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KEEP A WEATHER EYE ON THE HORIZON

A Navy Officer Retention Study

Commander Guy M. Snodgrass, U.S. Navy

The Admirals back in Washington had so many pressures on them, so many diversions, they forgot their primary job is to make sure that the fleet is ready to go with highly trained and motivated sailors. The problem particularly manifests itself when the budget is way down.

ADMIRAL THOMAS B. HAYWARD

The U.S. Navy has a looming officer-retention problem.¹ More than a decade of prolonged high operational tempo and ever-increasing deployment lengths have fostered a sustained weariness “on the deckplates.” A rapidly improving economy and an erosion of trust in senior leadership, coupled with continued uncertainty about the future, mean the Navy could be facing its most significant officer-retention crisis since the end of the Vietnam War. Although this trend is also likely to impact our enlisted ranks as well, the emphasis in this article is on our officer corps, because of the significant negative impact that plummeting retention of junior-, mid-, and senior-grade officers can have on the enlisted members of their commands.

Unlike previous cycles of low retention, the one before us appears likely to challenge retention at all commissioned levels. Junior-officer retention in 2013 was tough and is forecast to become tougher. That year marked the worst in history for the special warfare community, with record numbers of lieutenant commanders declining to stay for promotion to the next pay grade.² The aviation community saw a department-head bonus “take rate” (i.e., acceptances of a pay

bonus in return for assuming department-head billets) of 36 percent, well below the 45 percent target needed to ensure community health. This low rate has most recently manifested itself in a shortfall in the number of eligible strike-fighter and electronic-warfare aviators available for consideration by the department-head screening

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board. The surface warfare community is also seeing an uptick in lieutenants leaving at the first opportunity, driving a historically low retention rate of around 35 percent even lower and indicating that a significant amount of talent in the surface warfare community walks out the door immediately following the first shore “tour” (assignment). This trend in the junior officer ranks is particularly troubling. While officers at or beyond the twenty-year mark have a retirement option, junior officers do not. In many cases they have invested six to ten years of their lives in a career field they are now willing to leave, convinced that the pastures are greener outside naval service.

Our retention of post-command commanders is also falling. A developing trend in naval aviation is representative of a larger problem facing most naval warfare communities. In fiscal year (FY) 2010, seven naval aviation commanders retired immediately following their command tours, a number that nearly doubled to thirteen in 2011, before jumping to twenty in 2012. Additionally, a survey of twenty-five prospective executive officers revealed that no less than 70 percent were already preparing for their next careers—earning transport pilot licenses, preparing résumés for the civilian workforce, or shopping for graduate schools. This trend is not limited to naval aviation. Checks with other community managers show similar disturbing trends, with increasing numbers of promising surface warfare and special warfare officers leaving at the twenty-year mark. These officers are tired of the time they must spend away from home, the high operational tempo, and the perceived erosion of autonomy of O-5s in command billets.³

Unfortunately, the fact that a growing number of quality officers have already left the service or are planning to do so seems to be going undetected by senior leadership. The Budget Control Act and subsequent sequestration, Strategic Choices and Management Review, the rebalance to the Asia-Pacific, programmatic battles over the Littoral Combat Ship and Joint Strike Fighter, the rise of Air-Sea Battle, furloughs of civilian government employees, and the increasing number of firings of commanding officers are just a few of the significant issues (and distractors) with which senior leadership has had to contend since 2011. Now, in addition to all these, retention is poised to develop once again into the significant issue that it has historically become during military drawdowns.

My premise is that retention problems tend to be cyclical in nature and therefore largely predictable on the basis of knowable factors. Unfortunately, the ability of senior leadership to address the looming exodus proactively is being constrained by congressional pressure to control spending and by overreliance on “ex post facto” metrics that by their very nature are useful only after several years of falling retention rates. Instead, senior leaders within the Navy should, with the cooperation of the Department of Defense and Congress, take swift action,

with targeted incentives and policy changes, to help retain the best, brightest, and most talented naval officers for continued service and to ensure the “wholeness” of Navy manpower.

THE SITUATION

A four-star admiral speaking at the January 2014 conference of the Surface Navy Association commented that “we don’t have a retention problem,” leading many in the audience to wonder about the quality of his staff’s fact-checking.⁴ The reality is, however, that his comments were largely correct—if, that is, you define retention as simply the ability to fill required job billets with “bodies.” This points to one of the biggest problems with Navy manpower management: Our manning system tends to focus heavily on the quantitative needs of the service at the expense of retaining the *right* officers—the ones with qualities like sustained performance in fleet operations, advanced education, and preferred skill sets.

Conversely, perhaps the admiral is correct—that is, while larger numbers of officers are leaving at all levels, we may actually be retaining exactly the type of people we need to ensure the future health of the officer corps. Naval service requires skills and resilience significantly different from those associated with many jobs in the private sector, and the officers who elect to stay might be precisely what the Navy needs. Even so, falling retention means lower selectivity—in effect, reducing the available pool of officers from which the Navy must choose its future leaders. The Navy, unlike its private-sector counterparts, cannot hire department heads, commanding officers, or senior officers from outside—we promote only from within. We need, therefore, high retention rates to ensure the health of the service. But lower rates are here, and they are likely to worsen in the next few years.

In fact, officer retention is at a tipping point; events and trends from our past, present, and anticipated near-term future are converging to impact retention negatively. In short order we will begin losing a large number of officers—each with more than a decade of operational wartime experience—and they will be taking their expertise and lessons learned with them. This highlights the critical issue—although qualifications can be replaced, experience cannot. We must act swiftly. We may be constrained in our own options for responding to falling retention rates, but the global demand for the talent for which we are competing is not.

The primary factors leading to the pending departure of officers can be categorized as associated with the past, present, or future. The research sources from which they are derived include news reports, internal Navy documents, studies by the Center for Naval Analyses (CNA), and “Fortune 500” initiatives used to retain the best, brightest, and most talented.⁵ The listing that follows also

relies heavily on informal and small-group interviews conducted by the author with more than two hundred naval officers from the surface, submarine, aviation, SEAL (special warfare), and Explosive Ordnance Disposal communities—ranging from the newest ensigns to rear admirals—since July 2011.

Factors from Our Past Affecting Retention

Sustained High Operational Tempo (OPTEMPO). Between 1987 and 1999, the average length of deployments in the Navy was approximately 180 days.⁶ Average deployment length has crept steadily upward since the attacks of 11 September 2001. By the end of fiscal year 2013 carrier strike groups were typically at sea for more than eight months at a time, ballistic-missile-capable surface combatants for eight or nine months, and submarines for six and a half months. Drastic examples of extended OPTEMPO (the proportion of time a unit is away from its home port or base) abound, such as the 2012 and 2013 USS *John C. Stennis* (CVN 74) Carrier Strike Group deployments, which lasted a combined fifteen and a half months, with only a short respite (five and a half months) between, and more recently, the USS *Dwight D. Eisenhower* (CVN 69) group, which deployed twice for a total of ten and a half months with only a two-month break. According to the *Navy Times*, 2013 marked the fourth-highest year for OPTEMPO since the Navy began tracking this statistic; 2012 was the highest year.⁷

Current OPTEMPO generally reflects a situation similar to that before 1986. Prior to that year ships were at sea for approximately six months before rotating back to the United States for nine-month maintenance and resupply periods. That high operational tempo, in a period without a corresponding crisis (see following section), resulted in rapidly declining reenlistment and officer-retention rates. In response, Admiral James D. Watkins, the twenty-second Chief of Naval Operations (CNO), and John Lehman, then Secretary of the Navy, moved to a new schedule that continued the six-month deployment period but kept the carrier strike groups home for twelve to fourteen months, reducing operations and maintenance costs while increasing retention and quality of life for sailors.⁸ Of note, the Navy had fourteen aircraft carriers at the time.

