

GAO

Testimony

Before the Subcommittee on Personnel, Committee on
Armed Services, U.S. Senate

For Release on Delivery
Expected at
2:00 p.m., EST
Wednesday,
February 24, 1999

MILITARY ATTRITION

DOD Needs to Follow
Through on Actions
Initiated to Reduce Early
Separations

Statement by Mark E. Gebicke, Director, Military
Operations and Capabilities Issues, National Security and
International Affairs Division



DISTRIBUTION STATEMENT A
Approved for Public Release
Distribution Unlimited

19990312 000

Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to discuss our work on the recruiting and attrition of the military services' enlisted personnel. At the request of this Subcommittee, we began a body of work in this area in 1995. As you are aware, enlisted attrition is a complex problem, and many processes and people are involved in recruiting and retaining qualified enlisted personnel. Because of the complexity of this issue, we segmented the enlistment process into its component parts and issued separate reports on (1) recruiter selection and incentive systems and their effects on recruiter performance,¹ (2) the screening of incoming recruits for criminal history information to ensure that only qualified persons are allowed to enlist,² (3) reasons for attrition during the first 6 months of an enlistee's term,³ and (4) reasons for premature attrition after first-term enlistees have completed 6 months of service.⁴ Other products related to these issues are listed in appendix I.

Today, I would like to present a summary of our work to date and the status of the actions initiated by the Department of Defense (DOD) to improve recruiter and recruit quality and to reduce attrition. Keeping qualified enlisted personnel in the military has become even more crucial as the services' struggles to meet their recruiting goals have become even more intense in recent years.

RESULTS IN BRIEF

For at least the last decade, about one-third of all DOD enlistees have failed to complete their initial terms of service. This attrition rate represents a costly problem. We calculate that the services spent \$1.3 billion to recruit and train the 72,670 enlistees who entered the services in fiscal year 1993 but were separated before the end of their first term.⁵ Clearly, the services did not receive a full return on their investment.

Our work since 1995 has shown that to decrease this attrition rate, the services needed to (1) revise their recruiter selection and award systems to create more incentives to recruit enlistees who are likely to complete basic training; (2) improve the medical, physical, and criminal screening of incoming recruits to ensure that only those fully qualified are enlisted; and (3) gather more

¹ Military Recruiting: DOD Could Improve Its Recruiter Selection and Incentive Systems (GAO/NSIAD-98-58, Jan. 30, 1998).

² Military Recruiting: New Initiatives Could Improve Criminal History Screening (GAO/NSIAD-99-53, Feb. 23, 1999).

³ Military Attrition: DOD Could Save Millions by Better Screening Enlisted Personnel (GAO/NSIAD-97-39, Jan. 6, 1997).

⁴ Military Attrition: Better Data, Coupled With Policy Changes, Could Help the Services Reduce Early Separations (GAO/NSIAD-98-213, Sept. 15, 1998).

⁵ Fiscal year 1993 was the most recent accession year for which a full 4 years of attrition history was available.

comprehensive data on why enlistees are being separated early to allow DOD and the services to craft effective retention policies. Our work has resulted in 20 recommendations. However, because of the complexity of the attrition problem, it may take several years before the effects of DOD's actions can be seen. Consequently, we may not see a significant lowering of attrition for a number of years.

In response to our recommendations, DOD and the services have already initiated many actions to reduce attrition. The services are beginning to tie recruiter awards more closely to recruits' successful completion of basic training and to use better tools to select new recruiters. To improve the screening of applicants for service, DOD has revised its medical history forms, and the services have worked toward making their preentry physical fitness programs more rigorous. DOD has also agreed to strengthen criminal background screening by requiring full fingerprint checks and other technological improvements. However, for all of these actions to result in a reduction of enlisted attrition, DOD and the services must vigilantly follow through on these actions and assess their effects. This will take continued monitoring and adjustment.

