objectives for the third year in a row. The FY01 mission is 64,000. FY01 accomplishments as of 2 July were: Initial term – 106 percent; Mid-Career – 109 percent, Career – 100 percent for an aggregate of 105 percent, FY01 ETS - 117 percent and Reserve Transition – 127 percent. Funding of retention bonuses is paramount to the success of Army retention. Concerns over adequate housing, compensation, and deployments are also key factors in a soldier’s choice to continue service. The FY01 Defense Authorization Bill was a start in addressing many of these concerns, but continued attention is needed.

While we have had significant success in improving enlisted manning, we are still working to stabilize the officer corps following the decade of draw down. In fiscal year, 2001, we expect an aggregate inventory shortage of approximately 1,700 officers. A particular concern is our shortage of 2,776 Army Competitive Captains. We continue to lose Captains with six to ten years of service at levels above historic norms. This creates an imbalance between our inventory and structure, which is difficult to manage and a readiness concern. In fiscal year, 2001, The Army leadership implemented numerous initiatives to encourage officers to continue service. It’s too soon to determine the effectiveness of these initiatives. We will continue to inform you of our progress.

The Army Vision states, “The Army will assure our Nation’s security by equipping, training, caring for our people and their families, and enabling their full potential as individuals.” While this has long been our focus, the dynamic and uncertain nature of the strategic
environment along with evolving societal expectations and demographics dictate that we address the human dimension in its entirety as part of the overall transformation of our force. To that end, we are transforming the cold war concept of “quality of life” into a far more comprehensive system known as “well-being.”

Well-Being is the personal state of our people that contributes to their preparedness to perform and support The Army’s mission. The idea of well-being significantly expands on the concept of quality of life by taking a holistic approach, strategically integrating all related programs into a more encompassing and unifying concept based on a specific set of well-being functions. Well-being philosophically links individual aspirations with the needs of The Army. Well-being establishes standards and metrics by which to measure the impact of well-being programs on desired military outcomes such as performance, readiness, retention, and recruiting. And well-being recognizes the impact of a much broader range of factors that effect job satisfaction such as turbulence, training, and leadership. Our Well-Being program is focused on achieving three strategic goals. We must provide a competitive standard of living. Because the Profession of Arms is a unique culture, we must provide sense of community and a record of accomplishment that engenders intense pride and sense of belonging. And finally, we must provide an environment that allows our people the personal enrichment that comes from pursuing their individual aspirations. We believe such a focus creates the environment where Soldiers and family members are more self-reliant and exude higher levels of confidence and competence in addressing the challenges of military life. Our people will be better prepared to perform and support the Army’s full spectrum mission.

The Army’s readiness is inextricably linked to the well-being of its people – Soldiers (Active, Guard, Reserve), civilians, veterans, retirees, and their families. Recognition of this demands a balanced approach to the fulfillment of our strategic goals. The Army has moved beyond the
narrow cold war focus on standard of living (pay, health care, and housing) to add a mix of workplace environment, education, and Soldier and family programs to this holistic approach to well-being. There is no question as to the importance of “pay” and “health care” in terms of the well-being of our people. Together, they are a trust we must keep, not just with those currently in uniform but with veterans and retirees who served before us. Together with “housing,” pay and health care form the backbone of The Army’s Well-Being Goal of providing a competitive standard of living for our people.

For most of the past half century, the military has been closely associated with education. With the advent of the information age and an increasingly promising economy, this relationship is only getting more complex. The results of the Secondary Education Transition Study are drawing attention and are certain to be a principal focus in the not too distant future. Whether a direct benefit to Soldiers or an indirect benefit to family members, education remains a critical factor in reaching our goals of professional pride and personal enrichment.

Soldier and family programs such as fitness, sports, libraries and recreation, Army Community Service, and Child and Youth Services are absolutely critical. In some ways, they are perhaps the easiest to overlook, but they also contain some of the most powerful signs of our commitment to our people. These diverse programs are tailored to meet a variety of individual needs and aspirations. By fulfilling them, The Army sends a strong message directly to individual Soldiers and family members. In many cases, these are the programs that bring volunteers from veterans and retiree groups back into contact with the force. They solidify the common bond that reinforces the sense of community and contributes to readiness and retention. Dollar for dollar, some of our most effective and efficient programs reside in this general category.
In summary, well-being is a strategic human resource program critical to the Army’s vision of equipping, training, caring for our people and their families, while enabling their full potential as individuals. It accomplishes this mission by leveraging a competitive standard of living, personal enrichment, and pride coupled with a strong sense of belonging. With far greater strategic impact than quality of life, well-being exists as both a strategic program and point of view. It creates an environment where soldiers and families are more self-reliant, more competent and confident in addressing the challenges of military life, and better prepared to support the Army’s full spectrum mission.

Sustained Congressional support for important well-being programs help us recruit and retain a quality force. Indeed, the pay raise, pay table reform, and retirement reform, as well as diligent efforts by leaders at all levels of The Army helped us exceed our recruiting and retention goals in fiscal year 2000. It is only through such efforts that we maintain our commitment to our people. A comprehensive well-being program ensures a quality force both now and in the future.