As for today, all respondents—junior and senior alike—cite unreliable cruise schedules and consistently long deployments (more than seven months) as factors affecting their decisions regarding continued naval service. In short, sustained high operational tempo is perceived as placing an incredibly large burden on service members and their families and is likely to continue as the battle-force ship count continues to shrink.

A Conflict We Can Believe In. Increased patriotism following the attacks on 11 September 2001 resulted in a measurable rise in retention in both officer and enlisted ranks. The retention rates for surface warfare and submarine officers

completing their minimum service requirement rose from pre-9/11 levels of 27 percent and 32 percent, respectively, to 33 percent and 43 percent. The increase in surface warfare officer retention was short-lived, however, although submarine retention remained elevated until mid-2004. Likewise, retention for naval pilots reaching their minimum service requirement was 31 percent pre-9/11 but rose steadily to 53 percent by mid-2004 before once again dropping off. Officers serving in special operations and special warfare billets also mirror this trend, with retention increasing 200–300 percent following 9/11. Most restricted-line careers (e.g., intelligence and engineering-duty officers) demonstrate varying levels of increased retention immediately following 9/11, and enlisted retention rates also mirror this larger trend, with cohorts having up to ten years' service showing the most significant increases.⁹

In general, a belief in the importance of one's unit's mission is critically important to those surveyed for this article; it is a significant factor, positively impacting retention. Most respondents cite patriotism, the opportunity to serve their country, esprit de corps, and a desire to be a part of "something larger than themselves" when deciding to join the Navy. Whether these needs are met is important when they decide whether to remain in uniform.

A Global Economy in Distress. The global financial crisis that began in August 2007 and continued into 2008 also played a large role in elevating retention rates across all pay grades, not just those reaching their initial minimum service requirement during that period. A December 2013 Center for Naval Analyses report illustrates a general trend of increasing retention following 2008. Several career paths—notably surface warfare, submarines, special warfare, special operations, and the medical corps—have, however, shown marked corrections back to low retention rates since 2011, as the global economy has stabilized and the national press corps has furthered the perception of improving domestic economic factors. The global economic downturn and stock market crash in 2008, coupled with negative economic signals in the years immediately following, convinced many of those surveyed to remain in uniform rather than brave a difficult civilian hiring environment.

Revocation of Critical-Skills Bonuses for Senior Officers. The revocation of critical-skills bonuses for senior officers (in this case, above the grade of commander, O-5) is a significant driver of our impending officer retention crisis.¹⁰ In the absence of service obligations incurred by accepting such bonuses, many will take advantage of their retirement eligibility within a year of their changes of command. Aviation-specific metrics, as previously mentioned, are startling. In 2010, seven commanders retired immediately following completion of command tours, a number that increased to thirteen in 2011 before jumping to twenty in

2012—that is, roughly 15 percent of the officers annually “screened” (formally designated as qualified) for command.

As of February 2014, twenty-two sitting commanding officers had already communicated intentions to leave the naval service immediately following their tours. The Aviation Officer Distribution branch of the Naval Personnel Command also tracks the number of aviation commanding officers who are in a command tour and are not obliged to accept follow-on orders by having accepted a critical-skills bonus: 58.4 percent of current commanding officers are not so held, increasing to 100 percent of commanding officers by 2016.¹¹ Already nearing the twenty-year mark, many of these commanding officers can “walk” immediately following their command tours. This trend is also appearing in the special warfare community; this year marked a 500 percent increase in the number of post-command commanders retiring at the twenty-year mark.

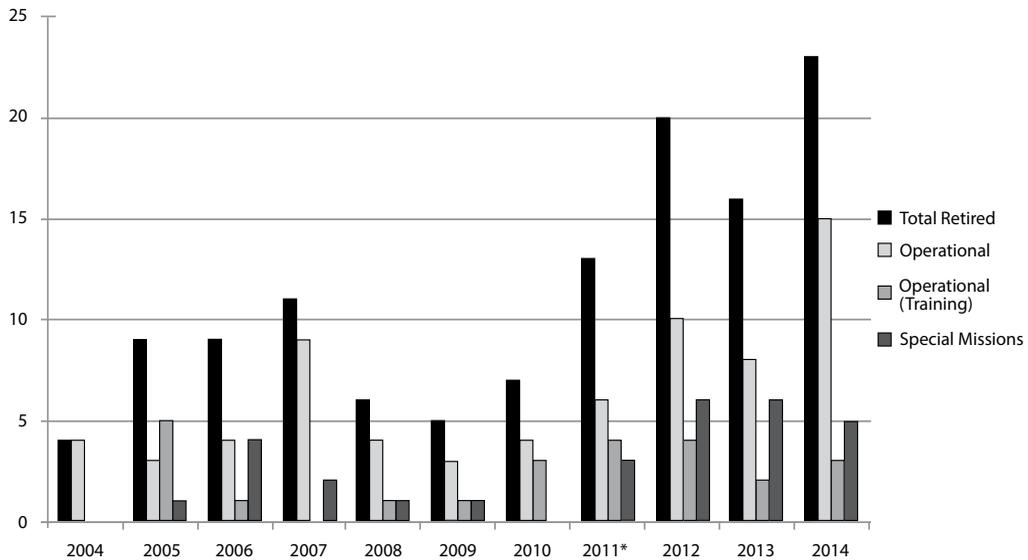
In a traditional sense, it is understandable why the bonus was withdrawn. As retention remained high following the 2007 worldwide economic crisis, why pay someone to remain who is willing to stay anyway? Unfortunately, this creates a “pay inversion,” in which lower-ranking officers—with far less responsibility—make more than their commanding officers, sending a negative signal regarding the value of the commanding-officer position.

Another problem is that bonuses lag retention problems by several years; adjusting them requires several time-consuming steps. First, the service needs to discern lower-than-average retention, then request bonus reinstatement, which requires high-level policy approval before the bonus can finally be implemented. Requests to reinstate critical-skills bonuses for senior officers have been made in recent years but have been slow to gain traction with Navy civilian leadership, who require metrics demonstrating the need. Unfortunately, metrics lag the problem too, and in any case they track only the quantity of officers staying, not necessarily their quality. As figure 1 indicates, the critical-skills bonus for senior aviators was actually withdrawn when it was needed most—the last year it was offered was fiscal 2011, when a marked increase in post-command retirements was occurring.¹² This bonus, along with the short-term critical-skills bonus for surface warfare commanding officers, was withdrawn three years ago as part of a response to the Budget Control Act of 2011.