One of DOD's major efforts will take a long time to complete: the creation of a database on reasons for premature separations. We initially made this recommendation in 1997. In the meantime, DOD has made good progress toward creating databases on medical separations and on enlistment waivers. Also, DOD has just completed phase one of its effort to improve separation codes. It has now standardized separation codes and developed common definitions of these codes. DOD's next step is to standardize the application of these codes among all the DOD agencies that use them. This effort is expected to be completed in 18 months. Creating accurate data on why enlistees are leaving before the end of their first terms will enable the services to craft successful policies to retain enlistees and allow DOD to set reasonable goals for reducing attrition.

ATTRITION IS A COSTLY PROBLEM

DOD faces a significant challenge in retaining the hundreds of thousands of new recruits it enlists each year. While each new enlistee signs a contract for a term ranging from 2 to 6 years, most first-term contracts are for 4 years. Between fiscal years 1982 and 1993, 31.7 percent of all enlistees did not complete their first terms of service: 11 percent of enlistees were separated during their first 6 months, and 20.7 percent between their 7th and 48th month.

First-term attrition is costly in that DOD estimated in 1998 that the services' recruiting and training investment in each enlistee during the first term was an average of \$35,532. Using DOD's lower recruiting and training cost estimates for fiscal year 1993 (ranging from \$19,143 to \$24,885), we calculated that the services spent \$1.3 billion on the 72,670 enlistees who entered the services in

fiscal year 1993 and departed prematurely. Because these enlistees were separated early, the services did not get a full return on their investment.

RECRUITER SELECTION AND INCENTIVE SYSTEMS ARE CRITICAL

Recruiters are the first of many military personnel who are involved in the transformation of civilian recruits into productive servicemembers. Our work showed, however, that recruiters did not have adequate incentives to ensure that their recruits were qualified. Their grueling schedules and heavy workloads exerted great pressure on them. We believe that the services should not measure recruiters' success simply by the number of people who sign enlistment papers stating their intention to join a military service but also by the number of new recruits who go on to complete basic training. We also believe that the selection of recruiters themselves is critical.

During our review of this issue, we identified practices in each service that we believed would enhance recruiters' performance and could be expanded to other services. Specifically, we recommended that the services (1) link recruiter awards more closely to recruits' successful completion of basic training, (2) use experienced field recruiters to personally interview all potential recruits, (3) develop or procure personality screening tests that could aid in the selection of recruiters, and (4) provide opportunities for recruiters to interact with drill instructors and separating recruits to allow them to become more familiar with what new recruits typically undergo.

NECESSITY FOR BETTER MEDICAL, PHYSICAL, AND CRIMINAL SCREENING OF RECRUITS

Data maintained by the Defense Manpower Data Center on enlistees who entered the services in fiscal year 1994 indicates that DOD's attrition rate was 14.4 percent at the 6-month point in their first terms.⁶ This means that in fiscal year 1994, 25,430 enlisted personnel were separated from the services within the first 6 months of service. Of this number 21,229, or about 83 percent, were assigned separation codes indicating that they (1) were medically unqualified for military service, (2) demonstrated character or behavior disorders, (3) fraudulently or erroneously entered the military, or (4) failed to meet minimum performance criteria. This data, along with our body of work, indicates that better medical, physical, and criminal screening of recruits could result in a reduction of attrition rates.

⁶In past years, 6-month attrition has steadily risen, from 10.8 percent in fiscal year 1987 to 14.4 percent in fiscal year 1994. However, overall 48-month attrition has also risen, from 31.7 percent in fiscal year 1987 to 35.8 percent in fiscal year 1993 (the latest year for which 4-year data was available).

Ways to Improve the Medical Screening of Recruits

Our work on attrition during basic training indicated that the services were enlisting persons with disqualifying medical conditions for two primary reasons: (1) applicants conceal their medical histories, and (2) the services waive medical conditions that, according to DOD directives, are disqualifying.

