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**AFMC CIVILIAN RETENTION:  
FORECASTING POLICY ON THE FUTURE  
OF THE CIVILIAN WORKFORCE**

THESIS

Dex Yi Landreth, 2<sup>nd</sup> Lieutenant, USAF  
AFIT/GLM/ENV/06-01

**DEPARTMENT OF THE AIR FORCE  
AIR UNIVERSITY**

***AIR FORCE INSTITUTE OF TECHNOLOGY***

**Wright-Patterson Air Force Base, Ohio**

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AFIT/GLM/ENV/06-01

AFMC CIVILIAN RETENTION:  
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OF THE CIVILIAN WORKFORCE

THESIS

Presented to the Faculty

Department of Systems and Engineering Management

Graduate School of Engineering and Management

Air Force Institute of Technology

Air University

Air Education and Training Command

In Partial Fulfillment of the Requirements for the  
Degree of Master of Science in Acquisition Logistics Management

Dex Yi Landreth

Second Lieutenant, USAF

March 2006

APPROVED FOR PUBLIC RELEASE; DISTRIBUTION UNLIMITED.

AFMC CIVILIAN RETENTION: FORECASTING POLICY ON THE FUTURE OF  
THE CIVILIAN WORKFORCE

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### **Abstract**

The achievement of the Department of Defense's (DOD) mission is dependent in large part on the skills and expertise of its civilian workforce. DOD's civilian workforce develops policy, provides intelligence, manages finances, and acquires and maintains weapon systems to name a few areas of expertise. During its downsizing in the early 1990's, the DOD did not focus on reshaping the civilian workforce in a strategic manner. This resulted in a workforce characterized by a growing gap between older, knowledgeable employees and younger, less experienced ones.

As of November 2005, there are currently three Department of Defense directives that address the long term career progression of civilian workers available for public review. There are several directives that are not available for public view under the DOD website ([www.defenselink.mil](http://www.defenselink.mil)) and are currently being reviewed by the Office of the Secretary of Defense at the time of this research.

An assumptional analysis was used to evaluate DOD, AF, and AFMC civilian workforce career progression using the eight variables of knowledge transfer, pay, performance, opportunities for promotion, workplace environment, education, leave, and motivation. The research concludes with an institutional forecasting policy of where to correct the identified gaps in DOD, AF, and AFMC policy to strengthen this vital element to the DOD mission.

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Dex Y. Landreth

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AFMC CIVILIAN RETENTION:  
FORECASTING POLICY ON THE FUTURE  
OF THE CIVILIAN WORKFORCE

**I. Introduction**

The achievement of the Department of Defense's (DOD) mission is dependent in large part on the skills and expertise of its civilian workforce. DOD's civilian workforce develops policy, provides intelligence, manages finances, and acquires and maintains weapon systems to name a few areas of work. During its downsizing in the early 1990's, DOD did not focus on reshaping the civilian workforce in a strategic manner. This resulted in a workforce characterized by a growing gap between older, experienced employees and younger, less knowledgeable ones. With more than 60 percent of its civilian personnel becoming eligible to retire by 2010, DOD will have difficulties filling certain mission-critical jobs with qualified personnel (The Next Greatest Generation, 2005).

For the purpose of this research, "workforce" refers to federal service employees that work for the Department of Defense. This study strictly focuses on the DOD, Air Force, and Air Force Material Command's (AFMC) human capital management approach to the long term career progressions of civilian employees.

Since the end of the Cold War, the civilian workforce has undergone substantial change due to downsizing, base realignment and closures (BRAC), and DOD's changing mission (GAO, 2004). Between the fiscal years of 1989 and 2002, DOD's civilian workforce shrank from 1,075,437 to 670,144, a 38 percent reduction (GAO, 2004). As of December 2004, DOD's workforce was down to 655,545 employees. According to a GAO report, the DOD performed this downsizing without proactively shaping the

civilian workforce to make sure it had the right skills at the right time to conduct future DOD missions.

According to the GAO report “*Comprehensive Strategic Workforce Plans Needed*,” The Office of the Secretary of Defense, the military services’ headquarters, and the Defense Logistics Agency (DLA) have taken steps to develop and implement civilian strategic workforce plans to address future civilian workforce needs, but these plans have lacked some key elements essential to successful workforce planning. As a result, the DOD does not appear to have the proper comprehensive strategic workforce plan to guide its human capital efforts. None of the plans include analyses of the gaps between the junior workforce and the senior workforce. It is essential to analyze the gaps in management in order to map out the current condition of the workforce and decide what needs to be done to ensure that the department and components have the right mix of skills and talents for the future. The future, in terms of the Air Force’s civilian workforce planning, is the next 10-20 years. (2015-2035)

A GAO report entitled, “*Key Principles for Effective Strategic Workforce Planning* (2001),” reports that successful organizations in both public and private sectors use strategic approaches to prepare their workforce to meet present and future requirements. Strategic human capital planning begins with identifying a clear set of organizational intents, proper policy, and developing an approach to support these goals (GAO, 2003). The DOD must assess the current and future human civilian capital needs and strategies; which involves a variety of initiatives to attract, retain, develop, and motivate a workforce to accomplish the needs of the DOD.

A GAO report entitled, “*Comprehensive Strategic Workforce Plans Needed* (2004),” indicates that the military services do not have a long-term road map to guide decisions about preparing the current civilian workforce to meet future requirements. Does this mean that the civilian workers are merely “second-class” citizens? Do we have policies in place at the DOD, Air Force, and AFMC level to successfully manage the long term career progression of civilian workers? The overarching purpose of this research is to determine whether the DOD, AF, and AFMC has current civilian workforce policy that encourages job satisfaction, knowledge transfer, workplace environment, pay, performance, opportunities for promotion, motivation, leave, and education.

This research will examine what, if any, are the policy options available in regards to the senior civilian workforce with the following investigative questions:

1. If 60% of the AFMC workforce retires by 2010, there will be a substantial gap in middle management; what are the DOD, AF, and AFMC policies to solve this potential gap in middle management?

Throughout this research, eight organizational variables; knowledge transfer, workplace environment, pay, performance, opportunities for promotion, motivation, leave, and education will be used to identify gaps in DOD, Air Force, and AFMC policy. These organizational variables are obtained from the sub sections in the literature review and are applied to the methodology in chapter three.

A recent article from Government Executive entitled, “*Retired Official Warn BRAC Could Cause Civilian Brain Drain*” proposes that the base realignment and closure (BRAC) process has generated concern that valuable civilian workers will retire or find private sector jobs instead of retiring; thus resulting in a “brain drain” in the federal civil service (McGlinchey, 2005). The civilian workforce is often embedded in the community

and relocation is assumed to be too detrimental to their families. This “brain drain” will inevitably affect the overall structure of the civilian workforce. This research will examine the question of whether the Air Force is really facing a “brain drain” by its aging workforce as noted in this article with the following investigative questions:

2. Is the Air Force really facing a “brain drain” by its aging workforce?
3. If the “brain drain” is really occurring- what are the policy factors affecting these phenomena?
4. What are the contributing factors affecting the “brain drain”?

A study of the senior workforce was conducted by the international consulting firm, Accenture in 2005. In this study, almost 40 percent of federal employees believe that when they retire, the government will make no effort to record their expertise and experience. Retiring federal employees have a lot of knowledge about how things are done and hold critical positions in the DOD. As those people walk out the door, does the DOD, Air Force, or AFMC have a plan in place to capture or transfer the knowledge to the junior civilian workforce?

Currently, the federal government does not have an exit survey in place for civilians retiring or leaving the civil service. The ability to understand and analyze why certain individuals are leaving the federal workforce is critical in obtaining a stable future workforce. When the senior workforce leaves the federal government, the DOD allows workers with 25 plus years of experience, knowledge, and service to exit without any transfer of knowledge to the intermediate and junior workforce.

Within the context of this research, the junior workforce is defined as employees within the age range of 22-35. The intermediate workforce is defined as employees

within the age range of 36-50. The senior workforce is defined as workers in the age range of 60+.

With the recent attention on the downsizing of the civilian workforce and the government's increasing competition with Fortune 500 for talented employees, the knowledge of why the civilian workforce is leaving the federal government would be critical for a strategic plan to monitor the civil service workforce over the long term (20 + years). This thesis will propose a survey that will potentially enhance the DOD's human capital strategic approach for a healthy civilian workforce in two ways:

1. Proposed exit survey will help DOD capture the thoughts of the senior civilian workforce with the following organizational variables:

- Knowledge Transfer
- Workplace environment
- Pay and performance
- Opportunities for Promotion
- Motivation
- Commitment and career intent

2. The Proposed survey will help DOD capture the thoughts of the civilian workforce that is leaving the federal service to pursue ventures outside of the federal government. A recent AFMC study entitled "The Next Generation (2004)" reports that the Air Force will have difficulties recruiting and retaining a work force once the senior workforce retires. The results from this proposed survey will hopefully provide senior Air Force leadership data that will hopefully increase the opportunities in terms of implementing new creative solutions to retain and recruit future government employees.

The remaining chapters in this research are outlined as such. Chapter II will discuss the literature identified to support the research questions. Chapter III will discuss the methodology used to conduct the research. Chapter IV will discuss the results



obtained from the research. Finally, a discussion of conclusions from the research and future research ideas will be presented in Chapter V.

## II. Literature Review

### Introduction

It's time for a change in the way we do business in the DOD. The DOD no longer has a budget of the Reagan years and each service is fighting for their slice of the money pie. The DOD is increasing reliance on technology and trimming the workforce to become more expeditionary and agile. The DOD has gone from 1,117,000 employees in 1989 to 637,500 in 2005; a reduction of 43 percent from the fiscal year 1989 level (GAO, 2004). The reduction in force is a result of volunteer attrition, retirements and "freezing" hiring authority. A recent report by GAO entitled, "*Unit Readiness Not Adversely Affected, but Future Reductions a Concern*," indicates that DOD officials are voicing concerns about the lack of attention to identify and maintain a balanced level of skills needed to maintain its capabilities. The lack of attention in the past regarding civilian workforce retention has led to gaps in middle management that the DOD faces today. An aging workforce has presented the DOD with the problem of the growing gap between the older and younger employees in DOD's civilian workforce.

The problems stated above are the reasons why DOD needs to re-evaluate its policy on civilian workforce. There is a need for an instrument that transfers the knowledge from the departing senior workforce to the junior workforce. In particular, the AF allows workers to leave the government without any knowledge of their reasons for departure. The ability to transfer this explicit knowledge may be beneficial to the DOD strategic workforce planning of civilian employees.

This literature review contains seven sections: "(1) organizational behavior," "(2) human capital management," "(3) knowledge management," "(4) organizational culture,"

“(5) workforce planning,” “(6) BRAC,” and the civilian “(7) brain drain.” The first section explores the background of organizational behavior and motivational theory. Within motivational theory, this chapter will provide numerous theories within this context. Second, human capital management will be explained with an overview of the human capital crisis in the federal government. Third, the discipline of knowledge management is explained with an overview of its purpose within the context of an organization. The fourth section explores the definition of organizational theory and its importance within organizational culture. The last section workforce planning, will be discussed which will lead into the previous BRAC decisions and the proposed “brain drain” on DOD civilian employees.

For purpose of this research, “workforce” refers to federal service employees that work for the Department of Defense. This literature review focuses solely on policy within the DOD, AFMC’s human capital management approach to the long term career progressions of civilian employees. When conducting the literature review for this research, only “acquisition retention” policy for civilians appears to exist. There has been emphasis placed on the acquisition human capital management’s community but little to no literature appears to publicly exist for the rest of the federal employee job series.

### **Organizational Behavior**

The purpose of this section is to identify and discuss the various organizational theories that are involved within this research. Further explanation and linkage will be provided at the end of each section in this chapter.

Managers have been in existence for as long as individuals have put others in a position subordinate to them for the purpose of accomplishing predetermined goals

(Luthans, 1977). The earliest recovered documents written by Sumerian temple priests in 5000 B.C. offers evidence of some sort of managerial practices (Luthans, 1977). The Roman Empire can be attributed to their astounding managerial accomplishments. However, practicing managers were not recognized in academic circles. In the writings of Adam Smith, the founding father of economics, only land, labor, and capital were viewed as specific agents of productions. It wasn't until the early nineteenth century that economists such as J.B. Say added the entrepreneurial concept as an ingredient of production (Luthans, 1977). The "undertaker of industry" was defined by Say as one who unites all means of production-the labor of the one, the capital or the land of the other- "... and who finds in the value of the products which result from them, the reestablishment of the entire capital he employees, and the value of wages, the interest and the rent which he pays, as well as the profits belonging to himself" (Say, 1826).

Say's requirements for the entrepreneurial role sounds like a job description for the modern day executive. He felt that the following qualities were

*...judgment, perseverance, and knowledge of the world as well as of business. He is called upon to estimate, with tolerable accuracy, the importance of the specific product, the probable amount of the demand, and the means of its production: at one time he must employ a great number of hands; at another, buy or order the raw material, collect laborers, find consumers, and give at all times a rigid attention to order and economy; in a word, he must possess the art of superintendence and administration (Say, 1826.)*

The classical entrepreneurs were risk-bearing proprietors who coordinated labor and capital and practiced the art of management. (Luthans, 1977)They were the first to coin the term "merchant princes" but later, with the advent of the industrial revolution, the term "captains of industry" became a more appropriate description (Luthans, 1977). The founding father of General Motors, William C. Durant is a great example of the

initial phase of the practice of management in the twentieth century. Durant had the necessary managerial skills to build the corporation's foundation. His approach was essentially a one man operation where Durant made all of the necessary decisions and he preferred subordinates who were "yes" men. All of the pertinent information and records were carried in his head. Other famous captains of industry were Henry Ford (automobile), Cornelius Vanderbilt (railroad), Andrew Carnegie (steel), and John D. Rockefeller (oil). All these men were brilliant but ruthless. They all possessed the managerial qualities necessary for the initial stages of industrialization. After the industrial revolution, their approach was no longer appropriate. Durant lost millions after the industrial revolution due to many contributing causes. Most pertinent were Durant's refusal to utilize his staff and failed to come up with an organizational plan that could hold together the tremendous corporate structure he had created. Duran's key subordinate, Alfred P. Sloan, took over the company and implemented an organizational plan that rescued the company from the "sure-death" management methods used by Durant. Captains of industry, such as Durant, played a necessary initial role, but it was organizational specialists such as Sloan who then perpetuated and strengthened what the captains had founded (Luthans, 1977). Sloan is predominately known as the Great Organizer. His basic organizational plan was for General Motors to maintain centralized control over highly decentralized operations. The Great Organizers were primarily concerned with overall managerial organization in order to survive and prosper in their respected businesses. On the other hand, the scientific management movement around the turn of the 20<sup>th</sup> century took a narrower operating perspective (Luthans, 1977).

### ***Scientific Management***

Frederick W. Taylor is the recognized father of scientific management. Scientific management is explained in this section in order to provide a linkage between the organizational variables within this research. His most famous application of scientific management was the pig-iron handling and shoveling operations at Bethlehem Steel Company. In the first situation, a gang of seventy-five workers loaded pigs of iron, each weighing 92 pounds, into box cars. By applying scientific management, the company achieved a threefold in productivity (Taylor, 1911). A similar rise in productivity was attained when the principles were applied to the men who shoveled iron. At first, these achievements were not widely recognized, but it was not long before scientific management became synonymous with management itself.

With the emergence of scientific management and the boom of Great Organizers, the economy achieved phenomenal production results. In fact, the captains of industry did too good of a job, they began to have excess inventory due to their high rates of production (Luthans, 1977). There now was a move of the managerial problem being shifted from not being able to produce enough goods to trying to get rid of the manufactured goods. Thus, marketing specialists entered the picture. As manufacturing, finance, and marketing began to make its way into the whole managerial process, human relations was beginning to garner attention. In the early 1930's the creation of personnel departments sparked manager's awareness and concern for the human aspects of management.

Raymond Miles states that the human relations approach was simply to "treat people as human beings (instead of machines in the productive process), acknowledge

their needs to belong and to feel important by listening to and heeding their complaints where possible and by involving them in certain decisions concerning working conditions and other matters, then morale would surely improve and workers would cooperate with management in achieving good production,” (Miles, 1978).

To provide a better understanding of the historical development of organizational behavior, the Hawthorne Studies in 1924 provides an excellent historical example. Two groups of employees were selected in which they worked under varying degrees of illuminating light and a control group that worked under normal illumination conditions in the plant. As lighting power increased, the output of the test group went up. However, the output of the control group went up as well without any increase in light. The testing ended in 1927 when researchers concluded that something other than illumination was affecting productivity (Hersey, Blanchard, Johnson, 2001). After several months of deliberation, researchers felt that another study should be explored. In late 1927, a group of women who assembled telephone relays were studied. For 1½ years, the researchers improved the working conditions of the women by implementing such innovations as scheduled rest periods, company lunches, and shorter workweeks (Hersey, Blanchard, Johnson, 2001). Work output increased. The results in the relay studies were identical with those in the illumination experiment. Each test period yielded higher productivity than the previous one had done. After years of research and experimentation, the Hawthorne studies are unquestionably the single most important historical foundation for the organizational behavioral approach to management.

