

CRISIS IN THE ACQUISITION WORKFORCE: SOME SIMPLE SOLUTIONS

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The military acquisition system is facing a crisis of significant proportions, with the imminent loss, through retirement and attrition, of a substantial portion of its experienced workforce, which is responsible for the development, production, and deployment of new weapons. Implications for vital national security issues, for both the near and long term, are serious. The potential inability of the acquisition process to provide quality weapons in a timely manner and at a reasonable price should be disturbing to senior leaders within the Department of Defense (DoD). What can be done about the potential loss of this acquisition leadership? Here are some creative approaches, although they will require bucking entrenched bureaucracies to implement, that could resolve the current shortfall and prevent future ones.

The acquisition workforce is aging. This is a “given” and has been documented by the Acquisition 2005 Task Force Final Report: “Shaping the Civilian Acquisition Workforce of The Future” (2000). The report identifies the problem as follows:

[DoD] is facing a crisis that can dramatically affect our Nation’s ability to provide warfighters with modern weapon systems needed to defend our national interests. After 11 consecutive years of downsizing, we face serious imbalances in the skills and experience of our highly talented and

specialized civilian workforce. Further, 50 percent will be eligible to retire by 2005. In some occupations, half of the current employees will be gone by 2006.

This potential loss may or may not have significance on the ability of the Services to provide weapons to their customers (i.e., the warfighter), but the potential implications can’t be ignored.

While the composition of the acquisition workforce is normally not an issue that has significance to senior national security policy makers, in this instance they must pay appropriate attention. The quality and the quantity of the civilian

workforce, and the continuation of capable leadership within that discipline, is a critical issue.

National security policy is a truly glamorous field of study that draws the attention of the best and the brightest. Acquisition, especially the acquisition workforce, is less glamorous and usually takes a back seat in the discussion of how to revitalize the capabilities of the nation's military to project power in an often unfriendly world. It is certainly highly

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unlikely that the new President has come to office with an agenda that includes fixing a deficient civilian acquisition workforce pool. While not high on the

agenda, the ability of the acquisition process to provide critical weapon systems in a timely manner can have a serious impact upon the ability to accomplish high-priority, vital national security missions. The best foreign policy can be held hostage to an acquisition process that is not able to get weapons to warfighters when they are needed.

This article will describe the problem of an aging acquisition workforce, specifically those identified in "The Refined Packard Key Acquisition & Technology Workforce(Group IIA Organizations)" (1999). It will discuss the ramifications and consequences of failing to remedy the problem, and finally, identify viable initiatives that can mitigate the potential impact of the aging workforce.

AN AGING WORKFORCE

First, there can be no argument that the acquisition workforce is aging. The DoD study released last year acknowledged the problem and contained recommended changes that would mitigate the consequences of losing a significant portion of the workforce at one time. These changes were divided into three major areas:

- what we can do immediately;
- what we should start in the near term; and
- what we need legislative authority to do.

Why is this an issue? Given the fact that within the next 5 years about 50 percent of the current workforce will be eligible to retire, there are truly significant consequences to the ability of the acquisition system to provide quality weapon systems in good time. How did it happen? During the 1990s, DoD experienced a sizable reduction in the acquisition workforce. During this reduction, the median age of DoD civilians rose from 41 to 46 years of age. The workforce was reduced by about 35 percent, and the acquisition workforce had even greater cuts. The cuts were justified on the basis that acquisition reform would streamline the process and reduce the need for business as usual. The reduction in the overall workforce was a direct result of the end of the Cold War, and the recognition that the United States no longer needed (or could afford) to maintain a military structure that was created to respond to a now-absent Soviet threat. From an economic standpoint, as well as

a political one, it was critical that the “defense dividend” would translate into a significant bonus to the U.S. Treasury.

DOWNSIZING: MILITARY VS. CIVILIAN

Both Presidents George H. W. Bush and Bill Clinton saw a need to have a reduction in the size of the military. This was a natural and beneficial consequence to both geopolitical and political forces. The principal differences lay primarily in the use of the military and in what areas the remaining funds would be spent (e.g., operations and maintenance, procurement, personnel). The ensuing surge in the economy and the resultant surplus in the U.S. Treasury has caused a rethinking of the “correct” sizing of the military. Perhaps some additional funding would be prudent given the way that the military has been used to implement foreign policy during the past 8 years. There is a general recognition that too many missions have drained much of the morale that was evident at the end of the Persian Gulf War.