Factors Presently Affecting Retention

Withdrawal from Crisis Operations. We have noted that a service member’s belief in the mission and a perception of high quality of work significantly and positively affect retention.¹³ In support, a 2004 CNA study examining the effect of personnel tempo (PERSTEMPO, a measure of the proportion of time that service members—as opposed to given ships and units—are away from

FIGURE 1
AVIATION POST-COMMAND COMMANDERS LEAVING NAVAL SERVICE IMMEDIATELY FOLLOWING COMMAND TOURS



Note:
*2011 was the last fiscal year in which the O-5 command bonus was offered.

home port, etc.) on retention noted that reenlistment rates among sailors who deployed longer than eight months in support of DESERT STORM/DESERT SHIELD did not decrease. The reason? “The morale-boosting effect of participating in national crises offset the hardships.”¹⁴

The drawdown of real-world operations in the Middle East and elsewhere has removed one of the most powerful factors keeping quality officers in the Navy. Accordingly, the other factors affecting retention will have outsized effects, since they will not be offset by morale-building participation in national crises. Withdrawing from crisis operations is good for the nation’s overall well-being, but it causes our best and brightest to look for the next challenge to tackle—which may very well be out of uniform and in the civilian sector. Our current increased OPTEMPO in the absence of some single, overarching national crisis is a powerful contributor to decreasing retention.

The Perception of a Rapidly Improving Economy and Retirement of Baby Boomers. Press coverage of the national economy has rapidly changed in tone in recent months, transitioning from the 2012 election cycle (negativity and perceived economic stagnation) to a sharp uptick in corporate and consumer optimism following the 2013 holiday retail season. Recent months have also seen the passage of several large congressional spending bills, a largely uncontested debt-ceiling extension, proclamations of growing American “energy independence,”

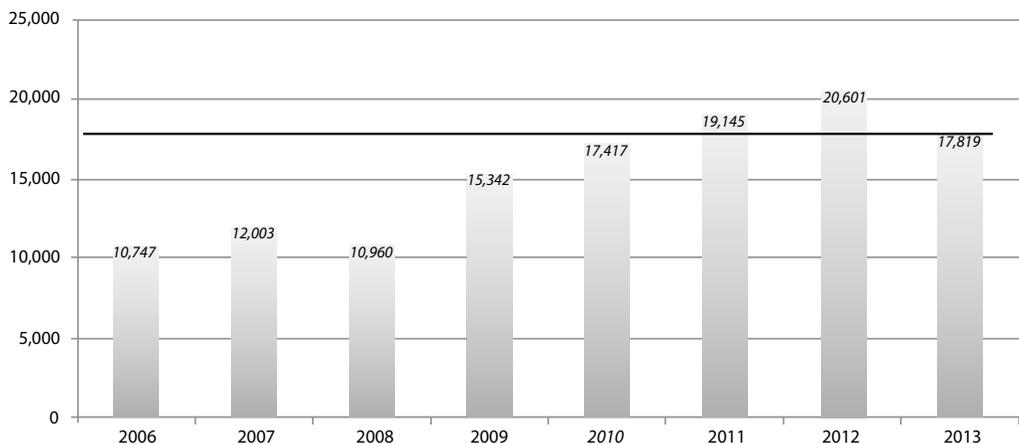
shrinking unemployment, stabilization of global markets, and growth in U.S. gross domestic product. These are all signs of an improving economy and of a job market trending positively.

Unfortunately, these signals of an improving national economy come at exactly the same time that senior military leadership is testifying about budget shortfalls. This juxtaposition leads a service member to conclude that while the future looks bright for employment outside the service, the military is likely to continue its present (and painful) process of budgetary contraction and downsizing.

Further impacting the national labor market is the ongoing retirement of millions of “Baby Boomers,” the segment of the population born in the post–World War II period of 1946–64. The first Baby Boomers reached sixty-five years of age in 2011.¹⁵ The requirement for skilled labor will accelerate as Boomers exit the workforce, creating additional external demand for quality sailors currently serving in uniform. In particular, recruitment efforts by civilian employers are likely to increase to keep pace with the workforce needs of a recovering American economy.

Figure 2 provides another leading (that is, predictive) indicator of the relationship between an improving economy and waning desire to serve in the military. All U.S. service academies experienced significant growth in applications from 2006 to 2013. The Naval Academy recorded the largest number of applicants, growing from 10,747 applicants in 2006 to a record 20,601 in 2012. The following year, however, the number of applicants to Annapolis fell by 14 percent, to 17,819. While inconclusive, being only a singular data point, this sudden drop could reflect the beginning of a return to historical norms for applications and serve as

FIGURE 2
APPLICATIONS FOR ADMISSION TO THE U.S. NAVAL ACADEMY (2006–2013)



Source: Application numbers derived from U.S. Naval Academy reports on the classes of 2010 through 2017.

an early indicator of decreased interest in military service, for new accessions as well as people currently in uniform.

Influx of Millennials. Numerous studies have been conducted on the differences among demographic groups in the workplace, most notably Baby Boomers, “Generation X” (born 1965–80), and “Millennials” (1981–95). One of the most concise is a recently concluded effort jointly conducted by PricewaterhouseCoopers (PwC), the University of Southern California, and the London Business School in 2011–12. It collected data from more than forty thousand respondents, including 13,150 PwC employees (9,120 Millennials and 4,030 non-Millennials) at the same points in their careers. Some notable differences between Millennials and their non-Millennial counterparts include the following:¹⁶

- Millennial employees are unconvinced that excessive work demands are worth the sacrifices in terms of personal life.
- Millennials say, even more so than their non-Millennial counterparts, that strong cohesive, team-oriented workplace cultures and opportunities for interesting work—including assignments around the world—are important to satisfaction.
- While the same basic drivers of retention exist for both Millennials and non-Millennials, their relative importance varies; in particular, Millennials place a greater emphasis on being supported and appreciated.

Addressing retention, the report notes, “Generational differences do exist among Millennials and non-Millennials, and should be taken into account by organizations that include employees from both groups. For example, Millennials are more likely to leave if their needs for support, appreciation and flexibility are not met, while non-Millennials are more likely to leave if they feel they are not being paid competitively, or due to a perceived lack of development opportunities.”¹⁷ This point has alarming implications for senior naval leadership, since the service’s traditional top-down approach and differences in perspectives are likely to hinder cross-generational communication.

Another concern is the Millennials’ perspective on employment, which is more characterized by a “transactional approach” than those of Baby Boomer or Generation X officers. In general, Millennials, the youngest of these, are not emotionally invested in or tied down by between four and eight years of naval service. They are more willing to vote with their feet if they feel their needs are not being met, forcing the service to adapt or suffer a loss of talent as disenfranchised service members leave—reducing, as we have noted, the pool that will produce our future senior leaders.

Millennials also place significant value on post-baccalaureate education, a milestone not readily available in certain operational officer career paths. It is significant that the post-9/11 Montgomery GI Bill, with its generous benefits package, inadvertently provides an incentive and a readymade pathway to leave the naval service to pursue advanced education.