The conclusion of the Hawthorne study lit the spark in the interest of organizational behavior. It was the first attempt to systematically analyze human behavior

in an organizational setting. From this study, future research interests such as motivational theory are based on the Hawthorne study.

## **Motivational Theory**

### ***Herzberg “Motivation and Hygiene Factors”***

Motivational theory is explained in this section in order to provide a linkage between the organizational variables within the methodology of this research. Further explanation of the organizational variables will be discussed in chapter three.

The motivation-hygiene theory, also called the two-factor theory by organizational behaviorists, is without a doubt the most controversial theory in organizational theory. Numerous amounts of research efforts have been based on attempting to support or refute the theory. A summary of some Herzberg’s research follows the review.

The motivation-hygiene theory is based on the results of 203 “structured interviews” with accountants and engineers around the Pittsburgh area (Herzberg, Mausner, and Snyderman, 1959). The subjects were asked to identify periods in their own histories when feelings about their jobs were unquestionably higher or lower than usual. The resulting theory states that the factors involved in producing job satisfaction—and motivation—are separate and distinct from the factors which lead to job dissatisfaction. Basically, the opposite of job satisfaction is no job dissatisfaction (Talbot, 1979). Herzberg argued that job satisfaction and dissatisfaction should be viewed as separate constructs because they result from separate human needs. One set of needs can be thought of stemming from man’s animal nature- the built-in drive to avoid pain from the environment, plus all the learned drives which become conditioned to the basic biological



needs (Herzberg, Mausner, Synderman, 1959). The other setoff needs, called motivator needs, results from the ability to achieve and, through achievement, to experience psychological growth. Figure #1 depicts this theory.

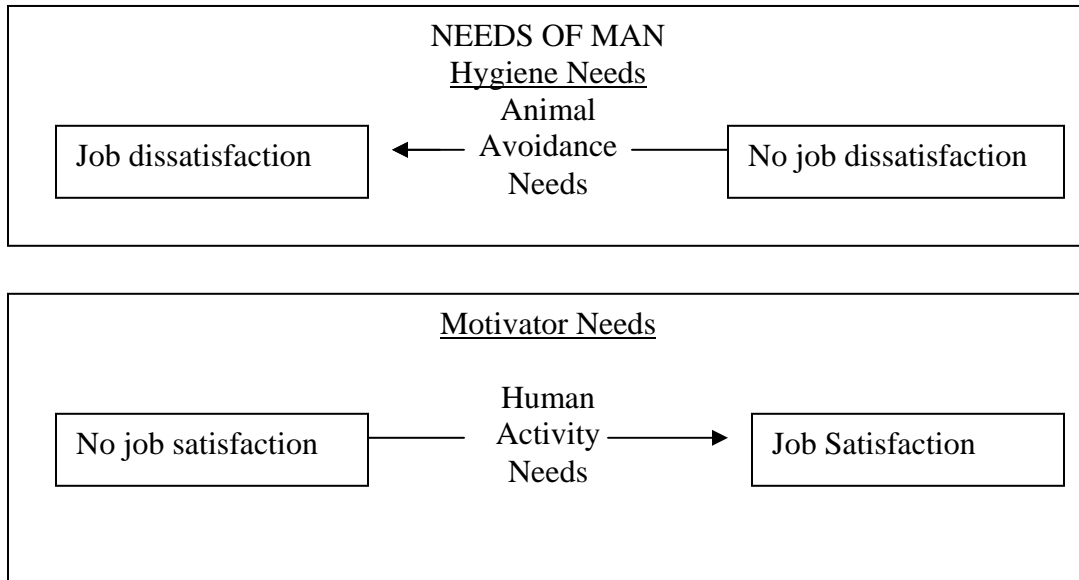


Figure #1  
Diagram of the Two Basic Need Systems (Herzberg, 1976)

The motivation-hygiene theory goes on to describe the outcomes that lead to satisfaction of the two basic need sets. The stimuli for fulfillment of the animal avoidance needs are found in the job environment and designated “hygienes” (Talbot, 1979). The hygiene factors are company policy and administration, supervision, interpersonal relationships, working conditions, salary, status, and security (Talbot, 1979). The stimuli for fulfillment of the growth needs are found in the job content designated “motivators” (Talbot, 1979). The motivator factors are achievement, recognition for achievement, the work itself, responsibility, growth, and advancement.

The implication of the preceding is that if the work and work environment are such that hygiene needs are not met, the employee will be dissatisfied; however meeting

hygiene needs will not lead to satisfaction. Also, if motivator needs are met, the employee will be satisfied; however not meeting motivator needs will not lead to dissatisfaction, only a lack of satisfaction (Herzberg, Mausner, and Snyderman, 1959). Job satisfaction will be measured in the proposed exit survey in chapter five of this research.

The term “motivator” for the factors which lead to satisfaction is indicative of this theory’s tie between satisfaction and motivation. “It should be understood that both kinds of factors meet the needs of employees; but it is primarily the ‘motivators’ that serve to bring about the kind of job satisfaction and the kind of improvement in performance that industry is seeking from its work force” (Herzberg, Mausner, and Snyderman, 1959).

The motivation-hygiene theory has created a great deal of research, much of which has not been supported (Talbot, 1979). For example, Dunnette, Cambell, and Hakel have shown that the factors which produce job satisfaction are not separate and distinct from the factors that lead to job dissatisfaction.

Herzberg’s Motivational theory relates to the following organizational variables: pay, motivation, performance, opportunities for promotion, and workplace environment.

### ***Maslow “Needs Theory”***

Abraham Maslow published his theory of Hierarchy of Needs to explain motivation in 1954. Maslow concluded that men are motivated because of basic needs that were arranged in a hierarchical order. The five main needs listed in order are: physiological, safety, belongingness and love, esteem, and self-actualization. An individual must satisfy a lower need before he could satisfy the next higher need. The implication here is that dissatisfaction within the junior work force could be the result of

needs that are not being met. The Air Force arguably provides much of the lower needs, and then needs such as belongingness, self-esteem, and self-actualization could be the ones that are troubling the junior work force. The problem with Maslow's theory is that it concentrates solely on the individual. It does not add the organizational needs concept into the five main needs.

Maslow's Needs Theory relates to the following organizational variables: pay, leave, motivation, and opportunities for promotion.

### ***Vroom "Expectancy Theory"***

Vroom's Expectancy Theory examines motives through the perceptions of what a person believes will happen. According to the theory, human motivation is affected by anticipated rewards and costs (Frunzi, 2001). Expectancy theory argues that work motivation is determined by individual beliefs regarding effort/performance relationships and work outcomes. The theory asserts that motivation is based on people's beliefs about the probability that effort will lead to performance (expectancy), multiplied by the probability that performance will lead to reward (instrumentality), and multiplied by the perceived value of the reward (valence) (Hunt, 1998). For instance, one believes that through their hard work will result in an award that they perceive to be high, they will give more effort. If one perceives the reward to be low, then they will give minimal effort.

Expectancy – the chance that the effort will positively influence performance of others

Instrumentality- the probability that performance will lead to a particular outcome

Valence- the value placed on a desired outcome or result (Hunt, 1998)

Vroom's Expectancy Theory relates to the following organizational variables in this research: pay, performance, opportunities for promotion, motivation, and leave.

### ***McClelland "Need for Achievement, Power, and Affiliation"***

McClelland proposes that an individual's specific needs are acquired over time and are shaped by one's life experience. A person's motivation and effectiveness are influenced by three needs: achievement, affiliation, and power.

People with a high level of achievement seek to excel and tend to avoid both low-risk and high-risk situations. Achievers need regular feedback in order to monitor the progress of their achievements.

People with a high need for affiliation need relationships with other people in order to feel accepted in an organization. They tend to conform to the norms of their work group (Hunt, 1998).

A person's need for power can be one of two types- personal and institutional. People with personal power want to direct others which often is perceived as undesirable. People with institutional power want to further their goals of the organization (Hunt, 1998).

McClelland's Need for Achievements reflects the following organizational variables within this research: workplace environment, pay, opportunities for promotion, and motivation.

### ***Adams "Need for Equity"***

Equity theory is based on the phenomenon of social comparison (Hunt, 1998). Adams argues that when people gauge the fairness of their work outcomes relative to others, any perceived inequity is a motivating state of mind. Inequity occurs when people believe that the rewards received for their work contribution compare unfavorably to the rewards other people appear to have received for their work.

Perceived negative inequity- perceived as a short coming of a reward or payment in relation to work inputs

Perceived positive inequity- can produce feeling or guilt from getting more reward or payment for working (Frunzi, 2001)

Maslow and Herzberg defined the things that caused motivation rather than the process that brings action about (Burns, 1999). Equity theory is a process theory in which people will compare their situations with the situations of others. The theory is explained through the use of outcomes (i.e., returns or rewards) and inputs (i.e., effort, education) (Arkes & Garske, 1978). A state of equity exists where “the ratio of a person’s outcomes (O) to inputs (I) is equal to the ratio of other’s outcomes to inputs:  $O_p = a \sum$  a weighted sum of all relevant outcomes,  $I_p = a \sum$  a weighted sum of all relevant inputs,  $p$  = denotes person, and  $a$  = denotes other (Adams, 1965). Equity results when:

$$O_p/I_p = O_a/I_a \quad (\text{Eq 1})$$

and inequity results when

$$O_p/I_p < O_a/I_a \text{ and } O_p/I_p > O_a/I_a \quad (\text{Eq 2})$$

A state of inequity exists where these two ratios are unequal” (Daft & Steers, 1986). If a person is not receiving the same perceived benefits as another, he may feel inequity which leads to dissatisfaction (Daft & Steers, 1986).

This theory relates in this research of the senior work force. The junior work force could perceive an inequity in the ratio of outcomes to inputs for them as compared to logisticians or any other acquisition career field. This situation would result in a certain level of dissatisfaction.

Adam’s Need for Equity reflects the following organizational variables within this research: pay, workplace environment, performance, opportunities for promotion, motivation, leave, and education.

## ***McGregor "Theory X and Theory Y"***

McGregor's Theory X and Theory Y take an optimistic and pessimistic view of man's nature. In The Human Side of Enterprise, McGregor saw management as operating under a set of assumptions. He coined the term "Theory X" which takes a pessimistic view of man's behavior:

1. The average human being has an inherent dislike of work and will avoid it if he can.
2. Because of this human characteristic of dislike of work, most people must be coerced, controlled, directed, or threatened with punishment to get them to put forth adequate effort toward the achievement of organizational objectives.
3. The average human being prefers to be directed, wishes to avoid responsibility, has relatively little ambition, and wants security above all (McGregor, 1957).

These assumptions are seldom expressed so bluntly; unfortunately, they underlie a vast majority of management practices and policies that govern today's practices (Hardesty, 1971). Instead of the traditional view of direction and supervisory control represented by Theory X, McGregor proposed an entirely different set of assumptions about the nature of man. He coined these assumptions "Theory Y":

1. The expenditure of physical and mental effort in work is as natural as play or rest.
2. External control and the threat of punishment are not the only means for bringing about effort toward organizational objectives. Man will exercise self-direction and self-control in the service of objectives to which he is committed.
3. Commitment to objectives is a function of the rewards associated with their achievement.
4. The average human being learns, under proper conditions, not only to accept but to seek responsibility.
5. The capacity to exercise a relatively high degree of imagination, ingenuity, and creativity in the solution of organizational problems is widely, not narrowly, distributed in the population.
6. Under conditions of modern industrial life, the intellectual potentialities of the average human being are only partially utilized (McGregor, 1957).

Theory Y is very idealistic but consistent with existing knowledge in the social sciences.

Theory Y is applicable to Maslow's self-actualization and Herzberg's motivator concept.

This theory takes the optimistic view of man's nature and emphasizes the rewards attendant upon doing so (Hardesty, 1971).

Upon further reading of literature, researchers have been puzzled by the fact that Theory X management often works better than Theory Y. Theory X places the blame upon human nature whereas Theory Y places the blame on poor management practices. Creativity exists in every man but it is of management's responsibility to create an environment that is conducive for self actualization.

Within the context of this research, Theory X and Theory Y encompass all eight organizational variables. The various theories are explained in order to provide justification in how the eight organizational variables were obtained. This research places emphasis on organizational variables that motivate the civilian workforce to operate in an efficient manner. The next sub section of this chapter focuses on the human capital management effort in the federal government.

### **Human Capital Management in the Federal Government**

According to the book entitled, "*Addressing the Human Capital Crisis in the Federal Government*," President Bush's "President's Management Agenda," is the number one government – wide initiative for addressing the strategic management of human capital (Liebowitz, 2004). Senior executives have been claiming for years that people are the organization's greatest assets. Brainmarket Corporation defines human capital as a loose catchall term for the practical knowledge, acquired skills, and learned abilities of an individual that make him or her potentially productive and thus quip him or her to earn income in exchange for labor (Liebowitz, 2004). Liebowitz refers to human

capital as the collective experience, knowledge, and expertise of those contributing to an organization's mission (Liebowitz, 2004).

According to Susannah Figura's article "Human Capital: The Missing Link" in *Government Executive Magazine*, most federal managers focus on the short-needs rather than the long-term (Liebowitz, 2004). Liebowitz proposes the need for government departments be rated on a more strategic scale. For instance, he proposes that the rating criteria as: conducting strategic analysis of present and future human resource needs and workforce planning with a mix of skills that match its needs; and ability to motivate and reward employees to support strategic and performance goals (Liebowitz, 2004).

Liebowitz's proposal is based on a 1999 GAO Human Capital report that indicates the need to develop a five part human capital framework:

1. *Strategic Planning*: establish the agency's mission, vision for the future, core values, goals, and strategies
2. *Organizational Alignment*: integrate human capital strategies with the agency's core business practices
3. *Leadership*: foster a committed leadership team and provide continuity through succession planning
4. *Talent*: recruit, hire, develop, and retain employees with the skills for mission accomplishment
5. *Performance Culture*: enable and motivate performance while ensuring accountability and fairness for all employees (Liebowitz, 2004).



## **Knowledge**

The question, “what is knowledge”, is not new to humanity (Ladd, 2002). In the realm of philosophy, the study of knowledge has its own name, epistemology: one of the four core questions facing humanity (Sober, 1991). In epistemology, the traditionally accepted definition, attributed to Socrates and Plato, is that knowledge is a “justified true belief” (Sober, 1991). This definition fails to address the important aspects of knowledge critical to a business. Unfortunately, many business oriented definitions of knowledge fail to take into account the basic philosophical implications of their use. Thus, it is important to begin with a definition of knowledge that is both philosophically sound and useful to practitioners.

According to current literature, knowledge is not information, nor is it data, but it is comprised of both (Speigler, 2000, Davenport and Prusak, 2000). Data is commonly defined as facts at the atomic level, devoid of structure and context, or stripped of previously existing structure and context (Tumo, 1999). Information is commonly defined as data endowed with meaningful structures (Tumo, 1999). Knowledge is information endowed with context (Tumo, 1999). Therefore, knowledge, while being comprised of data or information, is something much more (Ladd, 2002). In other words, whereas a computer can store and transmit both data and information, only a human can store and transmit knowledge.

To be considered useful to an organization, a representative definition of knowledge must include three concepts: first, it must point out that knowledge is more than data or information; second, it must describe the tacit or explicit nature of knowledge; third, it must describe the personal nature of knowledge. Davenport and Prusak offer the following definition:

Knowledge is a fluid mix of framed experiences, values, contextual information, and expert insight that provides a framework for evaluating and incorporating new experiences and information. It originates and is applied in the minds of knower's. In organizations, it often becomes embedded not only in documents or repositories but also in organizational routines, processes, practices, and norms (Davenport and Prusak, 2000).

For this study, the definition above will be used as the definition for knowledge.

As will be shown, this definition contains key components of organizational cultures:

mixed experience, values, and a framework for evaluating and incorporating new experiences and information, and embedded within routines, processes, practices and norms, and hence linked to organizational culture.

### **Knowledge Management**

As with knowledge, there are many different definitions and concepts as to what is knowledge management. The definition used in this research is not one expert's opinion, but a combination of many different ideas. Simply put, knowledge management is a philosophy where an organization gains new insight, innovation or competitive advantage through the creation, analysis, and application of its data and information, including the experience (tacit) knowledge stored in the minds of its workers (Davenport and Prusak, 1998; Drucker, 1993, Nonaka, 1995). The advantage gained through knowledge management is often in the form of faster process times, better product design, improved efficiency, lower cycle costs, etc. (North, 2003). Many resources are used to implement KM, including knowledge repositories, knowledge maps, computer systems, organizational culture, and the experience and wisdom of an organization's workforce (Davenport & Prusak, 1998; Davenport, Harris, De Long & Jacobson, 2001).

Out of the knowledge resources above, it is the tacit knowledge (experience and wisdom) contained within the minds of the workers where the most valuable knowledge

resides (Alavi & Leidner, 1999). This is often the most difficult type of knowledge to extract due to the fact that knowledge and wisdom often defy written translation.

Typically, the only way to transfer this knowledge is through long term mentoring and apprenticeship (Davenport & Prusak, 1998).