After witnessing 10 years of downsizing, a growing number of analysts are positing that we need to provide more funding to improve existing weapon systems and develop replacement systems in order to maintain our superpower status. If we are to develop and field new weapon systems, the acquisition system must have enough skilled personnel in the acquisition workforce. There is a cycle time associated with the development and production of weapon systems that — even after several years of reform — does not allow for less than a 5- to 10-year cycle. The most highly touted systems in the Air Force (F-22, the space-based

infrared system, and evolved expendable launch vehicle) require at least that development period — even with the implementation of many new “best practices.” There is also a cycle time associated with developing skilled acquisition personnel. This cycle may vary from discipline to discipline, but it is certainly also requires 5 to 10 years.

If we are to field a growing number of systems in that period, it seems reasonable that either additional people will be needed, or the processes must be changed to simplify and streamline the acquisition system itself. While acquisition reform has improved these processes, some capabilities require time and experience to absorb. If a significant portion of the workforce leaves within the next few years, where do we find replacements? Under normal conditions, replacements would come from younger, lower-grade individuals who would have been hired during the previous 5 to 10 years.

Unfortunately, the civilian portion of the DoD took a slightly different approach to downsizing than did the military. The military had selective early retirement boards, or SERBs, which effectively pruned some less capable individuals from the military. They then brought on board younger individuals (lieutenants). When the senior members (lieutenant colonels and colonels) retired, the junior officers would have enough experience to replace them. The use of SERBs was not trouble-free. Good officers were asked to retire

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F-22 Raptor Air-Superiority Fighter rolls left

before they were ready, and morale suffered to an extent. While disruptive, it was by most accounts enacted humanely. Previous pruning by DoD during the 1970s saw many career military personnel forced out with no retirement — in some cases with as many as 18 years of service.

The civilian workforce was spared this disruption and suffered a much less severe blow to its morale. While there was some disruption in cases where a base or organization was closed, there were minimal reductions in forces. Consequently, the workforce aged as a group, and there was minimal hiring of junior employees to act as replacement parts when the workforce aged and subsequently retired. The civilian workforce management effectively postponed the inevitable, kicking the can down the line, so to speak. Now they face the reality that there are insufficient

candidates to replace those about to leave, and there is inadequate time to train new ones.

FACING THE STAFF SHORTAGE

We now encounter the negative consequences of those downsizing decisions. There will be too few qualified managers to keep the system operating effectively unless action is taken. What options are available to policy makers? Incentives to retain individuals eligible for retirement are one way to mitigate this problem. Unfortunately, this stopgap remedy will not succeed over the long term because it fails to address the underlying problem: the lack of younger workers to maintain continuity. It would, however, buy some time to bring on board replacements, and

ensure that they have training and experience.

A second recommendation is to retain employees as potential replacements for senior members. Employees leave the federal workforce for a number of reasons: Some move to other organizations within the federal government and some leave for the private sector. Incentives that motivate younger employees to stay within DoD would reduce the percentage of departures.

Some defense contractors have initiated retention programs to allow them to keep staff who possess critical skills on programs that would otherwise face serious defections. In some cases government contracts have been rewritten to include provisions that provide an additional fee to contractors who implement employee retention programs (e.g., Titan, Defense Support Program). Since there are currently inadequate replacements in the system, this temporary solution must be accompanied by one that adds qualified individuals to the replacement pool. The task force recommended several reasonable initiatives to accomplish these improvements.

Where will the DoD find experienced, knowledgeable, trained individuals to replenish the workforce? One source is the private sector. But it is an unlikely one, since DoD can't offer incentives competitive with the private sector (salary, working conditions, retirement benefits, etc.). A second option would be to attract junior officers leaving the military who have the requisite experience and training to step quickly into a Government Service (GS) position. Some military officers leave the Services because of family considerations or dissatisfaction with the

military life — not dissatisfaction with the work itself. These individuals have a proven track record and are familiar with the military and the DoD acquisition system.