**Readiness**

We have leveraged increased Army strength through The Army Manning Initiative. Over a four-year period beginning in fiscal year 2000, our goal is to improve manning levels in units across the Army. We initially redistributed soldiers to fill all personnel authorizations in every active component combat division and cavalry regiment. In doing so, we accepted some risk in the institutional base. This effort exposed the serious gap that has existed in the aggregate between manning requirements and authorizations. It is possible that we will need to increase personnel authorizations to meet all unit manning requirements, dependent upon ongoing reviews of overall Army missions. Manning the entire force will reduce operational and personnel tempo and improve both readiness and well-being.
Over the past year, we kept our 10 Active Component warfighting Divisions, and two Armored Cavalry Regiments manned to 100% assigned personnel of their authorizations. We made steady increases in key units that deploy in the first 30 to 35 days in our Major Theater War scenarios. By the end of fiscal year 2001, these units will be manned at 100% of authorizations. At the same time, we have continued to fill key billets in our non-priority units to 100%, as well as keep their overall manning at a level sufficient for them to accomplish their missions by the end of this FY, 67% of the Army will be at 100% strength while at the same time we have guarded against “breaking” the average strength of the other units. Improving Army manning within our overall strength and fiscal constraints, particularly in a tight labor market, has been a tough challenge. We have not sacrificed our quality standards for recruiting and retention. Our sustained improvements in personnel readiness are the proof our success in recruiting, retention, and attrition reduction.

Transformation

The third component of the Vision is a comprehensive transformation of the entire Army. This complex, multi-year effort will balance the challenge of transforming the operational force and institutional base while maintaining a trained and ready force to respond to crises, deter war and, if deterrence fails, fight and win decisively. Transformation is far more extensive than merely modernizing our equipment and formations. It is the transformation of the entire Army from leader development programs to installations to combat formations. All aspects – doctrine, training, leaders, organization, material, and Soldiers – will be affected.

During this transformation, The Army must become more flexible in our personnel management practices as well. This flexibility will allow us to react to changes in our strategic environment, and to potential enemy adaptations to our capabilities. We need flexibility to take
advantage of new technologies, and to adjust our plans to the pace of change. The Army recently completed an in-depth evaluation of our warrant officer and enlisted personnel management systems. The study resulted in 23 initiatives being approved for implementation. These initiatives, when combined with our revision of the Officer Personnel Management System in 1997, refine The Army’s leader development and personnel management by modernizing personnel business practices, aligning warrant officer inventory and structure, and providing agility and versatility to the Enlisted Personnel Management System. We call this holistic approach to military personnel management the Army Development Systems. It includes character development, performance evaluation, leader development, and personnel management subsystems. The Army Development Systems enhance our ability to support The Army’s personnel needs by ensuring all personnel life cycle functions are efficient and flexible during The Army’s transformation to the Objective Force, while allowing for the inevitable system adjustments generated as The Army’s personnel needs evolve.

We are also supporting Army Transformation by transforming the way the personnel support services are provided. Personnel Transformation will revolutionize, integrate, and redesign our personnel programs and systems to provide simple, accurate, and accessible personnel information for commanders, soldiers, and families. It is vital to sustaining Army readiness and providing for the well being of soldiers and family members.

Today, the Army employs over 350 legacy personnel automation and information systems in support of over 1,170 processes, which are often overly complex, burdensome, non-responsive, unnecessary, and redundant. With few exceptions, our systems do not facilitate or foster the sharing of information between the Army’s three components. We continue to employ many manual, stove-piped, and duplicative procedures and processes. Historically, the personnel
function has required a large footprint in the operational theater. Our goal is to reduce that footprint via modernization of personnel systems and leveraging technological advancements in information systems.

The Army’s Personnel Transformation Campaign Plan is comprised of three elements. First, the creation of an integrated corporate personnel database that is secure, yet accessible and provides seamless, timely, accurate, responsive, and reliable information. This corporate database will allow the Army to eliminate and collapse numerous legacy systems. Second, Personnel Transformation will implement “best business practices” that streamline and eliminate personnel processes. We fully endorse and support the Defense Integrated Military Human Resource System (DIMHRS) initiative as part of this effort to implement best business practices across the Departments and components. In fact, we have asked the Department of Defense to consider accelerating the implementation of DIMHRS. Finally, Personnel Transformation will reduce the footprint of personnel administration on the battlefield while improving strategic responsiveness. We will leverage advanced communication technologies with our integrated database and best business practices to become more efficient and more responsive to our theater commanders.

**Closing Statement**

With the support of the Administration and Congress, The Army has embarked on a historic enterprise to transform in response to a changing strategic environment. People remain the centerpiece of that transformation because ultimately, soldiers on the ground are responsible for carrying out our nation’s policies. On any given day, the Army has over 121,000 soldiers forward stationed in over 100 countries. The personnel policies and programs I’ve described are essential to their support.
Mr. Chairman and distinguished members of the Committee, I would like to thank you once again for this opportunity to report to you today on the personnel readiness of your Army. The statements made in this testimony are contingent upon the results of Secretary Rumsfeld’s strategic review. I ask you to consider them in that light. I look forward to working with you on these important issues.