### ***Implementing Knowledge Management***

The implementation of knowledge management is often a great challenge to large scale organizations. Leaders and managers in the business world mistake information for knowledge, and thus assume information management is knowledge management (Davenport, De Long & Beers, 1998). This misunderstanding lies in the closely tied definitions of information and knowledge. Definitions for information and knowledge were previously given in the section above. Knowledge grants insight in to future possibilities, and this insight, when used properly, can result in new courses of action, new opportunities, and new innovations to be explored and exploited in an organization (Mendoza, 2005). The misunderstanding of knowledge and information leads many organizations to believe they are utilizing knowledge management, when they are not (Spiegler, 2000). To assist in dealing with these challenges, there are various tools available to implement knowledge management. Three of the most common tools, knowledge repositories, knowledge maps, and expert computer systems, are described below.

### ***Knowledge Repositories***

Knowledge repositories are information systems used for storing data, information, and explicit knowledge (Davenport, De Long and Beers, 1998). They can be classified into three types: external knowledge (data/information gathered from outside

sources), structured internal knowledge (research reports, marketing material), and informal internal knowledge (discussion databases, lessons learned) (Mendoza, 2005). These systems allow individuals within an organization access to large amounts of knowledge in a structured, easily accessible format (Mendoza, 2005).

The most obvious example of a knowledge repository is the internet (Davenport & Prusak, 1998). With its numerous search engines, ease of use, and global access, the internet allows for a wealth of data at one's fingertips

### ***Knowledge Maps***

Knowledge maps are best described as a company "Rolodex," an address book with detailed notes of each contact's relationship and importance to the organization (Mendoza, 2005). A properly annotated knowledge map allows an employee with little or no experience to quickly find those workers with the expertise needed to answer any question (Davenport & Prusak, 1998).

Many workers throughout organizations use knowledge maps without even realizing it. A good example of a common knowledge map is a continuity folder. Continuity folders contain flow charts, reference documents, and other tidbits of information that pertain to a workers daily job. When these workers relocate or retire, these continuity folders are left for their replacement, providing a valuable source of organizational and job related knowledge (Mendoza, 2005).

### ***Expert Computer Systems***

Expert computer systems provide knowledge management support by using a dedicated computer system to replicate the knowledge of an expert worker (Davenport & Prusak, 1998). As powerful as expert systems are, they are incapable of synthesizing new

knowledge. They are limited by their programming methods and their solutions are limited by their prescribed programming. Expert systems are valuable tools, but should be used with caution and only in conjunction with an experienced worker, not in place of the worker (Davenport & Prusak, 1998).

### **Organizational Culture**

Although not a knowledge management tool, organizational culture can play a vital role in the success of a knowledge management system (Coakes, 2004). For knowledge management to be effective, workers at all levels must be willing to share their information with a great level of trust (Mendoza, 2005). Whether it's collaborating through a community of practice or mentoring subordinate, workers must be willing to share their tacit knowledge in order to achieve significant results (Coakes, 2004; Brown & Duguid, 2002).

From an organizational perspective, the collective values and beliefs of the individual members of that organization represent a phenomenon called, "organizational culture" (Ladd, 2002). Noted researcher Edgar Schein puts it this way:

Culture can now be defined as (a) a pattern of basic assumptions, (b) invented, discovered, or developed by a given group, (c) as it learns to cope with its problems of external adaptation and internal integration, (d) that has worked well enough to be considered valid and, therefore (e) is to be taught to new members as the (f) correct way to perceive, think, and feel in relation to those problems (Schein, 1990).

Schein points out that an organization's culture, much like values and beliefs at the individual level, is an anxiety reduction mechanism - a way to cope with uncertainty (Schein, 1990). One aspect of organizational culture that Schein leaves out of his definition, but mentions in explanation of it, is the fact that organization's culture grows over a long period time, and is unlikely to change quickly (Schein, 1990).

### ***Importance of Organizational Culture***

An organization's culture is an important guiding force in an organization. It grows and remains stable over relatively long periods, and may exist at numerous different levels of an organization (Ladd, 2002). The stability of an organizational culture makes it a potentially powerful force within an organization. In her book, *Wellsprings of Knowledge*, Dorothy Leonard-Barton (1995) notes that shared values and norms of an organization represent one of its core capabilities. According to Leonard-Barton, core capabilities are those capabilities an organization has grown over time that it knows better than any other organization (Leonard-Barton, 1995). When business remains stable, shared values and norms help a company gain a competitive advantage by avoiding mistakes of the past (Ladd, 2002).

### ***Types of Organizational Culture***

The concept of organizational culture is derived from the concepts of values and beliefs, therefore, there are as many different organizational cultures as there are organizations (Ladd, 2002). A number of research efforts have identified distinct types of organizational culture that appear to explain most of the variance between organizations- with each researcher using different terminologies and methods to describe a few seemingly similar concepts (Ladd, 2002). A recent study consolidated much of this research using a factor analysis (Xenikou and Furnham, 1996). This study summarized much of the major research over the past 20 years; it is explained here in some detail.

The authors identified six interdependent factors explaining seventy percent of the variance between four of the most common measures of organizational culture. The six factors are now discussed.

### Type 1: Openness to Change/Innovation

This organizational culture type groups the following concepts together: humanistic orientation, affiliation, achievement, self-actualization, task support, task innovation, and hands – on management (Xenikou and Furnham, 1996). An organization scoring high on this factor might be considered “friendly” and “open to change.”

### Type 2: Task-Oriented Organizational Growth

This organizational culture type groups the following concepts together: being the best, innovation, attention to detail, quality orientation, profit orientation, and shared philosophy (Xenikou and Furnham, 1996). An organization scoring high in this factor might be considered “task oriented” versus “people oriented.”

### Type 3: Bureaucratic

This organizational culture type groups the following concepts together: approval, conventionality, dependence, avoidance, and lack of personal freedom (Xenikou and Furnham, 1996). The authors described this culture as formal, with central decision making (Ladd, 2002). An organization scoring high on this factor might be considered “conservative” or “prudent.”

### Type 4: Artifacts

This organizational culture type groups the following concepts together: values, heroes, rituals, and cultural network (Xenikou and Furnham, 1996). These items measure whether or not members of an organization recognize the concepts listed above as part of their culture.

#### Type 5: Competition/Confrontation

This organizational culture type groups the following concepts together: oppositional orientation, power, competition, and perfectionism (Xenikou and Furnham, 1996). The authors describe this culture as one where perfection is the goal, and where individuals might tend to react negatively towards the ideas of others and/or resist new ideas (Ladd, 2002).

#### Type 6: Positive Relations

This organizational culture type groups the following concepts together: social relations, “work should be fun,” the value of people, and communication (Xenikou and Furnham, 1996). The authors describe this culture as one where friendship with coworkers is encouraged, as are social activities and socializing.

### **Workforce Planning**

The National Academy of Public Administration defines strategic workforce planning as a “systematic process for identifying the human capital required to meet organizational goals and for developing the strategies to meet these requirements.” A Rand study entitled, “*An Operational Process for Workforce Planning*,” developed a workforce planning methodology for conducting workforce planning applicable in any organization. Its study suggested that different points of views; a goal oriented view addressing why an organization should conduct workforce planning, a structural view addressing what questions an organization can answer with workforce planning, and a process view-addressing how an organization can effectively focus the contributions of its key participants in conducting workforce planning (RAND, 2001).



The goal-oriented view sets the stage. It identifies three purposes of workforce planning.

1. To obtain a clear representation of the workforce needed to accomplish the organization's strategic intent
2. To develop an aligned set of human resource management policies and practices that will ensure that the appropriate workforce will be available when needed.
3. To establish a convincing rationale - a business case- for acquiring new authority and marshalling resources to implement the human resource management policies and programs needed to accomplish the organization's strategic intent (RAND, 2001).

The structural view is the central goal of workforce planning. It describes a foundation upon which an organization can build in the workforce planning process at the business level (RAND, 2001). In order to establish the foundation, RAND proposed four questions any operational workforce planning process must answer. (See Figure #2)

1. What critical workforce characteristics will the organization need in the future to accomplish its strategic intent, and what is the desired distribution of these characteristics?
2. What is the distribution-in today's workforce- of the workforce characteristics needed for the future?
3. If the organization maintains current policies and programs, what distribution of characteristics will the future workforce possess?
4. What changes to human resource management policies and practices, resource decisions, and other actions will eliminate or alleviate gaps between the future desired distribution and the projected inventory?

The last step in workforce planning is the process view. The process view has four steps to workforce planning. Figure #2 depicts the 4-step process in workforce planning. It begins with the organization's statement of strategic intent. The intent of an organization is to set outcomes to accomplish. Outcomes are measurable results the organization produces that matter to its customer (RAND, 2001). The intent of an organization invites workforce planners to ask and answer questions such as what characteristics should the workforce have to understand customer needs (RAND, 2001)?

The second step, workforce characteristic, is defined as a concrete measurable aspect of a group of workers that human resource management policy decisions can influence (RAND, 2001). The future desired workforce distribution might reflect a changed mix of occupations (for example, fewer logisticians and more program managers) than in the current desired distribution. The third step of the workforce planning process is the traditional gap analysis. Workforce planners identify the estimated over- or undersupply of people with critical characteristics in the workforce (the projected future inventory) compared with the future desired distribution (RAND, 2001). The gaps help target policies and practices to the organization, avoid unnecessary resource expenditures and tailor the most effect argument for change (RAND, 2001). The final step, organizations identify specific policies and practices that will acquire, assign, develop, assess, motivate, reward, and separate people as necessary to close the gaps (RAND, 2001).

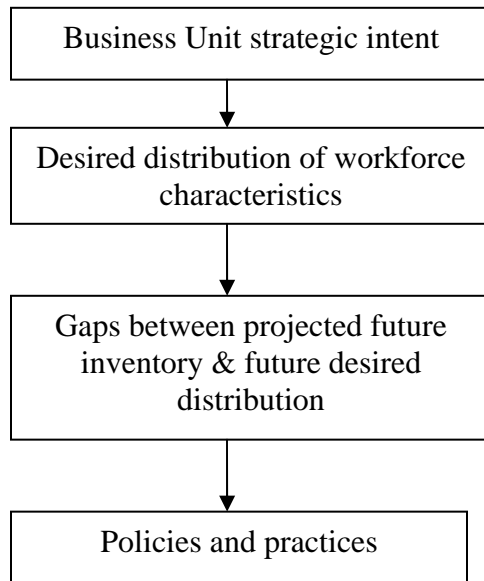


Figure #2  
RAND'S Four-Step Workforce Planning Process

## **Quadrennial Defense Review/ Transformation Planning Guidance**

The Quadrennial Defense Review (QDR) outlines the strategic direction and planning principles that will shape the DOD for the future. The QDR is the product of the senior civilian and military leadership of the DOD. It represents a “top down” approach in that the decisions taken on strategy, forces, capabilities, and risks resulted from months of deliberations and consultations among the most senior DOD leadership (QDR, 2001). The 2001 QDR outlines the key changes needed to preserve America’s safety and security in the years to come. The central focus of this review was the transformation of America’s defense for the 21<sup>st</sup> century. (It must be noted that a recent QDR (January 2006) has recently been released, this research does not take the most recent in consideration and focuses solely on the 2001 QDR.)

The sixth chapter of the QDR focuses on revitalizing the DOD establishment. This involves a support structure that is equally agile, flexible, and innovative (QDR, 2001). To focus on these efforts, DOD wants to keep up in the advancement in private sector human resources management that has not been incorporated into the DOD civilian personnel system. For civilian personnel, the human resources approach will include:

- Modernized recruiting techniques
- More flexible compensation approaches
- Enhanced training and knowledge management
- Career planning and management tools

as outlined in the Civilian Human Resource Strategic Plan discussed below.

## **Civilian Human Resource Strategic Plan (CHRSP)**

The CHRSP is a result of DOD's civilian human resources dilemma. In 2000, the Office of the Secretary of Defense felt a need to establish a DOD plan that took into account the need to move from a Department structure to support the Cold War to a Department structure to react quickly to evolving missions and to deploy to any location of armed conflict (DOD, 2002). In the early 1990's, the DOD had a stable civilian workforce that expected to finish its career in the civil service and a workforce that was becoming computer literate.

As a result, the strategic plan, addressing the above material was built from the Quadrennial Defense Review and the strategic direction provided by the Under Secretary of Defense for Personnel and Readiness. A "balanced scorecard" approach was used to build this strategic plan. The balanced scorecard is a strategic management tool that provides financial and operational measures tied directly to our vision, values, goals, and objectives to give top managers a fast, comprehensive view of our business (DOD, 2002). Figure #3 depicts the CHRSP in the balanced scorecard format.

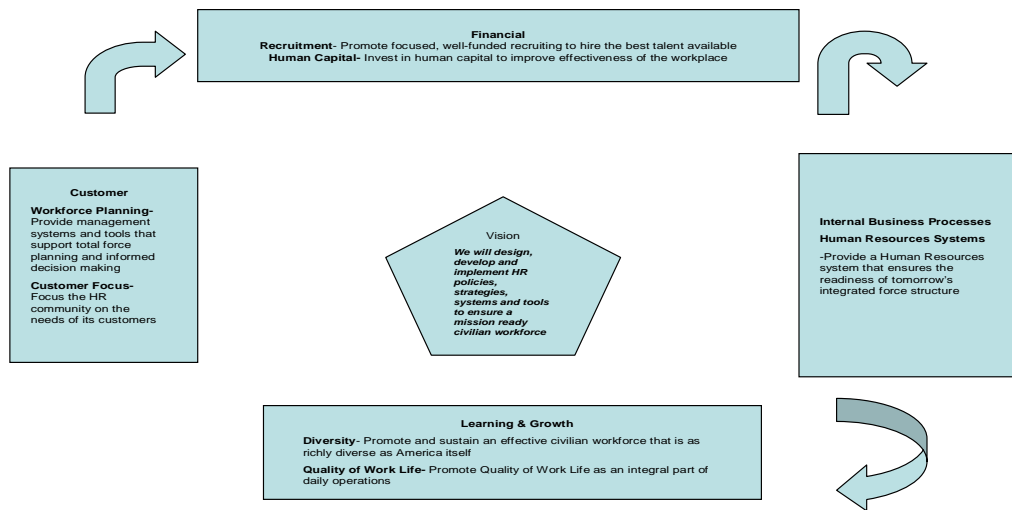


Figure #3  
Civilian Human Resource Strategic Plan

To achieve the DOD's vision, seven goals, along with associated strategies and objectives, provide the framework for the DOD's Human Resource Strategic Plan. (See Appendix A) The next area perceived to be impacting civilian workforce planning is the Base Realignment and Closure Process discussed below.

### Base Realignment & Closure (BRAC)

In terms of public policy decisions, few have rivaled the tension created by realigning and closing military bases. The mention of "BRAC" creates concern at Capitol Hill, the Pentagon, and civilian leaders near military installations. The DOD estimates that approximately 107,000 defense civilian jobs will have been eliminated as a result of past BRAC rounds (GAO, 2002). This section will provide background information on the previous BRAC rounds and provide linkage to the civilian "brain drain" as being a missing link to the overall career civilian workforce planning.

The closures of bases typically occur after major operations, such as World War II and the Vietnam War, in order to reduce inventory and eliminate the high price of holding costs. As these facilities closed, services consolidated operations into larger more remote installations in order to test and train weapons during the Cold War. These large installations were located safe distances from metropolitan areas and thus created local economies that were dependent on the military.

From 1989 to 2005, the DOD underwent five independent episodes of BRAC initiatives. Closure of military bases throughout a majority of our country's history was left to the discretion of the DOD. However, in 1977, Congress passed legislation that provided specific guidance to DOD on how to conduct future closure of military installations. The guidelines involved military value, economics, and environmental impacts. If certain conditions were met, it triggered Congressional notification which then brought in the representatives from the proposed BRAC location. As a result of the process now being politicized, no bases were closed.

A Commission Report issued in 1983 proposed that an independent commission be established to prevent politics in the process. In 1988, Congress established the first BRAC requiring the Secretary of Defense to develop a schedule of closure and realignments as well estimated savings involved in each proposed closure. At the time, Defense Secretary Carlucci set up an independent, non-partisan commission to not only identify the best process to close bases but to also recommend which bases should be closed or realigned (Breismaster, 2002). The final analysis recommended 86 base closures, 5 partial closures and 54 realignments. Deemed successful by Capital Hill, the

drawbacks were that the commission worked in a vacuum without guidance and faulty data.

The Defense Base Closure and Realignment Act of 1990 established some reforms that addressed the problems of the previous BRAC decision. BRAC-1990 required the creation of an independent commission appointed by the President and approved by the Senate. The Secretary of Defense had to publish an approved selection criteria in which DOD was to use in identifying its recommended list of bases to the commission (Breismaster, 2002). The commission was to hold open and public forums for debate. Once finalized, the list went to the President who had the authority to approve or reject the list. The 1990 Act required that the closure process be conducted in each of the following years: 1991, 1993, and 1995 (Breismaster, 2002).