The downside to this approach is that we are robbing Peter to pay Paul. Each loss of a junior officer takes away a potential manager that would support the same acquisition system. One difficulty with this approach is the competition that exists with the private sector for established, proven performers. Once again, it is difficult to compete when the private sector can pay more and offer additional benefits. If the economy goes into a recession, this may be a viable alternative, but it is risky to depend on possible economic downturns as a strategy to retain these civilians as government employees.

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Another approach would be to enhance the productivity of those that remain within the acquisition system. Along these lines, the DoD has tried to implement the Acquisition Workforce Demonstration Project. I served on the “train the trainer” group for the Space and Missile Systems Center (SMC) as well as on the implementation team. I was disappointed with the lack of support from the unions during the implementation attempt. I believe that this approach had some merit, but can't solve the critical workforce shortage envisioned for the near term without across-the-board support.

The problem is time. We need a long-term solution, but immediate need may

force the Services into an interim band-aid fix. A source must be found for skilled, experienced workers ready to eliminate the shortage now. The greatest need is for qualified managers, but there also is a shortfall at the journeyman level. Many individuals at this grade level also will be eligible to retire soon. The staff shortage will affect many areas. For example, within the contracting field, the ranks will contain too few negotiators, contracting officers, and staff for various levels of management.

REDEFINING “GOVERNMENT FUNCTION”

Here are two potential solutions to explore. The first and perhaps the most radical solution is to redefine the meaning of an inherently governmental function into the most narrow sense. The traditional interpretation has contributed to the creation of a sizable bureaucracy for the acquisition of weapon systems. It encompasses, among others, program managers, con-

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tracting specialists, and financial managers. NASA uses a more narrow interpretation that allows it to hire private companies to do a

significant amount of the work currently done by civilians and military in the DoD. If the acquisition role was defined to mean that of the program manager and the contracting officer, then a large portion of the associated bureaucracy would become obsolete, and there could be a more

simplified line of management. This would necessitate the creation of private companies prohibited from competing for business (i.e., the development and production of weapon systems).

Some companies presently have divisions that are prohibited from competing for business in the specialized arena for which they provide systems engineering and technical analyses (SETA) support. Others are federally funded research and development centers (FFRDCs) such as The Aerospace Corporation and MITRE. These companies also provide engineering analyses and technical support to DoD in support of weapon systems acquisition. Further, they are not prohibited from offering salaries competitive with those of the private sector and can attract and retain highly skilled technical people who would not be available to the government. Given the opportunity, these companies (among many others) could provide the services necessary to contract for the development and production of weapons systems — and some would say at a more reasonable price than today’s federal acquisition bureaucracy. This would truly be a radical approach, requiring buy-in from Congress. It would also require a period of overlap during which pilot programs were evaluated, and potential problems were identified and resolved. Politically, there would be resistance from unions and other groups within the bureaucracy.

While offering a promising alternative, this approach is highly unlikely given the vested interests allied against it. Unless there were substantial and dramatic failures in the existing system, one cannot expect such a revolutionary change to be implemented. And it is neither prudent nor proactive to rely upon a policy based upon

the need for a major failure before a solution is implemented.

A THREE-PART PLAN

Perhaps a more evolutionary approach would be a three-pronged attack on the problem:

- Implement financial incentives aimed at retaining older workers.
- Recruit recently retired workers.
- Institute a recruitment program aimed at college students.

The first prong would be to implement financial incentives to retain individuals eligible to retire soon. Incentives could include increased salary, bonuses, additional time off, better funded educational opportunities, scholarships for dependents, free space-A travel on military flights, and improved retirement pay and benefits for those staying on. The best approach would be to bring in a management analysis team to survey the targeted employees, discern what incentives would be effective, and implement the most feasible ones.

Along with this initiative, outreach should be made to recently retired individuals, providing them with exemptions from “double dipping” civil service rules. Special groups could be hired as consultants to work high-profile acquisitions, bringing to bear their extensive experience and capabilities. This would give them the freedom to choose projects and decide how many hours per week to spend upon them. This approach would save money,

because they would not be civil servants and would not have the benefits and protections that accompany such standing. They could be brought in on a very selective basis, giving management the needed flexibility to put out fires as they occur. The federal unions will no doubt resist this initiative.