Risk Aversion and a Shift toward Centralization of Command Authority. Views on this topic were difficult for respondents to put into words, but it was cited by a vast majority of those dissatisfied with their current naval service. In short, they perceive a withdrawal of decision-making power from operational commanders, a shift from a leadership-centric Navy to a service more focused on risk mitigation and metrics.

Many respondents in the author's research reported what they see as a continuing service-wide "zero-defect mentality"—that is, in this context, an institutional unwillingness to forgive (perhaps arbitrarily defined) mistakes or failings. This perception is bolstered by a growing number of reliefs for cause of commanding officers, an increasing reliance on quantitative metrics that do not necessarily correspond to actual mission capability, and loss of clear strategic direction to subordinates. Other problems cited include implementation by the surface warfare community of an overbearing examination process for command, loss of esprit de corps owing to excessive uniform standardization, and ever-increasing administrative responsibilities (compounded, ironically, by the Navy's 2013 "Reduction of Administrative Distractions" initiative).¹⁸

Another example is a recent movement within the Navy to eradicate behavior that is, by its very nature, ineradicable. U.S. Navy leaders firmly believe in the importance of social issues, but as team members of Task Force RESILIENT, mandated in 2013 by the Vice Chief of Naval Operations "to make recommendations to improve organization, training, resources and metrics," discovered, there is a substantial opportunity cost in trying to do so.¹⁹ Team members noted, for instance, that most efforts to eradicate suicide had a very discernible price point beyond which there was little or no additional benefit.²⁰ By extension, there is no dollar amount that can be spent, or amount of training that can be conducted, that will completely eradicate such complex problems as suicide, sexual assault, or reliefs for cause—yet we continue to expend immense resources in this pursuit. Sailors are bombarded with annual online training, general military training, and stand-downs in an effort to combat problems that will never be defeated. The deckplate perception is that these efforts are undertaken not because of their effectiveness but in response to political and public pressure and oversight.

Respondents also note to the author that senior leaders seem too eager to lay accountability at the feet of midlevel leaders without providing the

commensurate authority needed to make changes, and while failing to accept the risks required to back up these subordinates. This tendency has been captured in several surveys and was recently highlighted during the U.S. Naval Institute's 2014 West Conference, where a panel on retention cited a recent survey finding that surface warfare officers are decrying a decreasing quality of senior leadership.²¹ Sailors continue to perceive an overfocus by senior leadership on social issues, at the expense of discussions of war fighting—a point that demoralizes junior and midgrade officers alike.

Britain's Royal Navy saw a similar shift from leadership-focused to administrative efficiency-focused ship command between 1805 and 1916, and the results were disastrous. Admiral Horatio Nelson's fleet at Trafalgar used only a handful of signals to prepare for battle, relying on the competence, leadership ability, and personal relationships among the commanding officers to guide the fighting when they engaged the enemy. By the time Admiral John Jellicoe led the Royal Navy's Grand Fleet at the battle of Jutland, command positions were being assigned on the basis of officers' ability to execute rapidly and flawlessly a myriad of detailed signals promulgated by a central command authority. At Trafalgar the British scored a messy but decisive victory over the Spanish fleet, but could achieve no better than a disappointing tactical draw against the Germans at Jutland.²²

Ultimately, the reduction of latitude in decision making at the commanding-officer level is perceived as creating a more risk-averse climate than existed in the generations preceding.²³ Several naval warfare community managers cite the erosion of independent decision making in command and the perception of risk aversion as significant reasons for falling junior-officer retention rates.

Erosion of Trust in Senior Leadership. "People are our most important asset"—a familiar claim that is routinely brought up by officers in connection with erosion of trust in senior leadership and its impact on retention. The passage of the Budget Control Act of 2011 and subsequent sequestration has eroded the belief that senior leadership takes care of its service members and civilian shipmates. People may be our most important asset, but the perception is that policies and recent actions are inconsistent with quality of life, quality of work, and readiness.

One has only to study the history of personnel- and operational-tempo instructions issued by the Office of the Chief of Naval Operations (OPNAV) since the original introduction of these measures to realize that leadership is not shy about redefining standards when it is unable to meet them.²⁴ Admiral James Watkins, as CNO, laid out the personnel tempo concept in October 1985 to address the "hollow force" and retention concerns of the years following the Vietnam War. As further codified in 1990, PERSTEMPO was part of a "deliberate process to balance support of national objectives with reasonable operating conditions

for our naval personnel, and maintain the professionalism associated with going to sea while providing a reasonable home life.”²⁵ Three key expectations for the employment of U.S. naval forces were established: maximum deployment length of six months, minimum turnaround ratio of two to one, and a minimum of 50 percent time in home port for a unit over a five-year period. Unfortunately, successive instructions have extended the cruise length to eight months and reduced the turnaround ratio to one to one, as a result of which a unit might enjoy only eight months of time in home port following eight months at sea.

Beyond the redefined operational/personnel-tempo standards, the actions taken by the 2011 Enlisted Retention Board represent what is perhaps the single largest perceived breach of trust. Reaction in the fleet was well publicized when 2,946 midcareer enlisted sailors were discharged to correct the overmanning of thirty-one ratings—followed almost immediately by an announcement indicating a need for more sailors. These seemingly contradictory decisions produced an impression in the fleet of gross mismanagement of manpower. The Navy’s manpower management tool, known at that time as Perform to Serve (PTS), was run through the mud, prompting a substantive change to “PTS 3-2-1” before being superficially rebranded as “Career Navigator” in an effort to address sailor resentment.²⁶

Other examples include the forced administrative furloughs of Navy civilians for eleven days (later reduced to six days by Secretary of Defense Chuck Hagel), comments by senior leaders that “we have to show the pain” by reducing base and installation services, shifts of promotion zones and delays of officer promotions by a year to save money, and recent “attacks” on the military pay, compensation, and pension system.²⁷

The perceived erosion of trust in senior leadership is an incredibly powerful contributor to negative trends in retention. The problem is likely exacerbated by the twenty-four-hour news cycle, increased use of social media, near-real-time “fact-checking,” and the dilemma whereby senior leadership is forced to balance strategic communications between making plain to Congress the pain of sequestration and communicating to sailors the value of naval service.

Factors in Our Future Affecting Retention

Reduction in Operational Funding. Unlike our sister services, the Navy is not designed to be a garrison force. Since the War of 1812 it has been tasked with securing America’s interests abroad while providing defense in depth for the continental United States. This need to be “where it matters, when it matters” ensures that the service will continue to prioritize deployments overseas to assist in deterring aggression while assuring allies of America’s commitment. Unfortunately, the recent decrease in resources has not been matched by a corresponding decrease in requirements for overseas presence.

The fear is that recent reductions in operations and maintenance accounts will further reduce funding for steaming days and flight hours. While the Navy's forward-deployed forces have largely escaped the ax, many units homeported in the United States have spent increasingly lengthy periods at sea while other units have little operational time, creating a perception of "haves" and "have-nots." In short, sailors are expected to work harder and deploy longer but with less training, fewer resources, and no clear purpose justifying the increased demands other than "forward presence."