At the completion of the four BRAC rounds, the DOD had 97 fewer major bases, 55 major realignments, and hundreds of smaller facilities realigned (Breismaster, 2002). Table #1 indicates the cost/savings of each BRAC round from 1988-1995.

Table #1  
Base Closure and Realignment Activity 1988-2002  
(www.BRAC.gov)

BRAC	Major Closures	Major Realignments	(\$B)Costs	(\$B)Savings	Annual Recurring Savings (\$ Billions)
1988	16	4	\$2.70	\$6.8	\$0.8
1991	26	17	\$5.20	\$12.6	\$1.6
1993	28	12	\$7.70	\$12.1	\$2.2
1995	27	22	\$6.60	\$6.1	\$1.6
<b>Total</b>	<b>97</b>	<b>55</b>	<b>\$22.20</b>	<b>\$37.7</b>	<b>\$6.2</b>

(Monetary value in billions)

The 2005 BRAC round was spearheaded by Secretary of Defense Donald Rumsfeld in an attempt to further reduce excess capacity in infrastructure. The selection criteria for the 2005 Round as is follows: ([www.defenselink.dod.mil/brac](http://www.defenselink.dod.mil/brac))

(a) **FINAL SELECTION CRITERIA-** The final criteria to be used by the Secretary in making recommendations for the closure or realignment of military installations inside the United States under this part in 2005 shall be the military value and other criteria specified in subsections (b) and (c).

(b) **MILITARY VALUE CRITERIA-** The military value are as follows:

1. The current and future mission and the impact on operational readiness of the total force of the Department of Defense, including the impact on joint war fighting, training, and readiness.
2. The availability and condition of land, facilities, and associated airspace at both existing and potential receiving locations
3. The ability to accommodate contingency, mobilization, surge, and future total force requirements at both existing and potential locations to support operations and training
4. The cost of operations and the manpower implications

(c) **OTHER CRITERIA-** The other criteria that the Secretary shall use in making recommendations for the closure or realignment of military installations inside the United States under this part in 2005 are as follows:

1. The extent and timing of potential costs and savings, including the number of years, beginning with the date of completion of the closure and realignment, for the savings to exceed the costs.
2. The economic impact on existing communities in the vicinity of military installations
3. The ability of the infrastructure of both the existing and potential receiving communities to support forces, missions, and personnel.
4. The environmental impact, including the impact of costs related to potential environmental restoration, waste management, and environmental compliance activities.

## **Brain Drain**

Within the context of this research, a “brain drain” is defined as the loss of knowledge and experience of the workforce due to voluntary separation or retirement. The 2005 BRAC decision has created quite a stir concerning the potential “brain drain” of civil service workers not willing to relocate if their respected base closes due to BRAC.



In July of 2005, House Government Reform Committee Chairman Tom Davis, R-Va., raised the issue of a brain drain during a town hall meeting in Northern Virginia (GOVEXEC, 2005). Several retired senior military officials have shared Davis' concern about a "brain drain" because these concerns have been addressed in previous BRAC rounds. This BRAC round is different due to the fact that the nation is at war and can not afford to lose talented workers to the private sector. Rear Admiral George Strohsahl, who was involved in the 1991 and 1993 BRAC rounds concluded that this BRAC round is disregarding the issue of intellectual capital (GOVEXEC, 2005).

Within the Capital Beltway of Washington D.C., the Pentagon has a plan that would relocate 23,000 defense workers and contractors to military bases beyond the beltway including Fort Belvoir, Va., Fort Meade, Md., and Quantico Marine Corps Base, Va. "It is a plain fact that many of our best and brightest simply will not want to relocate out of the region because the lure of our highly profitable sector is just too great," said Rep. Jim Moran, D-Va. According to Mike Marshall, who has worked for 20 years in management positions for Navy operations and was involved in previous BRAC procedures estimates that 25 percent of the workforce will move with realignment (GOVEXEC, 2005). "We are worried about having enough Americans to go into science and engineering, especially with security clearances," Marshall said. "My concern is that we are going to dump a few thousand as a result of the BRAC process and then worry about how to hire them back" (GOVEXEC, 2005).

New Jersey's Fort Monmouth BRAC decision has recently been scrutinized by Anthony J. Principi, head of the BRAC Commission. "The "brain drain" predicted by those advocating to spare Fort Monmouth from shutdown and a subsequent transfer of its

communications and electronics commands about three hours south to Aberdeen Proving Grounds is a very, very important issue,” said Principi (Morgan, 2005). A recent Harris Poll given to the workers at Forth Monmouth concluded that only 20 percent of those workers would move.

This literature review highlighted key subtopics within organizational behavior, organizational culture and workforce planning that affect federal civilian employees and their possible reasons for staying/leaving the federal government arena. Now, the research will turn toward the methodology used to examine the original investigate questions.

### III. Methodology

#### Introduction

This chapter will discuss the research questions, research design, DOD Policy towards civilians, and research methodology limitations.

#### Research Questions

The purpose and overall research question of this research is to analyze and determine whether or not current DOD, AF, and AFMC civilian workforce policy encourages job satisfaction, knowledge transfer, workplace environment, pay, performance, opportunities for promotion, motivation, leave, and education.

This research attempts to answer five research questions which are:

1. If 60% of the AFMC workforce retires by 2010, there will be a substantial gap in middle management; what are the DOD, AF, and AFMC policies to solve this potential gap in middle management?
2. Is the Air Force really facing a “brain drain” by its aging workforce?
3. If the “brain drain” is really occurring- what is the policy factors affecting these phenomena?
4. What are the contributing factors affecting the “brain drain”?

The intent and focus of each question in the context of this particular research is provided below.

#### ***Research Question #1***

The purpose of the research question (*If 60% of the AFMC workforce retires by 2010, there will be a substantial gap in middle management; what are the DOD, AF, and AFMC policies to solve this potential gap in middle management?*) is to evaluate the

current policies under the 36 series (personnel) for the DOD, AF, and AFMC and from there, determine if there are existing policies that encourage behaviors as described in the organizational variables listed in the problem statement. This will be accomplished through assumptional analysis (explained below.) All policy (DOD,AF, AFMC) concerning civilian employees will be analyzed by individual line items to determine if the organizational variables in research question #1 are applicable in the policies.

### ***Research Question #2***

The purpose of research question #2 (*Is the Air Force really facing a “brain drain” by its aging workforce?*) is to examine the various policies concerning the possible “brain drain” and determine whether the Air Force is facing a potential “brain drain?”

### ***Research Questions #3 & #4***

The purpose of the two research questions (*If the “brain drain” is really occurring- what is the policy factors affecting these phenomena?*) and (*What are the contributing factors affecting the “brain drain”?*) is to determine whether the Air Force’s policies is affecting the “brain drain” and the contributing factors affecting the “brain drain.”

### **Research Design**

The research design of this study is forecasting policy options with regard to the civilian work force and using assumptional analysis as problem identification and structuring.

Forecasting policy begins with deciding whether an actionable policy problem exists. Through assessment of data the researcher structures the policy problem, reviews

its degree of complexity, and provides its potential solvability in the long term (Guess & Farnham, 2002). Once the assessment of data is done, evidence mounts to show whether a problem is well or ill structured, whether a problem exists at all, and, if it does, just how actionable is it (Guess & Farnham, 2002). There are three major approaches to forecasting policy: judgmental, time series, and econometric modeling. This research will use a judgmental approach in attempting to analyze the long term career planning of civilian DOD employees. According to Guess & Farnham, judgmental forecasting is based on deductive logic, which involves reasoning from general statements or laws to specific sets of information.

The forecasting policy option design was chosen due to its ability to work within a current policy construct and evaluate the strengths/weaknesses of the policies as a foundation to identify gaps and strengthen those “weaknesses.”

A short overview of the current DOD, AF, and AFMC policies for civilians is highlighted below. Public DOD policy will be used as a foundation to compare and analyze the forecasting policy options with regards to civilian long term career progression, the 2001 Civilian Human Resource Strategic Plan and Secretary of Defenses 2005 goals with regard to the 2001 CHRSP.

Assumptional analysis is a technique that is useful for ill-structured problems, where multiple self-contained organizations are involved in sequential policymaking over time and where the analyst must include other public policies that may affect problem definition (Guess & Farnham, 2002). This research used assumptional analysis in the following three step process:

1. Start with recommended policies: This research identified all relevant policy concerning the civilian workforce from the 36 series publicly available through the e-publishing website.
2. Work backward from solutions to stakeholders, data, and supporting assumptions: This research encompassed reviewing each policy under the 36 series and identifying whether or not policy places an importance on any of the eight organizational variables
3. For lack of congruence, critically review linkage between policies, data, and assumptions: This research identified and analyzed the gaps and proposed policy based on identified lack of data supporting the organizational variables.

From there, forecasting policy options will be used to propose solutions and recommendations to the DOD, AF, and AFMC (where appropriate) to develop a healthy long term civilian career progression strategy for the next 10, 20, and 50 years using the CHRSP as a foundation.

This research will examine the DOD, AF, AFMC policies concerning civilian employees under the 36 series entitled “Personnel” within the Air Force’s electronic publishing site ([www.e-publishing.af.mil](http://www.e-publishing.af.mil)), the DOD’s policy and directive site ([www.dtic.mil](http://www.dtic.mil)), and AFMC’s personnel policy site ([www.afmc.af.mil](http://www.afmc.af.mil)). After reviewing the various policies, assumptional analysis will be used to identify the potential gaps in organizational variables (See Table #2, 3, 4) by determining if that particular policy discusses the eight organizational variables. If the policy does discuss the organizational variables, and “x” is placed in the matrix. If the policy does not discuss any of the eight organizational variables, the squares will be left blank. At the conclusion of the assumptional analysis review, there will be three separate matrixes (DOD, AF, and AFMC) which will be used as a basis to discuss the “policy gaps” and where DOD, AF, and AFMC leaders could strengthen current and future institutional policies regarding civilian workforce planning.

Table#2  
DOD Policy

DOD POLICY	Knowledge Transfer	Workplace Environment	Pay	Performance	Opp. For Promotion	Motivation	Leave	Education
DODD 1400.24 "Civilian Mobility Program"								
DODD 1100.4 "Guidance for Manpower Mgmt."								
DODD 1400.5 "DOD Policy for Civilian Personnel"								
Program for Stability of Civilian Employment"								
DODD 1430.2 "Civilian Career Mgmt."								
Civilian Personnel Mgmt System"								
Civilian Career Knowledge Test Program"								
DODD 1430.4 "Civilian Employee Training"								
DODD 1400.25-M "DOD Civilian Personnel Manual"								

Table #3  
Air Force Policy

Air Force	Knowledge Transfer	Workplace Environment	Pay	Performance	Opp. For Promotion	Motivation	Leave	Education
AF Man 36-606 "AF Career Planning"								
AF PD 36-5 "Civ Personnel Resource Mgmt"								
AF PD 36-26 "Total Force Development"								
Responsibility for Civ. Personnel Mgmt"								
AF Man 36-203 "Staffing Civilian Positions"								
AF I 36-202 "Civilian Mobility"								
AF I 36-502 "Managing Civ. Personnel Resources"								
Civilian Recognition Program"								
Performance and Recognition"								
AF PD 36-8 "Employee Benefits and Entitlements"								
Supervisory, Mgmt., and Leadership Development"								
and Responsibility for Civ. Personnel Mgmt."								
AF I 36-601 "AF Civilian Career Program Mgmt."								
AF PD 36-6 "Civilian Career Mgmt"								
Training, Education, and Development"								
AF PD 63-34 "AF Mentoring Program"								

Table #4  
AFMC Policy

AFMC POLICY	Knowledge Transfer	Workplace Environment	Pay	Performance	Opp. For Promotion	Motivation	Leave	Education
AFMC I 36-201 "Education & Training"								
AFMC PD 36-3 "AFMC Mgmt Level Review Process"								
AFMC PD 36-2 "Education & Training"								
AFMC Manual 36-1 "Guide to AFMC Mentoring"								

### DOD Policy towards Civilians

DOD policy drives the direction in which the military and the various affected agencies will conduct their business. This thesis investigates the importance placed on policies concerning civilians working for the DOD, AF, and AFMC with regards to the organizational variables: knowledge transfer, workplace environment, pay, performance, opportunities for promotion, motivation, leave, and education. If the concern for a healthy well-rounded civilian workforce exists in the DOD, it is assumed that policies starting from there and flowing down thru the separate military services and respective commands should reflect this concern.

For the purpose of this research, DOD, the Air Force, and AFMC were reviewed. The Air Force was chosen due to familiarity and AFMC because it is the largest employer of civilians within the Air Force.

As of January 4, 2006, DOD has nine policies publicly available concerning the civilian workforce shown in the left hand column of Table #2. Air Force policy for the civilian workforce falls under the 36 series entitled, "Personnel." The 36 series has 298 forms of literature that involve all aspects of personnel in the Air Force. From those 298 forms, sixteen relate to the Air Force's concern relating to the civilian workforce in some



form of another. AFMC policy for the civilian workforce falls under the 36 series entitled, “Personnel.” The 36 series has 25 forms of literature, within those 25 forms, only four policies concern the civilian workforce.

The organizational variables used are: knowledge transfer, workplace environment, pay, performance, opportunities for promotion, motivation, leave, and education. The eight organizational were based on the various motivational theories from the literature review.

### **Research Methodology Limitations**

Any methodology is not without its limitations and confounds. In this case, there were some limiting factors that should be noted. The literature review of DOD, AF, and AFMC policy was conducted using only publicly available literature. Within these sites, there were two policies that were not available due to various reasons not given by the DOD website (www.dtic.mil). Therefore, civilian workforce planning may be available elsewhere; but not listed on the DOD, AF, and AFMC publication website where policy guidance generally resides.

The lack of civilian input is a limitation to the research. Civilian interaction was needed only to lead the researcher in the right direction in terms of accessing public DOD, AF, and AFMC policy. Lastly, personal bias as an active duty member of the United States Air Force and junior workforce is a limitation in the direction of the research.

Now, the thesis turns to the actual data collected and analysis of the investigative questions in Chapter IV.

## IV. Results and Analysis

### DOD POLICY

The following are the DOD policies that encompass the civilian workforce found on the Air Force electronic public website (www.dtic.mil). Within this section, the organizational variables, if any, will be identified and noted within the context of the DOD policy matrix. Once all pertinent policy is stated, gaps within the policy will be discussed along with a proposed updating of policy that fills the missing organizational variable gaps.

#### ***DOD 1400.24 Civilian Mobility Program (1989)***

This policy states the following in terms of the organizational variables identified in Chapter III:

- 1. The establishment of civilian mobility programs recognizes that selected relocations will be required for designated intern training, other formal developmental efforts, specified career development enhancement, or planned efforts in support of mission-related needs*
- 2. When necessary to enhance career progression and/or improve mission effectiveness, civilian mobility programs may be established by DOD components.*
- 3. The use of civilian mobility programs shall only be for enhancing career development and progression and/or achieving mission effectiveness.*

Of the eight organizational variables, three were identified in this policy: performance, opportunities for promotion, and education.

#### ***DOD 1100.4 Guidance for Manpower Management (2005)***

This policy states the following in terms of the organizational variables identified in Chapter III:

- 1. Manpower management shall be flexible, adaptive to program changes, and responsive to crisis situations and new management strategies. Existing policies, procedures, and structures shall be periodically evaluated to ensure efficient and effective use of manpower resources.*

2. *Long-range strategies and workforce forecasts shall be developed to implement major changes to policy, doctrine, material, force structure, and training, while maintaining ready forces and assuring the greatest possible productivity and effectiveness.*
3. *Activities shall be organized to promote efficient and effective operations, optimize personnel utilization, and maintain a high level of productivity and morale.*

Of the eight organizational variables, two were identified in this policy:

workplace environment and motivation.

#### ***DOD 1400.5 DOD Policy for Civilian Personnel (2005)***

This policy states the following in terms of the organizational variables identified in Chapter III:

1. *The DOD Components shall conduct their relationships with civilian employees in accordance with the following principles:*
  - *Employees shall be placed in jobs for which they are qualified and shall be given equal opportunities for advancement.*
  - *Training and development required to improve present job performance and meet future skill needs shall be provided.*
  - *Within whatever compensation schedule applicable, employees shall receive similar pay treatment for work or substantially similar difficulty and responsibility.*
  - *Working conditions shall be made as safe and healthy as possible.*
  - *Recognizing that a well-informed workforce is a productive workforce, employees and their recognized labor organizations shall be informed.*

Of the eight organizational variables, five were identified in this policy: workplace environment, pay, and performance, opportunities for promotion, motivation, and education

#### ***DOD 1400.20 DOD Program for Stability of Civilian Employment (1981)***

This policy states the following in terms of the organizational variables identified in Chapter III:

1. *Establish basic policy concerning the DOD Stability of Civilian Employment Program. The purpose of the policy is to promote stability of employment for civilian employees affected by changing work force requirements and to provide maximum opportunity for placement in other DOD positions. The program shall include such*

*specific actions as advanced planning and notice to employees; priority referral and mandatory placement in other DOD positions; retraining employees, when feasible; and grade and pay retention and severance payments.*

Of the eight organizational variables, two were mentioned/identified in this policy:

pay and opportunities for promotion.