At the time of our review, the services asked applicants to provide medical records only when they divulged past medical problems. Also, the services did not ask all applicants to provide the names of their medical insurers or medical providers. Further, questions on the forms used to collect applicants' medical histories were nonspecific, ambiguous, and not tied to medical conditions that most often resulted in recruits' separations. Finally, DOD did not have data on which disqualifying medical conditions represented acceptable attrition risks. That is, because DOD's physical enlistment standards were not empirically linked to performance in the military, but rather were based on military experience and expert judgment, personnel throughout the services found it difficult to determine which medical conditions should be waived and which ones should not.

Our recommendations for improving the services' medical screening included requiring all applicants to provide the names of their medical insurers and providers, revising the forms used to collect applicants' medical histories, and using a newly proposed database of medical diagnostic codes to determine whether adding medical screening tests to the entrance examinations and/or providing more thorough medical examinations to selected groups of applicants could cost-effectively reduce attrition at basic training.

Ways to Improve the Physical Fitness of Recruits

While recruiters use standard criteria in screening applicants for military service, physical fitness is not among these criteria. Thus, the services have no assurance that recruits will be able to pass their physical fitness tests in basic training. In fact, of the 176,000 recruits entering the services in fiscal year 1994, approximately 7,200 (or 4 percent) were discharged in the first 6 months of service because they failed to meet minimum performance criteria such as physical fitness requirements. According to basic training personnel throughout the services, recruits who are in good physical shape have a greater chance of meeting overall military performance standards. Those struggling to meet physical requirements are often correspondingly demotivated to meet other military requirements.

As we began our work, the services were beginning to invigorate their Delayed Entry Programs, the structured programs supervised by recruiters before their recruits begin active duty. For example, the services were encouraging recruits

to maintain or improve their physical fitness so that they would be able to meet the initial physical conditioning requirements of basic training. However, at the time of our review, only the Marine Corps conducted regular physical fitness training for its recruits and required them to take a physical fitness test while in the Delayed Entry Program. The Marine Corps reported that attrition was lower among recruits who passed the test.

To maintain recruit quality and increase a recruit's chances of graduating from basic training, we recommended that the Army, the Navy, and the Air Force implement the Marine Corps' practice of administering a physical fitness test to recruits before they report to basic training. We also recommended that the services incorporate more physical fitness training into their Delayed Entry Programs.

Ways to Improve the Screening of Recruits for Criminal Histories

Another criterion for screening applicants for military service is moral character. A criminal history does not automatically eliminate applicants from consideration. Rather, the services may grant "moral character waivers" to enlisted persons with minor or serious criminal histories based on the information they receive. For example, between fiscal year 1990 and 1997, 13 percent of all enlistees had received moral character waivers for offenses ranging from minor traffic violations to serious crimes, and moral character waivers represented 62 percent of all waivers granted (including, for example, waivers for physical and medical standards and number of dependents). The services strive to gather the most complete information possible on their applicants' criminal histories in order to make informed decisions on whom they wish to enlist.

In response to concerns about the moral character qualifications of enlisted personnel, we undertook a review to (1) determine the extent to which relevant criminal history information on potential enlistees is available to the military services and (2) identify any federal government initiatives that could improve the process of obtaining criminal history information. During our review, we found that the services have extensive procedures for encouraging applicants to self-report criminal history information. Among other things, the services repeatedly query each applicant, providing as many as 14 opportunities to disclose any criminal offenses to as many as seven different service and Military Entrance Processing Station (MEPS) officials. The services also conduct periodic inspections and investigations to ensure the integrity of the entire recruiting process, which includes disclosure of disqualifying information.

The services cannot always obtain or substantiate all available criminal history information because of certain service policies and federal, state, and local laws and policies that sometimes preclude access. First, the services do not use fingerprints to substantiate the majority of enlistees' criminal histories. Without

full fingerprint searches, the services cannot detect undisclosed aliases and ensure that they have all available criminal history information. Second, federal law and state and local laws and policies, which generally limit or prohibit disclosure of criminal history information, impede the recruiting community's access to certain criminal history information. Also, state and local governments sometimes charge fees or require fingerprints to release the information. Third, available criminal history databases (not controlled by DOD) are incomplete. For example, only 46 percent of the Federal Bureau of Investigation's records are complete.