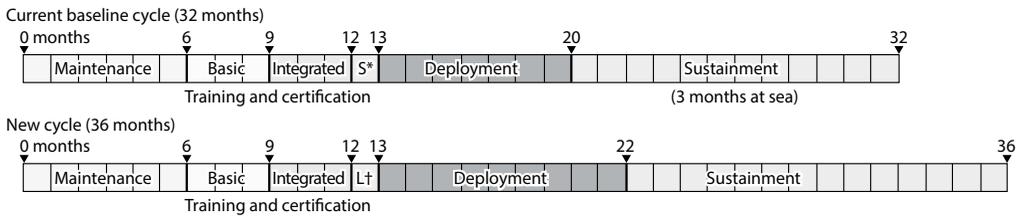
The Navy's School of Aviation Safety in Pensacola, Florida, offers five-day safety courses for prospective commanding officers. One course, designed to pass along the results of recent aviation unit-culture workshop surveys, notes that the most consistent survey result is "Based upon our current manning/assets, my unit is overcommitted." In this case, the survey item is ranked forty-seventh of forty-seven (on a scale of negativity) by all three squadrons sampled, making it by a significant statistical margin the most worrisome negative trend. It is followed closely by "Fatigue due to current operational commitments is degrading performance." A pre-command O-5 taking the course summed up this factor nicely by saying that in the near term his squadron is likely to experience an "increase in fatigue, an increase in collateral duties, with a corresponding decrease in morale."

Fear of a Stagnating or Decreasing Quality of Life. Unlike in the retention downturns of the 1970s and 1990s, today's service members are compensated very well. A 2011 report from the Congressional Research Service notes that "in the nearly 10 years since the terrorist attacks of September 11, 2001, basic pay has increased nominally by nearly 35 percent (figure not adjusted for inflation). This figure does not include other increases in allowances, bonuses, or incentives. The cumulative effect is that most analysts now agree that the average annual cost per service member exceeds \$100,000."²⁸

Despite tangible increases to quality of life for service members, in terms of pay and benefits, the previously discussed erosion of trust in senior leadership has officers and enlisted alike nervous about future impacts to the workforce. The current perception is that pay and benefits are likely to stagnate or decrease in the near future, a perception that, once again, negatively impacts retention. A 14 February 2014 announcement by Secretary Hagel regarding military pay and benefits is likely to perpetuate this fear, further fueled by media headlines like "DoD Budget Seeks Cuts in BAH [Basic Allowance for Housing], Commissary, Tricare Benefits" and "Hagel to Recommend Deep Cuts to Military Pay, Benefits."²⁹

Continued Operational Uncertainty and High Operational Tempo. A vast number of officers informally polled for this research respond that continued long deployments and continued uncertainty in cruise schedules have them planning to

**FIGURE 3
COMPARISON OF CURRENT 32-MONTH FLEET READINESS TRAINING PLAN WITH
PROPOSED 36-MONTH OPTIMIZED FLEET RESPONSE PLAN**



Notes:

- *One-month sustainment period
- †One-month predeployment leave

Source: John Bretschneider and staff members, Fleet Forces Command, Norfolk, Va., reproduced in Sam Fellman and Mark D. Faram, “Pay Hikes for Sea Duty,” *Navy Times*, 27 January 2014, p. 14.

leave the naval service within the next two to five years. An attempt to provide the stability and predictability for which sailors are looking—the Navy’s Optimized Fleet Response Plan (O-FRP)—was publicly unveiled at the 2014 symposium of the Surface Navy Association. Realigning surface combatants with their associated carrier strike groups will increase predictability—that is, for force planners. Unfortunately, early discussions “on the deckplates” suggest that O-FRP is being received with skepticism. Several issues exist (see figure 3).

First, cruise lengths have been extended to a minimum of eight months—shorter than some recent deployments but still a 33 percent increase over the six-month standard set in 1986 and carried forward until recent years. Second, O-FRP is purported to signal a shift from the “demand-based” response of recent years to global force-management needs to a “supply-based” approach, but the slides and language used during the unveiling tell a different story.³⁰ Of particular interest here is the “X factor,” a fourteen-month period following an eight-month deployment in which a unit is considered available to be sent back to sea as part of “surge and sustainment” responses to real-world contingencies. If the last ten years are any indication, the Navy can indeed expect to “surge” during these fourteen-month periods. As briefed to the Surface Navy Association, this period will likely result in additional time at sea based on funding levels or national interests—undercutting the promised predictability of a true supply-based system (see figure 3).

Third, representatives from Navy Personnel Command and Chief of Naval Operations staff state that despite O-FRP’s public unveiling, the majority of work to implement the new deployment cycle remains to be completed. In the meantime, a new breach-of-trust issue may have been created, since nine-month (and possibly longer) cruise lengths are predicted to persist for at least two more years.³¹

The commentator and Democratic strategist James Carville captured national sentiment during the 1992 presidential election when he declared

(slightly varying his guidance for Bill Clinton's presidential-campaign team), "It's the economy, stupid." For the Navy, the equivalent issue for the near term is likely to be operational tempo, with its unusually long deployments and uncertainty regarding family separations.

Longest and Largest Commercial Airline Hiring Spree. The forecast hiring spree in commercial aviation will rapidly begin to impact retention in naval aviation, much as it did during the 1990s. Many commercial pilots were furloughed following 9/11, and hiring has been relatively stagnant for the past five years, creating a pent-up demand. Another challenge is a 1 August 2014 Federal Aviation Administration rule change that biases Air Transport Pilot licenses in favor of military pilots. By the new rule (the Airline Safety and FAA Extension Act of 2010), pilots with military experience need far fewer hours to qualify than do their nonmilitary counterparts. In fact, the average junior officer reaching the minimum service requirement already has (at the expense of the government) the necessary flight time:

- With military experience, 750 hours
- Without military experience but with a four-year aviation college, a thousand hours
- Without military experience but with a two-year aviation college, 1,250 hours
- Without military experience and with nonstructured education, 1,500 hours.

Additional future retention pressures have their origins in changes in 2007 to the mandatory retirement age for pilots increasing the retirement age for a commercial pilot from sixty to sixty-five and delaying numerous retirements until 2013. Based on this change and overall worldwide demand, a recent estimate claims that fifty thousand pilots or more will be needed through 2024.³² This prospect compounds the looming challenge for the Navy of retaining the best, brightest, and most talented fixed-wing pilots, who are already affected by the other retention factors previously explored.

OPPORTUNITIES TO OUTFRAN THE STORM

Recommendations for changes to policy include aligning "Stay Navy" messaging across the leadership; incentivizing officers to remain in service for operational command opportunities; refocusing operational command on operational employment and leadership, not "administrivia"; improving access to and the quality of Navy "enterprise" (i.e., broad functional areas within the Department of the Navy) resources; modifying statutory and administrative selection boards; and emphasizing unit-level morale and esprit de corps.

Enable Commanding Officers to Communicate Better with Sailors. In today's 24/7 media environment, which bombards sailors with information, it is more important than ever for the "Stay Navy" message to be aligned across all levels; conflicting information risks eroding trust and confidence. This alignment requires senior leadership to determine desired strategic end states, to construct appropriate messages, and to share that message across all levels. There are several ways we can improve our "Stay Navy" message to inform the fleet better and aid retention.