### ***DOD 1430.2 Civilian Career Management (1981)***

This policy states the following in terms of the organizational variables identified in Chapter III:

1. *It is the policy of the DOD to promote career planning and development for civilian personnel to:*
  - *Ensure a steady flow of capable, fully qualified, and trained personnel to fill positions at all levels*
  - *Recruit capable employees interested in long-term career opportunities and development*
  - *Retain competent civilian employees and reduce turnover by providing them with opportunities for advancement commensurate with their abilities*
  - *Clear lines of progression to successively more responsible positions*
  - *Provision for a minimum annual intake of carefully selected career personnel with potential for progression to responsible technical, professional, and managerial positions*

Of the eight organizational variables, three were mentioned/identified in this policy: performance, opportunities for promotion, and education.

### ***DOD 1400.25 Civilian Personnel Management System (1996)***

Within this policy, the Civilian Personnel Management System policy mentions nothing associated with the eight organizational variables. The purpose of the policy is to establish uniform DOD- wide procedures regarding the civilian personnel management.

Personnel management systems have yet to be published.

### ***DOD 1430.11 Civilian Career Knowledge Test Program (1981)***

The Civilian Knowledge Test Program policy states the requirements and procedures for the development and operation of the Knowledge Test Program. Within the policy, there is no mention of the organizational variables within this study.

### ***DOD 1430.4 Civilian Employee Training (1985)***

This policy states the following in terms of the organizational variables identified in Chapter III:

- 1. It is DOD policy that DOD components shall provide the training necessary to ensure maximum efficiency and effectiveness of civilian employees in the performance of their official duties, and to encourage employees in their efforts for self-improvement.*
- 2. Review civilian employee training needs and install modern training practices and techniques to raise the level of employee performance and meet present and anticipated needs.*

Out of the eight organizational variables, three were identified/mentioned in this policy: workplace environment, motivation, and education.

### ***DOD 1400.25-M Department of Defense Civilian Personnel Manual (1996)***

This policy states the following in terms if the organizational variables identified in Chapter III:

- 1. Provide civilian personnel policies and procedures that are consistent with and support merit systems principles, equal compensation and employment opportunities, and workforce diversity goals and objectives, and that permit flexible work arrangements that allow employees to better balance their work and other responsibilities.*

Out of the eight organizational variables, three were identified/mentioned in the policy: workplace environment, pay, and leave.

## Gaps in DOD Policy

As shown in Table #5, there are substantial gaps in DOD policy concerning the civilian workforce. The box with the “x” mark indicates that within the policy there is an emphasis placed on the respective organizational variable. For example, under DODD 1400.24 entitled, “Civilian Mobility Program,” there are three check marked boxes indicating that within this particular policy there is emphasis placed on performance, opportunity for promotion, and education. The same approach is used throughout this chapter for the respective areas of AF and AFMC Civilian Workforce Policy

This research looked at the overall policies concerning the DOD civilian workforce when reporting the results of the gaps in policy. The percentages of the DOD policy are as follows and visually represented in Figure #4:

- 0% identify Knowledge Transfer
- 44% identify Workplace Environment
- 33% identify Pay
- 33% identify Performance
- 44% identify Opportunity for Promotion
- 22% identify Motivation
- 11% identify Leave
- 44% of AF policy identifies Education

Overall, of the nine DOD policies reviewed, none encompassed knowledge transfer as a means of Civilian Workforce Retention. One policy (11%) noted leave; two policies (22%) recognized motivation as a key variable. Three policies (33%) acknowledge pay and performance as items of concern and four policies (44%) discussed

workplace environment and opportunity for promotion as necessary components to the civilian workforce. One of the DOD policies didn't address any of the organizational variables at all.

DOD policy should be updated to address the organizational variables of knowledge transfer. There is evidence based on Figure #4 that the DOD has placed emphasis on pay and performance, opportunity for promotion, and workplace environment. The DOD should increase those numbers to 100 percent and begin to identify knowledge transfer as a key organizational variable.

Table #5  
DOD Policy Results

DOD POLICY	Knowledge Transfer	Workplace Environment	Pay	Performance	Opp. For Promotion	Motivation	Leave	Education
DODD 1400.24 "Civilian Mobility Program"				x	x			x
DODD 1100.4 "Guidance for Manpower Mgmt."		x				x		
DODD 1400.5 "DOD Policy for Civilian Personnel"		x	x	x	x			x
DODD 1400.20 "DOD Program for Stability of Civilian Employment"			x		x			
DODD 1430.2 "Civilian Career Mgmt."				x	x			x
DODD 1400.25 "DOD Civilian Personnel Mgmt System"								
DODD 1430.11 "DOD Civilian Career Knowledge Test Program"				x				x
DODD 1430.4 "Civilian Employee Training"								x
DODD 1400.25-M "DOD Civilian Personnel Manual"			x				x	x

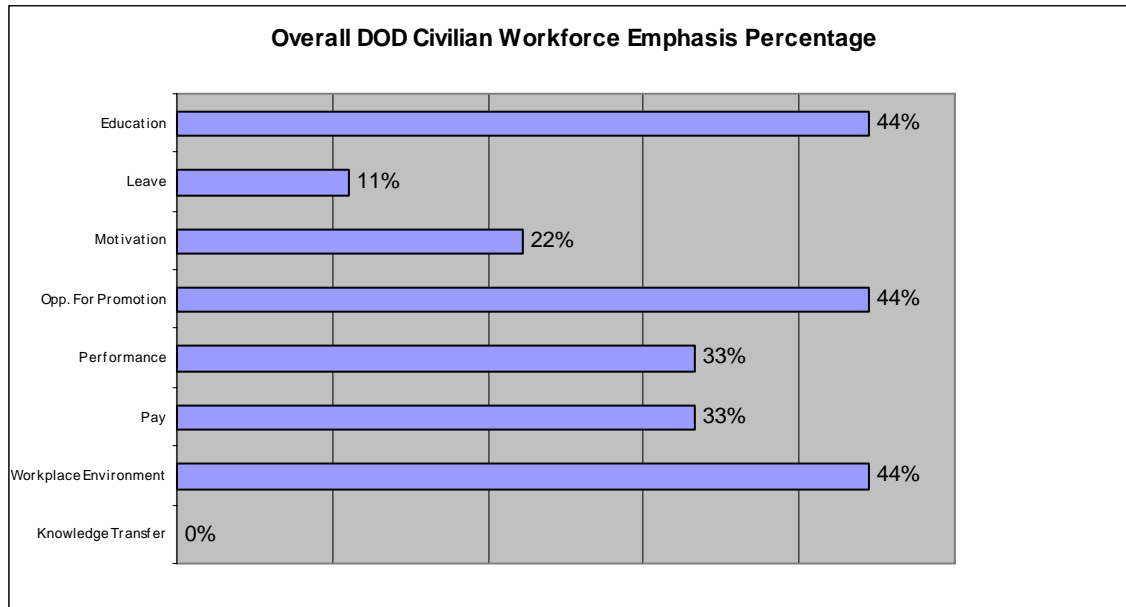


Figure #4  
Overall DOD Civilian Workforce Emphasis Percentage

### Air Force Policy

The following are the Air Force policies that encompass the civilian workforce found on the Air Force electronic public website ([www.e-publishing.af.mil](http://www.e-publishing.af.mil)). Within this section, the organizational variables, if any, will be identified and noted within the context of the AF policy matrix. Once all pertinent policy is reviewed, gaps within the policy will be discussed along with a proposal of policy that fills the missing organizational variable gaps.

#### *Air Force Manual 36-606 "Air Force Civilian Career Planning" (1995)*

This policy states the following in terms of the organizational variables identified in Chapter III:

1. *This manual provides general guidance and information on civilian career planning and specific information on each career program's career patterns and master development plans.*
2. *Career programs will develop and maintain career patterns which represent progression possibilities within the individual career field. Each career program will*



also develop a Master Development Plan for its career for its career families which serve as a guide to current or future job-related experience, training, and education important for successful performance and career progression.

The following figure (Figure #5) schematically represents career program for the Acquisition Program Manager and Scientists and Engineer career field.

Program Manager Career Pyramid

Scientists and Engineer Career Pyramid

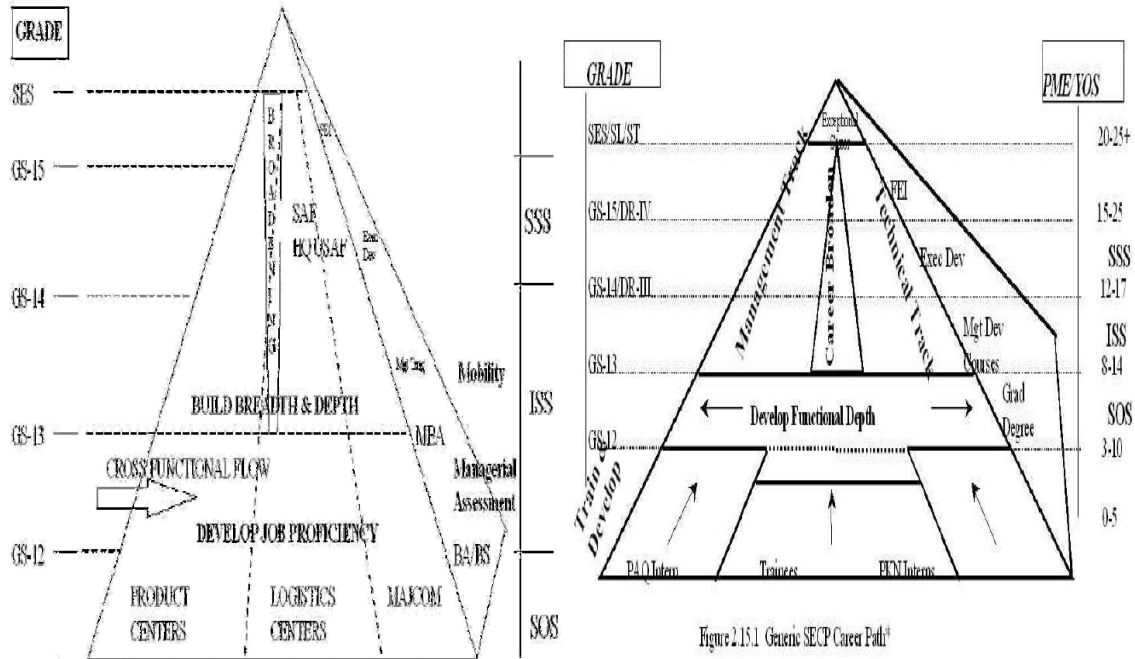


Figure #5  
Air Force Personnel Web Site  
(www.af.mil)

Out of the eight organizational variables, three were identified/mentioned in the policy: performance, opportunity for promotion, and education.

***Air Force Policy Directive 36-5 “Civilian Personnel Resource Management” (1995)***

This policy states the following in terms of the organizational variables identified in Chapter III:

1. *In managing civilian personnel resources, the Air Force will stay within its civilian pay budget by balancing economy and efficiency of operations, position structures,*

*skills, and career paths; employee development and motivation; and recruitment and retention of competent personnel.*

Out of the eight organizational variables, four were identified in the policy: pay, performance, opportunity for promotion, and motivation.

***Air Force Policy Directive 36-26 “Total Force Development” (2004)***

The policy entitled, “Total Force Development” mentions none of the organizational variables needed for this research. Therefore, none of the organizational variables are check marked in Table #6.

***Air Force Instruction 36-103 “Organizational Responsibility for Civilian Personnel Administration and Management” (1994)***

The policy entitled, “Organizational Responsibility for Civilian Personnel Administration and Management” mentions none of the organizational variables needed for this research. Therefore, none of the organizational variables are check marked in Table #4.

***Air Force Manual 36-203 “Staffing Civilian Positions” (2002)***

This policy states the following in terms of the organizational variables identified in Chapter III:

- 1. This manual provides guidance and prescribes operational procedures for certain types of civilian staffing and placement programs and actions. It applies to employees, supervisors, civilian personnel flights, and other management officials of the Air Force.*
- 2. Qualification standards prescribe the minimum experience, training, education, and physical requirements, or otherwise specify required knowledge, skills, and abilities necessary for successful performance in the position.*

Out of the eight organizational variables, two were identified/mentioned in the policy: performance and opportunity for promotion.

***Air Force Instruction 36-202 “Civilian Mobility” (1994)***

This policy identifies a mobility program that allows the management to readily identify and move civilian employees to meet critical needs and to provide assignments designed to give them the breadth and depth of experience needed for placement in key managerial positions. Only performance and opportunity for promotion were mentioned in this policy.

***Air Force Instruction 36-502 “Managing Civilian Personnel Resources” (1994)***

This policy identifies the objectives in which the Air Force needs to manage civilian human resources within budget while balancing the following needs: mission needs, operational economy and efficiency, skills and career paths, employee development and motivation, and recruitment and retention of competent people. Within this policy, two organizational variables were identified: opportunity for promotion and motivation.

***Air Force Instruction 36-1004 “Managing the Civilian Recognition Program” (2004)***

This policy states the Civilian Recognition Program to recognize the achievements of civilian employees. It describes the Incentive Awards Program, Time Off Awards, Monetary Incentive Awards, and Honorary Incentive Awards. Within this policy, two organizational variables were identified: pay and performance.

***Air Force Policy Directive 36-10 “Civilian Performance and Recognition” (2000)***

This policy directive identifies the Air Force’s performance appraisal system. This system is based on objective measurements of performance against individual and organizational goals, establishment of accountability in meeting those goals, and

evaluation of individual and organizational accomplishments. Within this policy, two organizational variables were identified: performance and opportunity for promotion.

***Air Force Policy Directive 36-8 “Employee Benefits and Entitlements” (1996)***

This policy directive establishes policies to ensure the Air Force enhances the morale of its civilian employees by identifying and pursuing these needs. Mainly, post-employment support of Air Force civilian employees is discussed within the policy. The organizational variable pay is identified in the policy.

***Air Force Policy Directive 36-13 “Civilian Supervisory, Management, and Leadership Development” (1997)***

This policy states that management and leadership development of the civilian workforce is an essential component of long-term mission readiness. This directive provides initial supervisory, managerial and executive training and establishes the Air Force Civilian Management and Leadership Development Framework as the corporate prototype for sustaining the capability of senior level civilians while preparing other high-potential employees for increasingly responsible management and leadership positions. This policy mentions the transfer of knowledge from the senior workforce to the junior workforce.

***Air Force Instruction 36-102 “Basic Authority and Responsibility for Civilian Personnel Management and Administration” (1994)***

The policy mentions none of the organizational variables needed for this research. Therefore, none of the organizational variables are check marked in Table #4.

***Air Force Instruction 36-601 “Air Force Civilian Career Program Management” (1994)***

This policy implements Air Force civilian career programs. Civilian career programs will develop employees with strong professional, technical, managerial, and

administrative skills to satisfy current and future Air Force mission needs. Within this policy, the civilian career management will:

1. *Identify and encourage highly qualified and high potential individuals to make a career in the Air Force.*
2. *Provide employees with the opportunity to improve their skills and progress through the organization.*
3. *Give employees rewarding work experiences to suit their abilities and desires, while meeting Air Force mission and staffing needs.*
4. *Strive to have career program selections and composition mirror the appropriate civilian labor force data.*

This policy identifies four organizational variables: workplace environment, performance, opportunity for promotion, and education.

#### ***Air Force Policy Directive 36-6 “Civilian Career Management” (1994)***

Air Force Policy Directive 36-6 entitled, “Civilian Career Management” states the following as policy regarding civilian career management:

1. *To attract and sustain highly qualified civilian workforce to accomplish its missions, and to ensure effective leadership, the Air Force establishes civilian career programs that hire, develop, advance, and sustain the best possible civilian workforce. These programs have as their intent developing career civilians with the right professional, technical, managerial, and administrative skills to satisfy Air Force needs. This directive establishes policies for managing civilian careers through these career management programs.*
2. *The Air Force will:*
  - 2.1 *Manage civilian careers from accession through separation, ensuring career programs attract high caliber civilians representative of the civilian labor force and sustain the workforce through internships and a process of continual renewal.*
  - 2.2 *Identify and encourage qualified individuals to make a career in the Air Force.*
  - 2.3 *In order to ensure the best qualified senior civilian leadership, develop its career civilians through training and education programs.*
  - 2.4 *Provide a means of identifying and staffing key positions Air Force-wide within each career program with exceptional performers and highly qualified employees.*
  - 2.5 *Oversee civilian career paths by having career program policy councils that determine career roadmaps.*
3. *This directive establishes the following responsibilities and authorities:*

- 3.1 *The Deputy Chief of Staff, Personnel (HQ USAF/DP) develops, coordinates, and executes personnel policy and approves essential procedural guidance for administering the Civilian Career Management Program.*
- 3.2 *The Air Force Director of Civilian Personnel Policy and Personnel Plans (HQ USAF/DPC) implements Air Force-wide policy for civilian career programs; including budgeting and controlling all related resources.*

Within this policy, two organizational variables are identified: performance and opportunity for promotion.