The second prong would be to identify and hire individuals retiring or separating from the military with critical skills. Special hiring criteria could be used to attract individuals from the private sector. Management could reduce bureaucracy by reducing inherently governmental roles and contracting out those that don't meet the revised criteria. For example, the Air Force could implement the NASA interpretation

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and contract out contract specialist (buyer), contract analyst, and procurement clerk positions. This would obviate the impact when buyer is promoted to contracting officer. Other positions — such as financial analysts and even some project officers — could fall into this category.

The third prong would require a somewhat radical approach to the traditional hiring practices of the DoD. Currently, there are intern programs that offer recent college graduates the training and experience to get to the journeyman-level position. Starting at the GS 5 or 7 grade, they are rotated through various offices and sent to acquisition training. A supplement or an alternative to this somewhat

shotgun approach would begin even earlier, and implement a program similar to the military's Reserve Officer Training Corps (ROTC). It could offer college tuition at appropriate participating universities to individuals willing to commit to 4 to 6 years in the DoD acquisition system. Based upon the ROTC, it would provide training in DoD weapons acquisition in addition to the regular curriculum. A summer tour at a system center would provide additional resources, plus a head start on candidates' eventual careers with the DoD. Some would take the education and leave; some would stay as career employees.

In theory, this enhanced skill level would contribute to a better, faster,

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cheaper acquisition system, helping reduce the total overall cost for acquisition personnel. These individuals, similar to the graduates of the military service academies, would

form the foundation of the acquisition corps, and would form the core group of future leaders within the acquisition workforce. The government would exert additional quality control over the curriculum and the mix of courses in which these students would matriculate. Obviously, this would only provide a pipeline for those critical fields of study that are projected to be in high demand in the future.

Perhaps a better synergy could come from the creation of a business management

development program within the military academies, which would graduate acquisition professionals rather than military professionals. This is a truly radical proposal and would most likely be resisted by the military. The curriculum could be established by the existing Defense Acquisition University and implemented by the Service academies (West Point, Annapolis, and Air Force). The respective universities already have a business management degree program that could be expanded to include several squadrons of civilian cadets. These cadets would not be military cadets but rather acquisition cadets.

The benefit to the creation of such a subgroup within the academies would be to take advantage of an existing problem — the underutilization of the academies as they are currently staffed. The academies were originally structured to turn out a greater number of graduates than are required in the downsized military. Given the size of the current graduation classes, the academies could accommodate an increase of several squadrons, with no impact to the quality of education. The new cadets (acquisition) would merely fill space that already exists. These cadets would be appointed similarly to the military ones, and have many of the same duties and responsibilities. They would have the same honor code and the same intramural and intercollegiate sports opportunities.

Special consideration could be given to those physically challenged in some way. Also, it would be easier to attract candidates if the carrot were the possibility of a fast track within the government or training for future employment opportunities in the private sector (e.g., with major

DoD contractors such as Boeing or Lockheed Martin). Along with the commitment to work 4–6 years in the acquisition workforce, there could be some incentives to motivate retention, such as guaranteed promotion within the GS workforce. It would be reasonable to expect that the career track to senior executive service would be similar to that of the general officer for military cadets. A 20-year retirement option could be offered to those who enroll in the acquisition program.

By bringing together acquisition and military students, one would facilitate the appreciation of military values and traditions not duplicated at other civilian universities. This would contribute to the assimilation of the acquisition graduates into the DoD environment. One of the more difficult issues with regard to DoD senior executives is the lack of a military background that assists them in relating to their military counterparts. This program would facilitate the working relationships that would begin during their college years. Acquisition cadets could take electives in military science courses. They could also

spend their summers on assignment with military acquisition organizations in order to help with their assimilation after college. They would be for all intents and purposes fellow cadets, the difference would become apparent only at graduation when one group would become military officers while the other would enter the civil service with a commitment.

CONCLUSION

There is a consensus within the acquisition community that a crisis in the civilian workforce looms. It will take creative and forward thinking to solve this problem before it prevents the acquisition community from providing quality weapon systems to our military services in a timely manner. It is possible that, as with most bureaucracies, the acquisition community will resist change until the consequences are so dramatic that they cannot. The consequences of waiting, however, may be the degradation of the warfighter's ability to fight and win a war.



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