First, expand on existing products. The Navy is a geographically dispersed organization, a fact that makes the timely sharing of information critically important. About weekly, senior leadership receives Chief of Naval Information talking points, helping ensure that admirals and Senior Executive Service members are "on message" regarding forecasted areas of interest. Why not tailor a version for officers in command? The Chief of Naval Information's current talking points could help deckplate leaders with the "whys" behind current decisions with access to relevant and timely background information. The commanding officer (or officer in charge of smaller units) can further tailor this information to share the importance of their mission with the sailors the officer leads, conveying that our sailors serve with a purpose. This product should include quarterly updates regarding programs that directly impact sailors, including the Career Navigator and 21st Century Sailor programs.³³

Second, public affairs officers on the staffs of type commanders (with administrative, personnel, training, and maintenance responsibilities for, e.g., surface ships) should provide relevant talking points to commanding officers and officers in charge. These talking points, combined with those from the Chief of Naval Information, will help keep deckplate leaders informed about their communities' "hot button" topics. One of the worst answers a leader can give to a question on such a topic is "I don't know"—but it is even worse to make up on the fly a response that does not correspond with the truth.

It is critically important that deckplate leaders be "pushed" this information rather than be required to "pull" it—in particular after it has become necessary. The point is to help leaders at all levels remain informed so that they can speak intelligently and with one voice. Asking leaders—who are already task saturated—to create their own talking points as they go risks perpetuating incorrect or misleading messages.

Third, messaging needs to reflect retention realities and provide facts to sailors now that relative budget stability has returned. The past few years of budget impacts and the messages that went along with them created a belief that the Navy is in a state of chronic decline. Communication with the fleet needs to emphasize once again the "good news" of naval service, especially against the background of

predictive signals of falling retention. It is important that sailors, and the nation, recognize the importance of the Navy's mission. The Navy's overseas presence for global stability, including the rebalance to the Asia-Pacific, is a perfect vehicle for this message. Leaders should emphasize the tangible benefits of naval service: service to the nation, the incredible quality of the men and women beside whom we serve, and the reality that the public sector has few jobs that can compare with what we do in uniform. While leadership understands all this to be true, these facts are not clearly discussed or understood by officers and enlisted approaching their first minimum-service milestone.

Revocation of the Deputy Secretary of Defense National Security Waiver of 8 October 2001. As we have seen, long deployments, extended time away from home, and uncertainty in cruise schedules are significant negative drivers for retention. The 2000 National Defense Authorization Act (NDAA) provided for payment of "high deployment" per diem to service members who exceeded 250 days away from home over a 365-day period. This change was intended to force commanders "to be faced with the dilemma of spending dollars on readiness issues or on high-deployment per diem" for service members; payments were to begin on 5 November 2001.³⁴ The 2002 NDAA stipulated that these payments were to be made from each service's operations and maintenance account, deliberately reinforcing the difficulty of the choice. The original 2000 NDAA, however, had included a waiver process that could be invoked when high deployment rates were necessary to the national security interests of the United States.³⁵ This waiver was exercised by Paul Wolfowitz, then deputy secretary of defense, on 8 October 2001, before any high-deployment per diem payments were made, and it remains in effect today, thirteen years later.

Revocation of this waiver is overdue. The dismantling of Al Qaeda, the withdrawal of forces from Iraq and Afghanistan, and the shift to a steady-state effort in the war on terror have significantly reduced the requirement for a high operational tempo. Ending this waiver will place our sailors' consistent concern—high operational tempo—front and center, by requiring payments for excessive time away from home port. These payments will emphasize the importance of our sailors' mission, compensate them for their service beyond congressionally mandated limits, and bring Navy decision making in alignment with current operational realities. The Navy should recommend revocation to the deputy secretary of defense.

Reinstitute Critical-Skills Bonuses for Surface Warfare and Aviation Commanding Officers. One of the most important aspects of Navy culture is the near reverence it accords to operational command: "A vital part of developing our total force strategy and maintaining combat readiness is to provide appropriate incentives to

retain skilled personnel for critical [community] enterprise billets.”³⁶ This statement, from the last surface warfare–community message offering a command bonus, sums up the importance of reinstating a critical-skills bonus for surface warfare and aviation officers serving in operational command. This payment should be reinstated as a three-year bonus of no less than \$15,000 a year, beginning when the officer assumes command. This program would cost \$9,600,000 annually—\$4,200,000 to fund ninety commanders selected for surface warfare command and \$5,400,000 for 130 officers selected for naval aviation command, across three years.³⁷ The critical-skills bonus for commanding officers is an important lever for inducing quality officers to remain for subsequent tours, while clearly communicating the value the Navy assigns to O-5 command.

First, restoration of the bonus will correct the current pay inversion, previously mentioned, whereby certain department heads under long-term “continuation pay” contracts make more than their commanding officers. Junior personnel look up their chain of command for tangible signals regarding the value of their future service, and they want to see that command is something to which to aspire—hard to prove when department heads make more than their executive and commanding officers.

Second, the bonus, beginning once the officer “fleets up” from executive officer (i.e., second in command), will incentivize remaining in the service for a full tour following command. The current system enables a substantial number of officers to retire shortly following their command tours, at the twenty-year mark. Retention of these officers for follow-on tours will bring them closer to selection for captain (O-6), which in turn increases their incentive to remain for two more tours until retirement as a captain, traditionally after approximately twenty-six years of cumulative service—because the last three years of active duty, on which retired pay is based, would be served at that higher grade.

Third, the bonus—available after seventeen or eighteen years of cumulative service—will provide an additional reason for junior officers and department heads to remain beyond their minimum service requirements. As we have seen, keeping our best, brightest, and most talented in the service for their entire careers ultimately improves the pool of candidates available for major command. Losing this talent and experience reduces the selectivity possible for administrative and statutory boards and potentially the quality of officers available for promotion to flag rank.

Most important, the critical-skills retention bonus for commanders in operational billets should remain in place regardless of fiscal climate or retention statistics. It represents a consistent message to junior and senior personnel alike regarding the importance of operational command. Understandably, all expenses deserve scrutiny during a period of declining budgets, but the Navy does not save

much by eliminating critical-skills bonuses, which represent a small cost that provides a substantial return on investment. Instead, command bonus fluctuations create an adverse impression concerning the value (or lack thereof) of O-5 command. A bonus consistently paid upon screening for command will convey to all officers, Millennials in particular, that this position is valued and to be sought after.

Move Milestone-Screened Individuals to the Top of the Lineal Number Lists for Their Year Groups. Individuals should be moved to the top of the lineal number lists for their year groups (that is, establishing relative seniority among officers commissioned the same year) once they are selected for their next major career milestones. Under the current system, officers remain in the same relative lineal ordering with officers who fail to screen for major milestones, a situation exacerbated by the recent shift, another cost-saving measure, to small, monthly promotion zones (seniority groups formally considered for promotion). In the current situation an officer can fail to be selected for the next milestone but still be promoted at the beginning of a fiscal year, while a contemporary who does screen for the same milestone is promoted nearly a year later, in September.

Placing officers who screen for the next major milestone in their career paths—department head, command, major command, etc.—at the top of their lineal lists reinforces the importance of continued performance with accelerated promotion opportunity and the higher pay associated with advancement. Screened officers would retain the same lineal-number positions relative to their screened peers, simply moving up compared to their nonscreened peers.