***Air Force Policy Directive 36-4 “Air Force Civilian Training, Education, and Development” (2004)***

This policy supports developing the workforce by producing human capabilities through deliberately planned and executed force development policy and doctrine. The following are the organizational variables of performance, opportunity for promotion, and education which are identified in the policy:

1. *Establish training, education, and development programs that satisfy tactical, operational and strategic performance requirements using the most efficient methods possible.*
2. *Provide opportunities for civilian employees to attend training, education, and development programs in the same courses and programs as their military counterparts or receive equivalent training to broaden their professional knowledge and increase job skills.*

***Air Force Policy Directive 36-34 “Air Force Mentoring Program” (2004)***

This purpose of this policy is to formally establish mentoring in the Air Force and provide guidance for its implementation. According to the policy, the goal of mentoring is to help each person reach his/her potential, thereby enhancing the overall professionalism of the Air Force. Key to the mentoring process is the direct involvement of the supervisor in the professional development of those he/she supervises. The supervisor must continuously challenge subordinates and provide clear performance feedback and guidance in setting realistic development goals.

Within the policy, two organizational variables were identified: workplace environment and motivation.

### **Gaps in AF Policy**

As shown in Table #6, there are substantial gaps in the policy concerning the civilian workforce. This research looked at the overall policies concerning the AF civilian workforce when reporting the results of the organizational variable gaps in policy. The percentages of the AF policy review are as follows and visually represented in Figure #6.

- 6% identify Knowledge Transfer
- 13% identify Workplace Environment
- 19% identify Pay
- 56% identify Performance
- 56% identify Opportunity for Promotion
- 19% identify Motivation
- 0% identify Leave
- 25% identify Education

Overall, of the sixteen AF policies reviewed, one policy encompassed knowledge transfer as a means of Civilian Workforce Retention. Zero percent noted leave; and three policies (19%) recognized motivation as a key variable. Nine policies (56%) acknowledge performance and opportunity for promotion as items of concern and one policy (13%) discussed workplace environment as necessary components to the civilian workforce.

AF policy should be updated to address the organizational variables of knowledge transfer. There is evidence based on Table #6 that the AF has placed emphasis on

performance, opportunity for promotion, and education. The AF should increase all eight organizational variables. In particular, the lower percentages such as knowledge transfer and leave.

Table #6  
Air Force Policy Results

Air Force	Knowledge Transfer	Workplace Environment	Pay	Performance	Opp. For Promotion	Motivation	Leave	Education
AF Man 36-606 "AF Career Planning"				x	x			x
AF PD 36-5 "Civ Personnel Resource Mgmt"			x	x	x	x		
AF PD 36-26 "Total Force Development"								
AF I 36-103 "Org. Responsibility for Civ. Personnel Mgmt"								
AF Man 36-203 "Staffing Civilian Positions"				x	x			
AF I 36-202 "Civilian Mobility"				x	x			
AF I 36-502 "Managing Civ. Personnel Resources"					x	x		
AF I 36-1004 "Managing the Civilian Recognition Program"			x	x				
AF PD 36-10 "Civilian Performance and Recognition"				x	x			
AF PD 36-8 "Employee Benefits and Entitlements"			x					
AF PD 36-13 "Civilian Supervisory, Mgmt., and Leadership Development"	x							x
AF I 36-102 "Basic Authority and Responsibility for Civ. Personnel Mgmt."								
AF I 36-601 "AF Civilian Career Program Mgmt."		x			x			x
AF PD 36-6 "Civilian Career Mgmt"				x	x			
AF PD 36-4 "AF Civilian Training, Education, and Development"				x	x			x
AF PD 63-34 "AF Mentoring Program"		x		x		x		



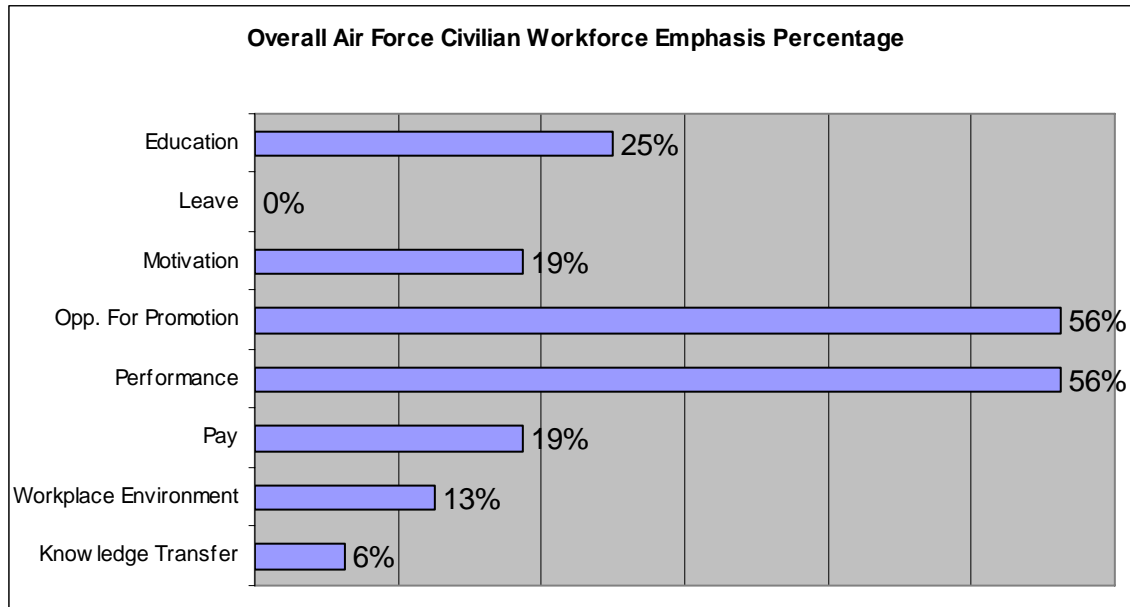


Figure #6  
Overall AF Civilian Workforce Emphasis Percentage

## AFMC POLICY

The following are the AFMC policies that encompass the civilian workforce found on the Air Force electronic public website ([www.e-publishing.af.mil](http://www.e-publishing.af.mil)). Within this section, the organizational variables, if any, will be identified and stated within the context of the policy. Once all pertinent policy is stated, gaps within the policy will be discussed along with a proposal of policy that fills the missing organizational variable gaps.

### *AFMC INSTRUCTIONS 36-201 "Education and Training" (2003)*

This instruction defines objectives, requirements and assigned responsibilities for coordination and integration of training planning, programming, budgeting and execution. Within this instruction, various programs such as The Defense Leadership and Management Program (DLAMP), The Civilian Competitive Development Program (CCDP), and the Civilian Tuition Assistance Program (CTAP) are identified as the

civilian training programs available throughout AFMC. Only one organizational variable, education, is identified in this policy.

***AFMC POLICY DIRECTIVE 36-3 “AFMC Intermediate Management Level Review Process” (2005)***

This policy mentions none of the organizational variables needed for this research. Therefore, none of the organizational variables are check marked in Table #7.

***AFMC POLICY DIRECTIVE 36-2 “Education and Training” (2000)***

This policy describes the mission of the Education and Training organization. Its role is to prepare the AFMC workforce for current and future requirements through planning, programming, budgeting, and executing education and training. The Education and Training organization is the primary focal point for civilian education and training. Thus, only education is identified as an organizational variable.

***AFMC MANUAL 36-1 “Guide to the AFMC Mentoring Program” (1997)***

This policy identifies and provides guidance on how to implement a Mentoring Program throughout AFMC. Its purpose is similar to the Air Force’s Mentoring Program; however, it goes into further detail of the mentoring responsibilities. It mentions the use of a professional development plan in which the mentored should address such factors as promotion, career training, PME, academic educational goals, and long-range plans. Within this policy, the organizational variables identified were education and performance.

**Gaps in AFMC Policy**

As shown in Table #7, there are substantial gaps in the policy concerning the civilian workforce. This research looked at the overall policies concerning the AFMC

civilian workforce when reporting the results of the gaps in policy. The results of the AFMC policy are as follows and visually represented in Figure #7

- 0% identify Knowledge Transfer
- 0% identify Workplace Environment
- 0% identify Pay
- 25% identify Performance
- 0% identify Opportunity for Promotion
- 0% identify Motivation
- 0% identify Leave
- 75% identify Education

Table #7  
AFMC Policy Results

AFMC POLICY	Knowledge Transfer	Workplace Environment	Pay	Performance	Opp. For Promotion	Motivation	Leave	Education
AFMC I 36-201 "Education & Training"								X
AFMC PD 36-3 "AFMC Mgmt Level Review Process"								
AFMC PD 36-2 "Education & Training"								X
AFMC Manual 36-1 "Guide to AFMC Mentoring"				X				X

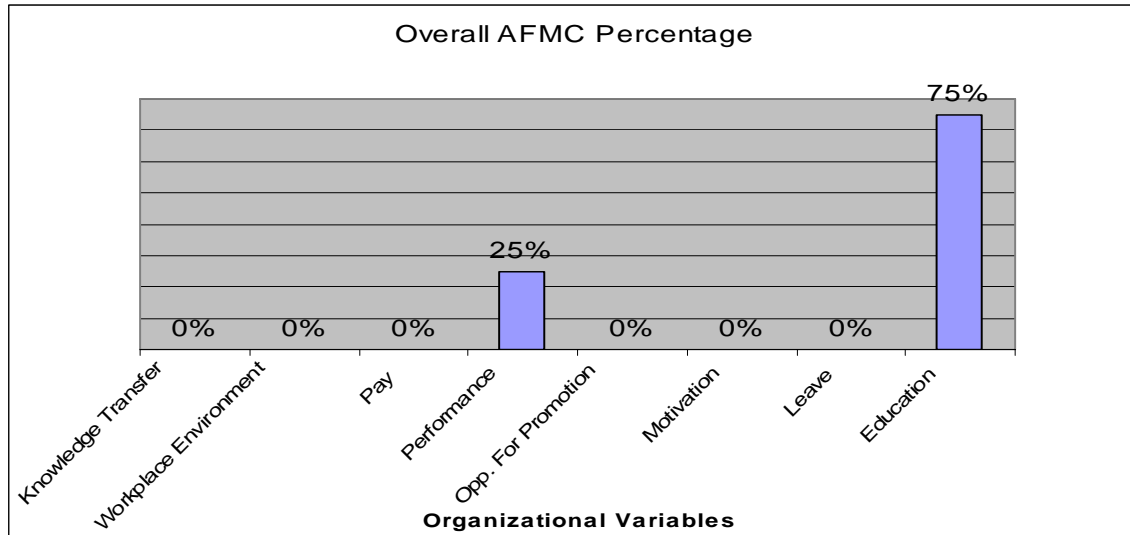


Figure #7  
AFMC Civilian Workforce Emphasis Percentage

Overall, of the four AFMC policies reviewed, none encompassed knowledge transfer, workplace environment, pay, opportunity for promotion, motivation, and leave. One policy (25%) discussed performance and three policies (75%) discussed education.

#### Gaps in All Policy (DOD, AF, AFMC)

This section of the Chapter IV examined the overall (DOD, AF, AFMC) policies concerning the DOD civilian workforce. The results of the policies are as follows and visually represented in Figure #8.

- 3% identify Knowledge Transfer
- 21% identify Workplace Environment
- 21% identify Pay
- 45% identify Performance
- 17% identify Opportunity for Promotion
- 17% identify Motivation

- 3% identify Leave
- 25% identify Education

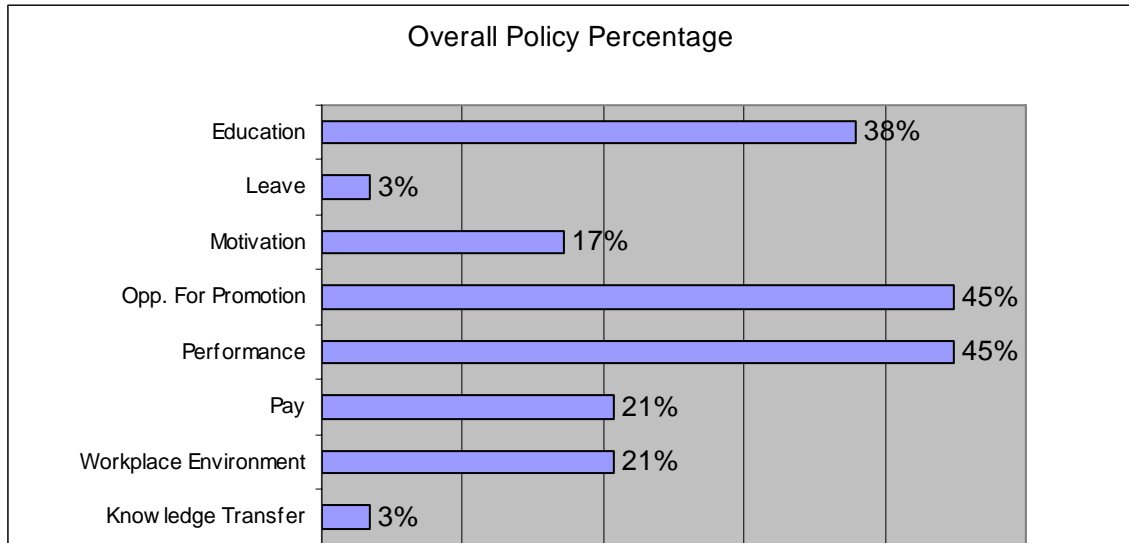


Figure #8  
Overall Civilian Workforce Policy Percentage

Based on the assumptional analysis done, forecasting institutional policy options will now be presented using the CHRSP as a foundation.

### Policy Recommendation

Based on the overall civilian workforce policy percentage, there are institutional gaps that need to be filled in order for the civilian workforce to functionally operate in the future. The DOD, AF, and AFMC have taken efforts to promote performance and opportunity for promotion with the evidence of 45 percent of the policy reflecting the importance of the organizational variables. Within the past decade, senior leadership has made an effort to promote educational opportunities and to place a greater emphasis on civilian professional development. This is evident in the policy reviewed in which 38

percent of the policy reflects the importance of education in the workplace. For the purpose of this research, 50% will be the baseline to determine if policy needs to be changed. If policy contains greater than 50% in any organizational variable, no change is needed in the policy.

Ideally, policy should start at the DOD level and work its way down to the services, commands, and all the way down to the small scale organizations within the commands. However, after reviewing personnel policy at the DOD, AF, and AFMC level, there seems to be a lack of congruence between the three. For instance, workplace environment was stressed throughout DOD policy (44%) but not stressed at the AF (13%) and AFMC (0%) level. The policy on knowledge transfer was mentioned only in the Air Force policy.

Out of the 29 policies, only one policy (3%) identifies the importance of knowledge transfer. This is where DOD senior leadership needs to place emphasis in terms of the policy of transferring the knowledge between the outgoing senior workforce to the junior workforce. From the policy reviewed, senior leadership is placing an importance on education, performance, and opportunity for promotion. However, the lack of knowledge transfer will be a major obstacle that will be faced by the year 2010.

Overall, three percent identified leave, 17% identified motivation, 45% identified opportunities for promotion and performance, and 21% identified pay and workplace environment.

Starting from the DOD level, a proposed policy entitled, “Knowledge Transfer of the Civilian Workforce,” should identify the importance of knowledge transfer and assign responsibility to an individual at the DOD level to oversee the progress and

implementation throughout the DOD. From the DOD level, policy at the service level (Army, Air Force, Navy, Marine Corps) needs to be proposed to support the arching DOD policy. Once policy is written, there needs to be an individual that is in control of the knowledge transfer process and is held responsible in implementing solutions.

After reviewing the gaps in the proposed policy there is evidence that a change/update is needed to the 36 series at all levels within the DOD. The following section will identify the seven goals of the Civilian Human Resource Strategic Plan (CHRSP, 2001) and based on the gaps in policy, identify whether this research supports that each goal is working.

### **Civilian Human Resource Strategic Plan**

This section will identify the main goals of the 2001 Civilian Human Resource Strategic Plan and critique the five year progress made since initial conception. In 2001, Secretary Donald Rumsfeld spearheaded a DOD wide plan built from the QDR and the strategic direction provided by the Under Secretary of Defense for Personnel and Readiness. Once the strategic plan was in place, the Office of the Secretary of Defense for Personnel and Readiness published Annex's each year to describe the progress made for each of the initial goals from the original strategic plan.

A balanced scorecard approach was used to build the strategic plan. The 2001 Civilian Human Resource Strategic Plan primarily addresses the civilian human resource dilemma in the DOD. With baby boomers quickly approaching retirement, decreasing budget, and the lure of higher paying job in the private sector, a strategic plan was needed. From this, seven goals were developed to achieve a well rounded civilian workforce. The goals for the Civilian Human Resource Strategic Plan are as follows:

### **Goal 1: PROMOTE FOCUSED, WELL-FUNDED RECRUITING TO HIRE THE BEST TALENT AVAILABLE**

The DOD is facing a shortage of staff with the right skills and experience due to the anticipated retirement of employees. Coupled with multiple reductions in force and minimal entry-level hiring done during 1989-2001, the DOD must now make efforts to compete in today's marketplace for critical skills.