Of further concern is the services' practice of sending enlistees to basic and follow-on training and in some cases to first-duty stations before the results of criminal record checks are received. This practice results in training costs that could be avoided.

Several DOD and Department of Justice initiatives have begun that could improve the process of obtaining criminal history information. These initiatives have the potential of making available to DOD and the services more complete information upon which to make moral waiver decisions and expedite the process for obtaining record checks. However, DOD and the services have not formulated a coordinated approach for using these initiatives to better ensure that the military does not enlist and train individuals with undesirable backgrounds.

To enable DOD to benefit from the most complete criminal history information possible on all applicants for military service, we recommended that it (1) develop and monitor a DOD-wide plan to use the recent initiatives that have been undertaken by the Defense Security Service and the Federal Bureau of Investigation to improve background investigations; (2) require all national agency checks for enlistment into the military services to be based on a full fingerprint search; and (3) direct the services, after the new initiatives are in use, to stop sending enlistees to training and to first-duty stations without having all available criminal history information.

DOD LACKS COMPLETE DATA ON REASONS FOR EARLY SEPARATIONS

After enlistees have been recruited, screened, and trained, many still fail to complete their contractual terms of service. In our work on attrition, we found that the separation codes assigned to enlistees, which form the primary basis for DOD's tracking of attrition rates, captured only general categories of discharge. That is, these codes are not specific enough to capture exactly why separations are occurring and are used inconsistently by the services. The assignment of separation codes requires a degree of subjectivity, which may mask true reasons for separation and make it more difficult to analyze why attrition is occurring and to determine what can be done to decrease it.

Over 70 percent of male enlistees who entered the services in fiscal year 1993 and were separated between their 7th and 48th month of service had misconduct, medical/physical conditions, performance problems, or drug use recorded as the reason for separation. Over 71 percent of the women in this group were separated for pregnancy, medical/physical problems, misconduct, performance problems, or parenthood. While this data, which is based on separation codes, gives general categories of discharge, it is not specific enough for the services to determine which of these enlistees might have been rehabilitated or otherwise encouraged to complete their first terms of enlistment.

Similarly, data now available on quality-of-life issues that underlie attrition--such as enlistees' perceptions that military benefits are eroding, that career opportunities are limited, and that deployment rates are too high--are not at present tied to service efforts to prevent the attrition of first-term personnel. If the services could use quality-of-life surveys to collect data from first-term enlistees who separate early, they could focus their attention on improvements that would have the most impact on reducing the attrition of these personnel.

POLICY CHANGES TO TARGET
ENLISTEES FOR REMEDIAL
ACTIONS ARE NECESSARY

All the services are concerned about attrition, and service leaders are conveying this concern to their local commanders. Two services, the Army and the Air Force, have even set numerical goals for reducing first-term attrition. Research supports the positive effect of command emphasis on finding ways to get more high-quality personnel to complete their first terms. However, setting numerical goals for reducing attrition without complete information on its underlying causes or guidance on what specific actions should be taken to reduce it may turn these goals into arbitrary ceilings.

While command emphasis on attrition is critical to the services' efforts to reduce it, this emphasis must be linked to clear policy changes that target specific groups of enlistees the services wish to retain without lowering standards. Better guidance to commanders on what actions should be taken to deal with identified problems or what accommodations could be made to retain certain categories of enlistees is also needed. An example of a successful policy change to reduce attrition is the Army's recent decision to retain enlistees who in past years would have been separated early because they had been deemed ineligible for reenlistment. In this case, Army commanders targeted a group of enlistees they wished to retain—primarily those with performance problems—and made formal policy changes to do so. The Army will now be able to measure the effects of its policy change in terms of how many more enlistees it was able to retain and why.