Align Unrestricted and Restricted Line Boards. The recent increase in selectivity—the selection of fewer officers for the next rank—at “statutory” boards (which, governed by Title 10 of the U.S. Code, consider active-duty and reserve officers for promotion) has significantly constricted the pool of officers that can be considered by various administrative boards (for selection to next career milestone, such as unit command). The effect is to reduce a warfare community’s ability to select the officers it feels are best suited for continued progression, the statutory board having already eliminated so many prospects, since officers “passed over” for promotion are not eligible for selection to their next career milestone.

This divergence between the statutory and administrative screening boards can be partly resolved by having unrestricted-line officer (i.e., eligible for operational command) statutory boards operate as do those conducted for restricted-line communities. Each restricted-line community is evaluated in its own board, making it much easier to compare “apples to apples.” In contrast, the unrestricted line screens officers of all communities—surface, subsurface, aviation, special warfare, and special operations—simultaneously, a large pool of officers with

disparate backgrounds and from communities with disparate needs, from which a fixed total number are to be selected for the next rank.

Instead, unrestricted-line officers considered for promotion should be evaluated in separate “tanks,” within which apples can be properly compared to apples. Surface warfare officers would compete for their next rank against their peers, as do the officers of each restricted-line community. Board composition would remain the same as it has in recent years, and the overall process would remain unchanged and in accordance with Title 10. Screening the officers of each unrestricted-line community against their community peers would help facilitate the selection of each community’s best and most fully qualified members, to be passed to the subsequent administrative boards. The pool of unrestricted-line officers would simply be subdivided into surface warfare, aviation, submarines, special warfare, and special operations.

Refocus Efforts to Remove Administrative Distractions for Commands. Admiral Jonathan Greenert, the CNO, wrote in a 21 May 2013 memo to Admiral John Richardson, the director of the Naval Nuclear Propulsion Program, “I have been made aware, from the chain of command and from direct feedback from the fleet, that we are spending too much time performing administrative tasks, or perhaps completing duplicative or competing requirements . . . which keep all of us from being effective—that prevent us from keeping ‘warfighting first.’” This memo instructed Admiral Richardson to stand up a task force dedicated to the reduction of administrative distractions so that sailors and commands could place greater emphasis on war fighting. The effort was then handed to Rear Admiral Herman Shelanski, who later declared, “Our goal is to give back to our warfighters, and includes everyone from the CO [commanding officer] to the deckplate leaders, more time to focus on the things they need to do.”³⁸

Unfortunately, little progress appears to have been made regarding the most common distractors, which may simply reflect inability to communicate the Reduction of Administrative Distractions team’s success back to the fleet. The best source of information should be the website *Reduction of Administrative Distractions*. Accessing the site requires a username and password; a user who decides to sign up for this—yet another—Navy website, however, is greeted by little usable information. Even though an entire cycle of feedback has been completed, there is little on the site to indicate what actions the Navy is taking to reduce administrative burdens. The only collection of ideas available to a sailor is a list of fifteen “top submissions,” which includes some good ideas but not necessarily ones designed to reduce administrative distractions.

The Reduction of Administrative Distractions team is in a position to influence the morale of the fleet, but to do so it needs to redirect its efforts to in

fact *reducing* administrative distractions, not adding more. Look at the annual training requirements for sailors and units. What training could be repeated less often? What could be eliminated altogether? Which instructions are redundant? Focusing on high-level requirements that directly affect units and sailors, and then posting an accessible portal to a website detailing actions being taken, estimated timelines, and current status would communicate the importance of sailor feedback and demonstrate that the Navy is willing to hold itself accountable. Failure to do so risks perpetuating the current fleet perception that the program is largely academic—all hype, little real change.

Unify Major Personnel Websites and Make Progress Reports Publicly Accessible.

While consistently cited as a way to reduce administrative distractions, the unification of major personnel websites is important enough to warrant its own discussion here. Today's sailors, particularly Millennials, have been surrounded by technology for most of their lives. They tend to be computer savvy and seem to have an innate understanding of electronic social media. The sorry state of most Navy websites, therefore, suggests to them a service in disrepair. In an era when even the smallest of civilian start-ups present impressive digital faces to the world, why does the U.S. Navy seem to struggle in this arena, posting websites that appear to have been designed in the 1990s?

It will become increasingly important to unify and update enterprise websites and data portals as more Millennial sailors replace departing Baby Boomers and Generation Xers. Decrepit websites, inappropriately coded and notorious for hogging bandwidth, must be replaced by sites with a clean and impressive look, that use bandwidth effectively, and that offer simplified access to the tools sailors use most often. The technology has long existed to enable all sailors to forgo username and password combinations, to be replaced by mandatory common-access-card (CAC) accessibility.

Unifying the most important websites into a single CAC-enabled portal is a relatively easy and inexpensive proposition. Combining websites will provide sailors a single resource, reducing the potential for security breaches. Direct observation quickly shows how insecurely sailors handle their various sixteen-digit, random-character passwords—in notebooks, taped to their desks, in personal cell phones—especially when the passwords change quarterly, with no repeats allowed. Conceptually, the present arcane rules produce a more computationally secure information system, but in actuality the result is less secure.

Providing a single enterprise solution will also allow the Navy to direct precious resources—people, time, and money—to the upkeep of one resource rather than dividing them among the dozens that currently exist. Sailors could be provided card readers the size of a small pack of gum, enabling access to e-mail and

other accounts while traveling or away from their units. Clean, clear, and impressive websites would be hallmarks of a technologically savvy service and would help recruit from America's most promising young people. Similarly, internal Navy websites with the same quality will boost productivity and aid retention.

Remove Examination Requirements for Unrestricted-Line Command. Nothing in recent years has sent such shock waves through the ranks of junior naval officers as a recent directive, OPNAV Instruction 1412.14 of 4 June 2012, regarding qualifications for command. The new set of requirements has measurably reduced the desire to pursue command and has led many junior officers to question the "harassment package" that seems to come with a Navy career. In fact, according to informal feedback from members of the OPNAV staff, a majority of the officers taking the surface warfare officer examination in 2013 failed at least one section. It is also being circulated that a number of post-department head officers who have received "early promote" fitness reports—that is, the officers traditionally destined for command—have declined to take the test, thereby effectively refusing command.

The command qualification examination is part of a service response to the rising number of firings for cause of commanding officers, and while it may be appropriate for that purpose, evidence indicates that it has generated limited return on investment. One surface warfare officer recently noted to the author that completing the 2,500 pages of required reading in preparation for the exam has taken the place of war-fighting training during his current deployment. After completing his preparations, he will have to travel from his forward-deployed ship to the Naval Leadership and Ethics Center (successor of the Command Leadership School), in Newport, Rhode Island, to take the exam—a forty-five-hour absence for an examination that, according to recent statistics, will not accurately assess his ability to command in the first place.

The Navy has produced high-quality commanding officers throughout its 239-year history. Officers are screened for command potential throughout their careers, receiving fitness reports at least annually, and they are typically board selected for at least one major career milestone—for example, as a department head—prior to their command screen board. Examinations that "everyone passes" are pro forma and provide little value other than ensuring that students have at least a cursory knowledge of material.