The organizational variables analyzed support leave (3%), pay (21%), and education (38%).

### **Goal 2: PROVIDE A HUMAN RESOURCES SYSTEM THAT ENSURES THE READINESS OF TOMORROW'S INTEGRATED FORCE STRUCTURE**

The federal personnel system has been criticized for inflexible practices which resulted in delaying of filling jobs. The DOD recognizes the need for process improvement and evaluating successful industry practices that are adaptable within existing DOD rules and regulations.

The organizational variables analyzed does not support goal two of the CHRSP.

### **GOAL 3. PROMOTE AND SUSTAIN AN EFFECTIVE CIVILIAN WORKFORCE THAT IS AS RICHLY DIVERSE AS AMERICA ITSELF**

The DOD must recognize that their workforce must be as diverse as the taxpayers that fund our budget. This involves recruiting at minority colleges; remain committed to the Hiring of People with Disabilities Program, and top leadership's commitment.

The organizational variables analyzed supported workplace environment (21%).

### **GOAL 4. INVEST IN HUMAN CAPITAL TO IMPROVE EFFECTIVENESS OF THE WORKFORCE**

An overall DOD HRM Accountability System is planned for the effective use of human resources. This system will reflect the HR measurement categories of strategic



alignment, program effectiveness, operational efficiency, and legal compliance (CHRSP, 2001).

The organizational variables analyzed support education (38%), motivation (17%), leave (3%), and pay (21%).

#### **GOAL 5. PROVIDE MANAGEMENT SYSTEMS AND TOOLS THAT SUPPORT TOTAL FORCE PLANNING AND INFORMED DECISION MAKING**

In 2001, the Office of the Secretary of Defense obtained the necessary equipment for adapting the Army Civilian Forecasting System and the Workforce Analysis Support System for Department-wide use (CHRSP, 2001). These tools are predicted to increase the ability of the Departments to determine future human resource needs and evaluate proposed personnel policies and practices.

The organizational variables analyzed does not support goal five in its attempt to provide management systems and tools that support total force planning.

#### **GOAL 6. FOCUS THE HUMAN RESOURCES COMMUNITY ON THE NEEDS OF ITS CUSTOMERS**

DOD's response in focusing the HR community on the needs of its customers is to consider customer feedback in developing HR policies and procedures. The results of this feedback will be reviewed in relation to HR policy and programs.

The organizational variables analyzed does not support goal six in its attempt to focus the HR community on the needs of its customers.

#### **GOAL 7. PROMOTE QUALITY OF WORK LIFE AS AN INTEGRAL PART OF DAILY OPERATIONS**

DOD's strategy for promoting the quality of work life is to identify, develop, and promote specific policies and programs for quality of work life initiatives that advance the DOD's ability to meet its mission (CHRSP). Its initial conception of promoting work

life is to encourage the expansion of flexible work schedules, job sharing, part-time employment, alternative work schedules, telecommuting, and satellite work locations.

The organizational variables analyzed support workplace environment (21%), opportunities for promotion (45%), motivation (17%), leave (3%), and education (38%).

Please note the Office of Personnel Management did further evaluation of the CHRSP which is included in Appendix C.

### **Recommendations**

Based upon the gaps in DOD, AF, and AFMC policy, the lack of knowledge transfer (3% of policy) is the overlying problem the DOD faces within the civilian workforce. Upon reading various literatures concerning the proposed civilian “brain drain,” the DOD has placed special emphasis in retaining the current workforce in terms of improving educational benefits (38%) and increasing opportunities for promotion (45%).

In terms of knowledge transfer, the use of various tools can be used to ease the transition and “brain drain” that the DOD will face in the near future. One proposed tool is an exit survey in which the DOD would capture the thoughts of the exiting workforce in key measures such as job satisfaction, retention, knowledge transfer, and pay and benefits.

### **Proposed survey information**

The traditional response to the significant change in employee turnover and the graying of the workforce is to mentor, coach or carry out job shadowing in the organization. These methods are time consuming and often take away from the organization’s mission. Therefore, employees are leaving without warning. As noted in

the subsection of knowledge management above, there are three types of tools that are used in the government to maintain the knowledge within the organization.

This research will propose an additional tool to the knowledge management toolbox for the DOD in the sense of a proposed survey to gather the thoughts of the workers leaving or retiring from the DOD. The proposed survey will be issued three times during an employee's tenure in the government. The survey will be issued at initial employment, the ten year point, and an exit survey upon retirement. If the individual leaves the federal service before retirement, the survey will be taken at the time of separation.

The proposed survey was developed by obtaining various surveys from the Defense Manpower Data Center (DMDC) and the private industry. DMDC survey's entitled; "Status of Forces Survey for Civilian Members" was primarily used due to their high cronbach's alpha values. However, DMDC's survey did not include a subsection dealing with employees leaving the government to pursue other interests. Exit surveys from the private industry were reviewed in order to incorporate a subsection in the proposed survey. The following measures are included in the proposed survey:

- Retention
- Opportunities for Promotion/ Career Progression
- Job Satisfaction
- Knowledge Transfer
- Pay and Performance
- Workplace Environment
- Education and Training

## **Proposed Exit Survey**

The proposed exit survey is intended to be given to civilian employees who are departing civil service via retirement or separation. The primary aim of the exit survey is to learn reasons for the person's departure and for the DOD to enable transfer of knowledge and experience from the departing employee to a successor or replacements. A good exit survey should yield useful information about the employer organization to assess and improve all aspects of the working environment, culture, management and development. Many employers, including the DOD, ignore the opportunity that exit surveys offer, mainly because exit surveys have never been practiced in the past and starting them is a difficult initiative to undertake.

The days, weeks, or months between the decision for the employee to leave, and the employee's actual departure date offer a crucial opportunity for the DOD to gather important information and knowledge from the employee. This is especially relevant in roles where the employee has accumulated years of experience and personal connections. The knowledge of the departing employee has immense value to the DOD and the recovery of it is often overlooked altogether until they are already out of the organization. A recent study by Accenture confirms that most departing employees are delighted to share their knowledge to help a successor, or to brief a management team, if only the organization would simply ask them to do so. Therefore, the proposed exit survey examines the transfer of knowledge and various organizational variables attributed to job satisfaction. The proposed survey is located in Appendix B of this research.

## **Review of the Investigative Questions**

The overall purpose of the research was to determine whether the DOD, AF, and AFMC have policy to encourage organizational variables such as knowledge transfer, workplace environment, pay, performance, opportunities for promotion, motivation, leave, and education. Based upon the results, this research has detailed an important problem facing the future of the civilian workforce. Combined policy encourages organizational variables such as education, opportunities for promotion, and performance. However, it does not encourage the organizational variables of leave, motivation, and knowledge transfer.

The following are the investigative questions involved within this research accompanied with the conclusions.

1. If 60% of the AFMC workforce retires by 2010, there will be a substantial gap in middle management; what are the DOD, AF, and AFMC policies to solve this potential gap in middle management?

Based upon the literature review and results of the research, DOD, AF, and AFMC have limited policy to solve the potential gap in middle management. As mentioned in Chapter IV, if 50% of the policy contained any of the eight organizational variables, no change in policy is needed. Combined policy indicates the need for change in all eight of the organizational variables identified in the research. Figure #8 indicates that 3% of the policy identified leave and knowledge transfer. Motivation was identified in 17% of the policy, and pay and workplace environment was identified in 21% of the policy. Education was identified in 38% of the policy and opportunities for promotion and performance was identified in 45% of the policy.

As a result, improvement is needed in order to solve the potential gap in middle management based upon the analysis of the eight organizational variables. The lack of policy within the civilian workforce due to the low percentages in Figure #8 indicates a path for DOD leaders to focus their attention on strengthening the civilian workforce.

## 2. Is the Air Force really facing a “brain drain” by its aging workforce?

Based upon the literature review and results of the analysis, no conclusion can be made based on this research. The policy matrix and assumptional analysis could not provide the results to determine whether or not the Air Force is currently facing a “brain drain” by its aging workforce.

Based upon the amount of policy relating the civilian workforce, there seemed to be enough literature to determine the status of the “brain drain” within the Air Force. However, no policy was identified that related to the potential “brain drain.” In order to answer the investigative question, further research is needed to determine the current age of the civilian workforce and examine the recent 2005 BRAC to determine the number of workers that separated or retired from civil service.

## 3. If the “brain drain” is really occurring- what is the policy factors affecting these phenomena?

Due to the fact that there were no policies that dealt with the “brain drain” infers that the lack of policy is the reason for the “brain drain.” This investigative question can be further examined in future research dealing with the lack of policy based on the “brain drain.”

Based upon the literature review and results of the analysis, no conclusion can be made based on this research. The policy matrix and assumptional analysis could not provide the results to determine what policy factors are affecting the “brain drain.”

## IV. Conclusions & Recommendations

### Thesis Objective Restated

This chapter reviews the results and major issues covered in the research followed by a discussion of the importance of the research findings. The chapter concludes with recommendations for future research related to the topic.

This research sought to determine whether the DOD, AF, and AFMC have policy to successfully manage the long term career progression of the civilian workforce. The literature review provided background on the various organizational theories that were used to derive the organizational variable within the research methodology. In order to analyze policy, all publicly available DOD, AF, and AFMC policy relating to the civilian workforce was examined. A total of twenty nine policies within the three levels were abstracted and put into a chart with the organizational variables on the x-axis and the policies on the y-axis. Once thoroughly examined and all organizational variables were identified using assumptional analysis, forecasting policy was the methodology used to propose future policy affecting the civilian workforce.

### Conclusions

The research identified that the DOD, AF, and AFMC has insufficient policy relating to the civilian workforce. Based on the eight organizational variables obtained from the literature review, 3% identified leave and knowledge transfer. Motivation was identified in 17% of the policy, and pay and workplace environment was identified in 21% of the policy. Education was identified in 38% of the policy and opportunities for promotion and performance was identified in 45% of the policy.

No results could be given to the last three investigative questions concerning the “brain drain.” The policy matrix and assumptional analysis could not provide the results to determine whether a “brain drain” exists and what policy factors are affecting the “brain drain.”

There is a need to update the policy to increase the percentages of all eight organizational variables. Results indicate the emphasis placed on education, opportunities for promotion and performance. However, there is room for improvement in all eight organizational variables. The areas of leave and knowledge transfer (3%) have the most room for improvement.

Updating civilian workforce policy that reflects the eight organizational variables will provide the DOD, AF, and AFMC with a solid foundation to efficiently manage the civilian workforce well into the 21<sup>st</sup> century. The purpose of this research was to provide the proper knowledge and recommendations to the senior leadership within the DOD, AF, and AFMC. As we near the year 2010, 60% of the civilian workforce is eligible for retirement. Providing solutions such as an exit survey and proposing policy to deal with factors such as knowledge transfer will help senior leadership solve the potential gap in middle management.

### **Recommendations for Future Research**

To further validate the argument of the DOD’s inability to forecast and maintain a stable civilian workforce, an exit survey needs to be given to the senior workforce. Due to time constraints, this research was unable to capture the thoughts of the senior workforce. The results of the exit survey may provide DOD, AF, and AFMC senior leadership with a better understanding of the job satisfaction levels of the senior



workforce. Most importantly, it will provide input into proposing knowledge transfer tools to the junior workforce.

To further validate the argument of the potential “brain drain” that the DOD faces in 2010, a study should examine the previous BRAC rounds and determine whether the closure or realignment of bases have had any negative economic effects on the surrounding communities. A study four years from now should re-examine the nature of this research and determine whether the lack of policy in the areas of the organizational variables has had any effect on the overall civilian workforce structure.

The use of the exit survey should be given to the workforce every year to determine the current levels of job satisfaction, motivation, and workplace environment. The use of a web-based survey should be used when given to the workforce. There is a plethora of organizational behavior areas in which the researcher can examine. Future research could look at additional organizational variables not included in this research. Additional research can examine how sufficient are the organizational variables within published policy. Once determined as valid variables, one can develop metrics to determine whether the DOD, AF, and AFMC are sufficiently utilized.

## Appendix A

### Civilian Human Resource Strategic Plan

**Goal 1: PROMOTE FOCUSED, WELL-FUNDED RECRUITING TO HIRE THE BEST TALENT AVAILABLE**

**STRATEGY: MARKET THE DEPARTMENT OF DEFENSE AS A PREMIER EMPLOYER IN THE FEDERAL GOVERNMENT**

- Objective 1.1. Develop a recruitment strategy designed to attract candidates at any level
- Objective 1.2. Establish relationships with industry and academia to cross-feed personnel, information and technical achievements along with enhanced recruitment focusing on institutions receiving DOD grant money.
- Objective 1.3. Determine what type of intern programs is needed to best meet the needs of DOD.
- Objective 1.4. Assess requirements and funding sources for marketing DOD as a “first choice” employer.
- Objective 1.5. Implement HR system changes to enhance recruitment

**Goal 2: PROVIDE A HUMAN RESOURCES SYSTEM THAT ENSURES THE READINESS OF TOMORROW’S INTEGRATED FORCE STRUCTURE**

**STRATEGY: DEVELOP A RESPONSIVE, FLEXIBLE PERSONNEL SYSTEM THAT PERMITS MANAGEMENT TO MAINTAIN A MISSION READY WORKFORCE**

- Objective 2.1. Benchmark HR processes and practices against industry best practices.
- Objective 2.2. Continue to pursue legislative and regulatory change to provide for flexible workforce lifecycle management.
- Objective 2.3. Evaluate and transform civilian personnel policies to create flexible business-like processes.
- Objective 2.4. Conduct studies, analyses and experiments to identify optimal, customer-focused HR delivery systems.
- Objective 2.5. Ensure that automated systems support civilian human resources mission requirement.

**GOAL 3. PROMOTE AND SUSTAIN AN EFFECTIVE CIVILIAN WORKFORCE THAT IS AS RICHLY DIVERSE AS AMERICA ITSELF**

**STRATEGY: FOSTER AND PROMOTE AN ENVIRONMENT ATTRACTIVE TO INDIVIDUALS FROM ALL SEGMENTS OF OUR SOCIETY**

- Objective 3.1. Promote initiatives that result in diverse and representative workforce.
- Objective 3.2. Promote diversity in providing developmental opportunities to employees

#### GOAL 4. INVEST IN HUMAN CAPITAL TO IMPROVE EFFECTIVENESS OF THE WORKFORCE

##### STRATEGY: EVALUATE HUMAN RESOURCE PROGRAMS AND SYSTEMS AND SUFFICIENTLY FUND HR INITIATIVES

Objective 4.1. Develop HRM Accountability System that sets standards for applying the merit system principles, measures effectiveness and corrects deficiencies.

Objective 4.2. Develop resource strategies that integrate civilian human resources initiatives with the DOD POM cycle.

Objective 4.3. Develop standard metrics for human resource policies, procedures, operational requirements and systems.

Objective 4.4. Evaluate the adequacy of resources for education, training and professional development of civilians to support the Department's evolving mission.

Objective 4.5. Establish Human Resources Planning Board to integrate program decisions and Defense Planning Guide.

Objective 4.6. Implement new and evolving authorities.

#### GOAL 5. PROVIDE MANAGEMENT SYSTEMS AND TOOLS THAT SUPPORT TOTAL FORCE PLANNING AND INFORMED DECISION MAKING

##### STRATEGY: ENHANCE THE ABILITY TO ANALYZE, MODEL, AND FORECAST THE WORKFORCE.

Objective 5.1. Acquire state of the art analytical tools and workforce planning.

Objective 5.2. Assess the need for an integrated information technology system in support of the total force

Objective 5.3. Expand use of existing workforce shaping tools by expanding authority for VSIP buyouts.

#### GOAL 6. FOCUS THE HUMAN RESOURCES COMMUNITY ON THE NEEDS OF ITS CUSTOMERS.

##### STRATEGY: CONSIDER CUSTOMER FEEDBACK IN DEVELOPING HR POLICIES AND PROCEDURES

Objective 6.1. Attune products, policies and programs to customer needs, including delegation of authority, as appropriate.

Objective 6.2. Ensure high-level strategic alliances are kept with other public and private organizations, groups and senior officials to influence human resource issues and direction.

**GOAL 7. PROMOTE QUALITY OF WORK LIFE AS AN INTEGRAL PART OF DAILY OPERATIONS**

**STRATEGY: FOSTER AND ENCOURAGE INITIATIVES THAT IMPROVE THE QUALITY OF WORK LIFE**

Objective 7.1. Promote maximum use of policy and programs that improve the working environment.

Objective 7.2. Engage in process to upgrade benefits that can be tailored to the needs of the individual employee.