Our interviews with first-term enlistees, supervisors, and service officials indicate that other types of enlistees could be targeted for remedial action if specific

mitigating actions are taken. For example, enlistees who commit minor disciplinary infractions, who fail physical fitness or career development tests, who are one-time drug users, or who become pregnant may simply need to be provided further counseling, optional testing, other job choices within the service, or remedial training by their commissioned or noncommissioned officers.

Finally, granting honorable discharges to enlistees who deliberately seek ways out of fulfilling their service commitments simply encourages others to do likewise. One Army unit we visited had already begun to attempt to close these "escape routes" and impose more punitive measures against certain enlistees, particularly those found to use drugs. Some enlistees could be motivated to remain in the service if they knew that there were no easy ways out and that serious negative consequences were associated with behavior or performance that warranted discharge.

Among our many recommendations to help reduce enlisted attrition, we suggested that DOD issue guidance for implementing the assignment of separation codes that will provide it with a reliable database for managing attrition and for the services to set appropriate targets for reducing it. We also recommended that the services (1) use existing quality-of-life surveys or create new ones to identify quality-of-life initiatives aimed at reducing attrition; (2) collect more complete data on specific groups of enlistees whom the services wish to target for remedial action and issue guidance and formal policy changes to local commanders indicating what specific actions—such as more counseling, optional testing, further job choices, or remedial training—can be taken to prevent the early discharge of enlistees in these groups; and (3) reassess the appropriateness of providing favorable types of discharge to enlistees whose behavior or performance led to their early separation to ensure that proper incentives exist to encourage enlistees to complete their first terms.

DOD AND SERVICE ACTIONS IN RESPONSE TO OUR RECOMMENDATIONS

Recruiting and retaining well-qualified personnel are among the strategic goals included in DOD's performance plan for fiscal year 2000 required under the Government Performance and Results Act of 1993 (P.L. 103-62, Aug. 3, 1993). In line with these goals and in response to recommendations contained in our reports on recruiting and attrition, DOD and the services have initiated many actions. While we see these actions as positive steps, it is likely to be some time before a drop in enlisted attrition rates will be seen. The effect of each particular action may not be precisely measured, but it is important that DOD and the services follow through on their actions and monitor their effects. These changes represent an opportunity for DOD and the services to continually improve their recruiting and training processes and retain more qualified enlisted personnel.

As of February 1999, DOD reported the following changes, among others, in response to our work in the recruiting area:

- The services were beginning efforts to link recruiters' awards more closely to enlistees' successful completion of basic training. For example, the Army Recruiting Command has proposed a new recruiter incentive program called the "Basic Training Pride in Ownership Incentive Program for Fiscal Year 1999," which will link a new soldier's successful completion of basic training to selection criteria for quarterly, semiannual, and annual awards to recruiters. The Navy's recruiting teams receive 10 percent of their points when applicants enter the Delayed Entry Program, 40 percent when they are sent to basic training, and 50 percent when they graduate from basic training.
- All services but the Army now use experienced recruiters to personally interview all potential recruiters. The Army uses a team of recruiters to interview volunteer recruiters, but for nonvolunteers, the Army uses a two-person team, one of whom is a recruiter, to assist in the nomination and screening of potential recruiters.
- The Army is testing an instrument to predict success as a recruiter. It will complete testing and present the results on the use of this "Recruiter Selection Profile" by March 1999.
- The Air Force is testing an instrument called the "Emotional Quotient Inventory" to screen potential recruiters and plans to report on its success at the end of the testing period.
- All services were working toward closer associations between recruiter schools and their basic training organizations.
- All services were working to develop more rigorous and structured physical fitness programs for enlistees while they are in the Delayed Entry Program.
- In response to our reports on attrition, DOD has initiated the following actions, among others:
 - The Military Entrance Processing Command is formulating procedures to comply with the requirement for all applicants to provide the names of their medical providers.
 - A new form to collect applicants' medical histories has just been completed. DOD states that this new form will allow medical practitioners to obtain precise medical histories that will be reviewed by Military Entrance Processing Station physicians in determining applicants' medical

eligibility. This process will also allow MEPS physicians to request additional medical records or information on applicants prior to their scheduled physical examinations.

- DOD has revised DOD Directive 6130.3, "Physical Standards for Appointment, Enlistment and Induction" to include International Classification of Disease codes to note any medically disqualifying conditions. DOD has asked that the services use these codes to identify all medical waivers and separations. Once a database of these codes has been created on all enlistees, DOD will be able to determine whether attrition risks are higher for various types of medical conditions and whether it would be cost-effective to add more medical screening tests to preentrance physical examinations.

While DOD has not had time to implement recommendations contained in our just-released report on the screening of recruits for criminal histories, it generally concurred with the draft report's findings and recommendations. DOD plans to form a working group to develop and monitor a DOD-wide plan to use recent initiatives to improve background investigations. DOD also agreed to require full fingerprint searches for all potential enlistees, but implementation will depend on the availability of needed technology. In addition, DOD agreed to stop sending enlistees to training and to first-duty stations before it has received all available criminal history information. However, DOD said that before directing such a change, it would need to develop a system to ensure the prompt availability of information on criminal histories and to allow flexibility for exceptions when delays occur.

In responding to our report on enlisted attrition between 7 and 48 months of service, DOD agreed to (1) prepare a report on quality-of-life issues that could be addressed to reduce attrition, (2) provide local commanders with guidance and formal policy changes related to specific types of attrition the services target for remedial action, (3) reassess the appropriateness of providing favorable types of discharges to enlistees whose behavior or performance led to their early separation to ensure that proper incentives exist to encourage enlistees to complete their first terms, and (4) prepare a report by October 1999 documenting service initiatives related to our recommendations.

CREATING A DATABASE OF REASONS FOR ATTRITION WILL TAKE SOME TIME

Though DOD and the services have taken many positive steps toward improving their selection of recruiters and their screening of recruits, the creation of a database of specific, consistent, and complete reasons for enlistees' premature separations has not yet been completed. We first made this recommendation in January 1997. Our follow-on work, in 1998, confirmed the need for better

information on why enlistees were not completing their first terms, and our work on criminal background checks reemphasizes the need for better data on enlistment waivers.

DOD has begun to lay the foundations for creating a database on why enlistees are being separated medically, and it has begun efforts to solve the problem with its waiver data. In April 1998, it began its data collection effort into nonmedical separations. DOD has formed a joint working group consisting of representatives from the Office of the Secretary of Defense, the services, the Defense Finance and Accounting Services, and the Defense Manpower Data Center to develop common definitions and applications to the separation codes. The working group has just completed phase one of a two-phased project. DOD reports that the working group has standardized the current separation codes and developed common definitions across the services that are in line with current DOD policy and guidance. In the next phase, the working group will standardize the application of the codes among all DOD agencies that use them. The efforts are expected to be completed in the next 18 months. We believe that collecting such data is key to the services' ability to craft policies that increase the proportion of first-term personnel who complete their obligations.

Mr. Chairman, this concludes my prepared statement. We would be happy to respond to any questions that you or other Members of the Subcommittee may have.

RELATED GAO PRODUCTS

Military Attrition: DOD Needs to Better Analyze Reasons for Separation and Improve Recruiting Systems (GAO/T-NSIAD-98-117, Mar. 12, 1998).

Military Attrition: DOD Needs to Better Understand Reasons for Separation and Improve Recruiting Systems (GAO/T-NSIAD-98-109, Mar. 4, 1998).

Military Attrition: Better Screening of Enlisted Personnel Could Save Millions of Dollars (GAO/T-NSIAD-97-120, Mar. 13, 1997).

Military Attrition: Better Screening of Enlisted Personnel Could Save DOD Millions of Dollars (GAO/T-NSIAD-97-102, Mar. 5, 1997).

Military Recruiting: More Innovative Approaches Needed (GAO/NSIAD-95-22, Dec. 22, 1994).

(703278)