Objective 7.3. Participate in efforts to facilitate a quality work environment

## Appendix B

# Proposed Exit Survey

### Background Information

1. Are you ...?
    1. a permanent employee
    2. a non-permanent employee
  
  2. What is your current pay plan?
    1. GS/GM
    2. WG
    3. SES
    4. Other
  
  3. Please select your current pay grade
    1. GS 1-4
    2. GS 5-8
    3. GS-9-12
    4. GS/GM 13
    5. GS/GM-14
    6. GS/GM-15
  
  4. Please select your current pay grade.
    1. WG 1-5
    2. WG 6-9
    3. WG 10-15
  
  5. Please select your current pay grade
    1. SES I
    2. SES II
    3. SES III
    4. SES IV
  
  6. Please enter the four-digit code for your current job series- for example “3502” for Laborer or “0301” for Admin and Program Staff.
- 

7. Are you ....?

1. Male
2. Female

8. What is your race? Mark one to indicate what you consider yourself to be.

1. White

2. Black or African American
3. American Indian or Alaska Native
4. Asian (e.g., Asian Indian, Chinese, Filipino, Japanese, Korean, Vietnamese)
5. Native Hawaiian or other Pacific Islander

9. In total, how many years of service have you completed with the Federal government?  
\_\_\_\_\_ (insert year only)

10. On your last birthday, how old were you?  
\_\_\_\_\_ (insert age)

11. What is the highest degree or level of school that you have completed? Mark the one answer that describes the highest grade or degree that you have completed.

1. 12 years or less of school (no diploma)
2. High school graduate-high school or equivalent (e.g., GED)
3. Some college credit, but less than 1 year
4. 1 or more years of college, no degree
5. Associate's degree (e.g., AA, AS)
6. Bachelor's degree (e.g., BA, BS, AB)
7. Master's degree (e.g., MA/MS//MBA/MSW)
8. Doctoral or professional degree (e.g., PhD/MD/JD/DVM)

12. What is your retirement plan?

1. Civil Service Retirement Plan (CSRS)
2. Federal Employee Retirement System (FERS)
3. Other

13. Please specify other retirement plan below  
\_\_\_\_\_ (insert retirement plan)

***In the survey, the term "optional eligible" includes persons who can retire under either FERS (if born before 1948) or CSRS if they are 1) 55-59 years of age and who have at least 30 years of credible service, or 2) 60-61 years of age and who have 20 years of credible service, or 3) 62 years of age or older and have at least 5 years of credible service.***

***Under FERS law only, federal personnel born after 1948 can retire if they meet the Minimum Age Requirements and have 10 or more years of credible service. Hazardous duty employees (i.e. fire fighters, law enforcers) can retire voluntarily at age 50 with 20 years of credible FERS or CSRS service.***

***The term "discontinued service eligible" includes persons who can retire under either FERS or CSRS if they are 1) 50-54 years of age and who have at least 20 years of credible service, or 2) 55-59 years of age and who have between 20-29 years of credible service, or 3) 49 years of age or less and have at least 25 years of credible service.***

14. Which of the following best describes your retirement eligibility?

- 1= Not eligible
- 2= Optional eligible
- 3= Discontinued service eligible

***In this survey:***

***“Supervisor” refers to first-line supervisor who does not supervise other supervisors; typically those who are responsible for employees’ performance appraisals and approval of leave.***

***“Manager” refers to those in management positions who typically supervise one or more supervisors.***

***“Wage Leader” refers to those who, as a regular and recurring part of their jobs, and on a substantially full-time and continuing basis, lead three or more workers to (a) accomplish trades and labor work or (b) train them in the non-supervisory work of a trades and laboring occupation.***

15. What is your supervisory status?

- 1. Supervisor
- 2. Manager
- 3. Wage Leader
- 4. Not a supervisor or manager

Overall Job Satisfaction	Very Satisfied	Satisfied	Neutral	Dissatisfied	Very Dissatisfied
<b>Overall Satisfaction and Retention</b>					
Your total compensation (pay, incentive, bonuses)					
The type of work you do					
Your opportunities for promotion					
The quality of your co-workers					
The quality of your supervisor					
Overall, how satisfied are you with your organization					
<b>Detailed Satisfaction with your Organization</b>					
Your organization's mission and goals					
Your organization's performance mgmt. system					
Your organization's efficiency and effectiveness levels					
Your organization's culture (work ethic & values)					
Your organization's ability to recruit and retain people with the right skills					
Your organization's application of merit system principles (recruit, select, and advance on merit)					

The geographic location of your worksite					
Overall, how satisfied are you with your organization					
<b>Detailed Job Satisfaction (At the present time, how satisfied are you with the following aspect of your job)</b>					
The recognition you receive for doing a good job					
Your opportunities for training and development					
Your opportunities for advancement					
You involvement in decisions that affect your work					
Your workload					
Your social work environment (relationship with co-workers, supervisor)					
Overall, how satisfied are you with your job					
<b>Pay and Benefits (At the present time, how satisfied are you with the following aspects of your pay and benefits)</b>					
Basic Pay					
Locality Pay					
Cost of Living Increases					
Retirement Benefits					
Thrift Savings Plan (TSP)					
Annual Leave					
Sick Leave					
Health Insurance					
Life Insurance					
Long-term care Insurance					
Overall, how satisfied are you with your pay and benefits					
<b>Pay and Benefits (How much do you agree with the following statements about your pay and benefits?)</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
My pay is as good or better than the pay in non-federal organizations for the same type/level of work					
My benefits are as good or better than the pay in non-federal organizations for the same type/level of work					
I know whom to call if I have questions about my benefits.					
Overall, I am satisfied with my employee benefits.					
<b>Commitment and Career Intent</b>					
<b>How much do you agree or disagree with the following statements about working for your organization?</b>	<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Neutral</b>	<b>Agree</b>	<b>Strongly Agree</b>
I feel like part of the family in my organization					
My organization has a great deal of personal meaning to me					
It would be too costly for me to leave my organization in the near future					
I am afraid of what might happen if I quit my organization without having another job lined up					



Too much of my life would be interrupted if I decided to leave my organization now					
I feel a strong sense of belonging to my organization					
I feel "emotionally attached" to my organization					
One of the problems of leaving my organization would be the lack of available alternatives					
<b>Before you retire or resign from the Federal Government, how likely is it that you will ....?</b>	<b>Very Unlikely</b>	<b>Unlikely</b>	<b>Neutral</b>	<b>Likely</b>	<b>Very Likely</b>
Leave your organization to take another job within the DoD					
Leave to take another job in the Federal Government outside of DoD					
Leave the Federal Government for a private sector job					
Leave the Federal Government for a job in state or local government					
Retire from Federal Service					
<b>Pay and Benefits (At the present time, how satisfied are you with the following aspects of your pay and benefits)</b>					

In the coming year, do you plan to look for another job?

1= No

2= Yes, I plan to look both inside and outside the Federal government

3= Yes, but only outside the Federal government

4= Yes, but only within the Federal government

5= I have not decided whether to look for another job

<b>If question 70 = Yes, how important is each of the following as a reason for your plans to look for a new job?</b>	<b>Very Unimportant</b>	<b>Unimportant</b>	<b>Neutral</b>	<b>Important</b>	<b>Very Important</b>
Personal reasons (location, family desires, commuting time)					
The work (use of skills and abilities, level of stress)					
Opportunities for advancement/recognition					
Leave the Federal Government for a job in state or local government					
Better Pay					
Job Security					

Why are you leaving your current position with the Air Force? Please check all that apply

- Moving out of the area
- Seeking further education
- Health reasons
- Accepting another government position
- Accepting a position outside of the government
- Dissatisfaction with current position
- Family circumstances
- Retiring

If applicable, what makes your new job more attractive than your previous job? Please choose all that apply.

- Type of work
- Pay/Compensation
- Professional development opportunities
- Benefits package
- Resources to do your job
- Physical working conditions
- Chances for advancement
- Sense of accomplishment
- Work load
- Job Security

### **Knowledge Management**

If applicable, please be honest in your response to the following questions. These answers will better help the DOD in its desire to better retain, recruit, and transfer the knowledge to the junior work force.

1. What was your main reason for leaving the government?
2. How long had you been considering leaving the government?
3. What did you like most about working for the government?
4. What did you like least about working for the government?
5. What, if anything, could have been done to keep you with the government?
6. Would you consider working for the government again?
7. Would you recommend others to work for the government?
8. Upon leaving the government, what is the best way to transfer your technical knowledge to the junior workforce?
9. What specific suggestions would you have for how the government could manage the knowledge transfer issue better in the future?
10. What training would you have liked or needed that you did not get, and what effect would this have had?
11. How might we benefit from you knowledge, experience, prior to your departure?
12. What can we do to enable you to pass on as much of your knowledge and experience as possible to your replacement/successor prior to your departure?
13. How and when would you prefer to pass on your knowledge to your successor?

## Appendix C

### Progress made from 2002-2004

After the 2001 Strategic Plan was implemented, the Office of Personnel Management and the Office of the Under Secretary of Defense for Personnel and Manpower went to work in meeting the goals set forth by the Secretary of Defense. The Secretary of Defense set a goal of implementing all of the objectives by fiscal year 2005. This section will discuss the seven goals and the progress made through 2002-2004. Also, the results of the gaps in policy will be used to determine whether the research supports the goals of the CHRSP.

#### Goal 1: PROMOTE FOCUSED, WELL-FUNDED RECRUITING TO HIRE THE BEST TALENT AVAILABLE

In 2002, the Office of Personnel Management (OPM) issued final regulations to allow agencies to pay recruitment and relocation bonuses and retention allowances to wage grade employees. A review of the Priority Placement Program for civilian employees resulted in policy changes which resulted helped streamline PPP procedures with OPM policy. In 2003, the DOD placed emphasis on the Recruitment on Campus (ROC) initiative in which DOD recruiters would have more of a presence at college job fairs. Also, the DOD launched the Defense Applicant Assistance Office (DAAO) to serve as an office that educates job seekers interested in DOD employment. In 2004, the set a goal of beginning its first class of interns for the Defense Business Fellow Program in which college graduates would be placed in Financial Management positions throughout the DOD. As of this date, this goal has not come to fruition. After investigating the program, it seems to have been pushed aside and has yet to be implemented.

Based upon the results of the research, analysis does not support goal one of the CHRSP. Current policy does not indicate the promotion of focused, well-funded recruiting to hire the best talent available.

**Goal 2: PROVIDE A HUMAN RESOURCE SYSTEM THAT ENSURES THE READINESS OF TOMORROW'S INTEGRATED FORCE STRUCTURE**

In 2002, the DOD set forth goals of benchmarking the Human Resource processes and practices against the private industry. Various councils have been formed to analyze and propose solutions to the DOD. In 2003, the DOD changed its strategy with the idea of evaluating and transforming personnel policies to create a more flexible business like processes. The DOD submitted a legislative proposal entitled the National Security Personnel System (NSPS). Introduced in April 2003, this proposed the transformation of the DOD from a more industrial age organization into one postured for the information age of the 21<sup>st</sup> century (CHRSP, 2003). The NSPS's intention is to provide the opportunity to build a mission based and total force system of management of civilians. As of this date, the NSPS has been launched and is currently being implemented with various civilian career fields.

Based upon the results of the research, policy does not support the goal of providing a HR system that ensures the readiness of tomorrow's integrated force structure. However, the implementation of the NSPS is a step forward in the management of civilians.

**Goal 3: PROMOTE AND SUSTAIN A CIVILIAN WORKFORCE THAT IS AS RICHLY DIVERSE AS AMERICA ITSELF**

In 2002, OPM called for the removal of employment barriers that persons with disabilities encounter when seeking employment with the DOD. As a result, a target of

100,000 new employees with disabilities was established for all Federal agencies, with the DOD goal set at 32,000 of those new hires (CHRSP, 2002). The 2003-2004 Appendix's simply reiterates the 2002 Annex in its attempt to increase hiring of employees with disabilities.

Based upon the results of the research, 21 percent of the policy identified the organizational variable workplace environment. The research supports goal three but there needs to continuous improvement in this area to strengthen the goals of diversifying the civilian workforce.

#### Goal 4: INVEST IN HUMAN CAPITAL TO IMPROVE EFFECTIVENESS OF THE WORKFORCE

In 2002, the DOD undertook several strategic indicators to improve the effectiveness of the workforce. First, the DOD set out to identify critical indicators of human resource success: timeliness, quality, and cost. From there, a working group from the various Departments drafted measures to be used in assessing the overall effectiveness of personnel services delivery within the DOD. They used a 2001 survey used by Fortune 500 organization to conclude five metrics for each functional area of human resources most frequently utilized by the companies to evaluate HR effectiveness. These metrics include: time to fill, employee satisfaction with DOD employment, diversity in management positions, skill gaps, new hire turnover rates, and HR cost ratios (CHRSP, 2003). They anticipated that these metrics will be established during FY 2003. However, Annex D (FY2004) states the same goals as FY 2001. Little to no progress has been made in the four years.

Based on the results of the research, 25 percent of policy identified education and 21 percent identified workplace environment and pay. Even though there has been little

to no progress from 2002-2004, the organizational variables support the increase of human capital to improve the effectiveness of the civilian workforce.

#### **Goal 5: PROVIDE MANAGEMENT SYSTEMS AND TOOLS THAT SUPPORT TOTAL FORCE PLANNING AND INFORMED DECISION MAKING**

In 2002, the DOD justified funding and purchasing equipment and software to support workforce planning. DOD states that the acquisition of the equipment will help the human resources staffs support the DOD's leadership in determining future workforce needs. Ultimately, it will supply the data necessary to build the DOD's business case for recruitment, compensation and training of civilian employees. DOD purchased two software programs; the Civilian Forecasting System (CIVFORS) and the Workforce Analysis Support System (WASS). CIVFORS is a policy-modeling, strength management system that produces forecasts of civilian requirements and strength to meet personnel management data forecasting requirements and help users to project strength, accessions, losses, and losses by type (e.g., retirements/separation) (CHRSP, 2002). WASS enables users to analyze data on civilians from FY 1997 to the present.

In 2003, Civilian Personnel Management Service (CPMS) tested both systems to evaluate its durability and complexity. As a result of the testing, both systems underwent substantial data updates and security issues. In 2004, the Annex to the Civilian Human Resource Strategic Plan omits goal 5 from the strategic plan. Upon further investigation, the Army has been the only Department to attempt to implement the two systems into their HR procedures. They are still in the testing phase and have experienced the same security issues faced in 2003. The lack of attention of goal 5 clearly supports my argument of the DOD's inability and lack of guidance for workforce planning.

Based on the results of the research, 3 percent of the policy identifies knowledge transfer. Analysis clearly does not support goal five in providing tools that support total force planning and informed decision making. The lack of policy concerning knowledge transfer indicates the need for the proper tools in order to accommodate the potential exodus of the senior workforce.

#### Goal 6: FOCUS THE HR COMMUNITY ON THE NEEDS OF ITS CUSTOMERS

In 2002, the DOD and OPM developed a survey to measure how Federal agencies are managing their employees. Over 80,000 employees were randomly selected to participate in the survey on Human Capital. Over the next three years, the government has contracted RAND Corporation to perform the analysis of the survey.

Based on the results of the research, there is no evidence in the policy that the DOD is placing an emphasis on the HR. However, after reviewing the CHRSP, the DOD is taking incremental steps in the implementation of an annual civilian workforce survey.

#### Goal 7: PROMOTE QUALITY OF WORK LIFE AS AN INTEGRAL PART OF DAILY OPERATIONS

Upon further review of the work life initiatives and programs in 2002, the DOD issued a Telework Policy and Guide to promote telework as a legitimate flexibility for managers and their employees. In 2004, 100 percent of employees deemed eligible to participate are offered the opportunity to do so. To be eligible for telework you must have a job that involves tasks and work activities that are portable and do not depend on the employees being at the traditional worksite. Typically, they involve jobs that involve policy development, research, report writing, data processing, and telephone-intensive tasks (CHRSP, 2004).

Based on the results of the research, DOD is beginning to place an emphasis on the quality of work life of the civilian workforce. However, current policy does not reflect this due to the poor percentages: 21% workplace environment, 3% leave, 21% pay. This is due to the fact that policy is outdated and needs to reflect the current issues facing the civilian workforce.



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## Vita

Second Lieutenant Dex Yi Landreth graduated from O'Fallon Township High School in O'Fallon, Illinois. He entered undergraduate studies at The University of Mississippi in Oxford, Mississippi where he graduated with a Bachelor of Business degree in Insurance/Risk Management in May 2004. He was commissioned through the Detachment 430 AFROTC at the University of Mississippi where he was recognized as the Chancellor's recipient as the number one cadet in his graduating class.

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<b>14. ABSTRACT</b> The achievement of the Department of Defense's (DOD) mission is dependent in large part on the skills and expertise of its civilian workforce. DOD's civilian workforce develops policy, provides intelligence, manages finances, and acquires and maintains weapon systems to name a few areas of work. During its downsizing in the early 1990's, DOD did not focus on reshaping the civilian workforce in a strategic manner. This resulted in a workforce characterized by a growing gap between older, experienced employees and younger, less experienced ones. As of November 2005, there are currently three Department of Defense directives that address the long term career progression of civilian workers. There are several directives that are not available for public view under the DOD website and are currently being reviewed by the OSD at the time of this research. An assumptional analysis was used to evaluate DOD, AF, and AFMC civilian workforce career progression using the eight organizational variables of knowledge transfer, pay, performance, opportunities for promotion, workplace environment, education, leave and motivation. The research concludes with an institutional forecasting policy of where to correct the identified gaps in DOD, AF, and AFMC policy to strengthen this vital element to the DOD mission.								
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