Instead of placing yet another administrative burden on officers, one with an especially severe downside, we should focus on making the system currently in place work. Reporting seniors already assess an officer's abilities, as well as his or her potential for positions of increased responsibility—and they must continue to do so judiciously. Boards must continue to select objectively the best qualified

officers using a process that is firm, fair, and consistent. Most importantly, senior officers must be willing to acknowledge that the relief of commanding officers is to be expected and is an indicator that the system as a whole is working. Put another way, something is likely very wrong with standards or with our reporting system if no officers selected for command are ever relieved.

The Navy is unique among the services in its desire to account publicly for reliefs for cause of commanding officers. This practice is intended to engender the trust of Congress and the American public, but it works only if leaders are willing to defend the system they represent, rather than passing along the burden to those below them. We cannot hope—while putting “Warfighting First”—to achieve a zero defect rate, but we can hold fully accountable for their actions those who fall short.

Incentivize Education Opportunities within Career Paths. The Navy must find a way to provide greater educational opportunities. The CNO’s “Diversity Vision” puts it best, stating the Navy needs sailors “diverse in experience, background and ideas” to reach our full potential as a war-fighting force. Common sense would suggest that officers with advanced education outside their warfare specialties have more propensity for original thought and can leverage their education for the betterment of the service.³⁹ Excessively standardized career paths do not promote the “outside” thinking needed to support the continued intellectual health of the service.

There are no easy answers here. The Navy needs to reevaluate the relative importance of advanced education and lifelong learning and to shift its culture accordingly. Recently established programs like the Naval Postgraduate School’s executive master’s in business administration or the Naval War College’s non-resident professional military education are examples of opportunities available to officers on shore duty. If advanced education is truly important, we must incentivize its attainment and provide opportunities for officers to pursue it within their career paths, rather than on their own time. Some career paths, however, permit little time for officers to pursue advanced degrees without adverse impact to career progression.

A recent experience at the Aviation Commanding Officer Training Course in Pensacola is indicative of the situation. One class emphasized to the students, prospective executive officers, the importance of their junior officers’ pursuing advanced degrees. However, when the civilian lecturer was asked which was more important, a designated joint (i.e., multiservice) assignment or an advanced degree, the answer was the joint assignment. As the discussion continued it became clear that education actually plays a very small role in improving advancement potential for officers—operational experience, job performance, and timing

are paramount. The instructor ultimately admitted that any job producing a “competitive” fitness report (i.e., comparing the officer’s performance to that of peers) would likely outshine the advanced degree (for which fitness reports are administrative placeholders). Observed, operational excellence has long been the dominant performance trait promoted in the Navy, to an extent unique among the services. It will take massive effort and creativity to fit education into this paradigm, but the benefit would be worth the cost.

Millennials place a particularly high premium on advanced education, especially in-residence degrees from civilian institutions. To aid retention of the most talented of this group, each community should allow an opportunity sometime prior to command for advanced education. Greater availability of post-baccalaureate education will likely improve retention and ultimately increase skill diversity within Navy leadership.

Rethink Mandatory Annual Training. We must be judicious in allocating our already constrained resources during this period of declining budgets and high operational tempo. One of the most unpopular training requirements is the variety of annual Navy Knowledge Online certifications—courses on information assurance, antiterrorism, force protection, human trafficking, and other subjects. The burden of this training can be greatly reduced. For example, sailors new to the Navy would need to complete their initial training, but refresher training could occur every three to five years rather than annually. More than a million man-hours could be returned to the Navy.

Invest More in Facility Sustainment, Restoration, and Maintenance. Additional funding in this area could produce outsize returns on investment, for two reasons. First, the state of our facilities has a significant psychological effect on sailors’ perceptions of the fleet and plays a part in their decisions whether to remain in the Navy or seek employment elsewhere. Second, families are especially sensitive to the quality of, and access to, base facilities—and families have a great deal of say in service members’ decisions to stay Navy or not.

Improve Retention Indicators. Measuring leading indicators that can provide advance warning of falling retention is a challenge. A recent community-wide survey conducted by the Navy Personnel Research, Studies, and Technology group on behalf of naval aviation is a step in the right direction. It polled 8,265 aviators regarding retention; while some of the questions were unwieldy, the survey could provide insights into retention drivers, enabling senior leadership to make timely changes. Today’s technology makes collecting sailor feedback easier than ever. Best of all, if responses to command-culture workshops and command-climate surveys are any indication, sailors are likely to provide unvarnished feedback regarding their experiences in the Navy and what would or would not induce them to stay.

It will be important to bring commanding officers into the conversation, as they have close connections with the individuals they lead. Senior leadership should solicit them to provide near-real-time anecdotal feedback. This information should be requested informally; otherwise it risks becoming yet another administrative burden to be borne by the unit. But if leading indicators are important for shaping retention efforts, more important is the willingness of senior leaders to take bold, proactive action based on the information they receive.

Incorporate a Personnel Tempo Counter in the Leave and Earnings Statement. The year after tracking personnel tempo was mandated by the 2000 NDAA, the U.S. Army added a PERSTEMPO “counter” on soldiers’ leave and earnings statements; the counter was removed following 9/11. The Navy is now tracking personnel tempo, and providing this number on its leave and earnings statements would make perfect sense. Informing sailors of their cumulative time away from home will add credibility to the Navy’s efforts to reduce operational tempo, enable sailors to cross-check their personnel-tempo numbers for accuracy, and possibly debunk “high time” myths, where the PERSTEMPO of an individual sailor is actually lower than he or she perceives it to be.

Reinstitute Uniform-Wear Diversity for Commands. Unit esprit de corps is an incredibly powerful tool in retention. As one commanding officer puts it, “Everyone likes to be a part of a winning team.” Unfortunately, the Navy has sharply restricted the latitude that commands once enjoyed, in small but highly valued ways, with respect to uniforms; senior leaders thereby lost credibility, making a change that had no discernible effect other than cosmetic alterations. As one officer put it, “Why make a change to something that is trivial to many but held very dearly by those it affects most?”

Senior leaders should reconsider relaxing regulations concerning uniform wear, such as reinstating command ball caps for surface warfare units and colored tee shirts and shoulder patches with flight suits for naval aviation—to include their wear off base. An 18 February 2014 message from Commander, Naval Air Forces allows the wear of additional shoulder patches off base and colored tee shirts on base. This is a welcome change, one for which many junior officers have fought over the course of several years. Since the Navy Uniform Board is internal to the Navy (it is chaired by the Chief of Naval Personnel), the opportunity exists to push this shift to its logical conclusion—allowing the wear of colored tee shirts off base. This will remove the necessity for a majority of officers to change shirts once they arrive at, and depart from, their squadrons every day.

While the wear of flight suits and use of ball caps seem trivial, they are just specific examples among the many that could be cited for each warfare community. This recommendation should not be perceived as a wish to decrease

professionalism or relax uniform standards. Rather, it is intended to provide commanding officers greater latitude in building a command climate based on excellence and individuality—both traditional hallmarks of successful Navy units.

Recent signs within the U.S. Navy, in light of external factors, indicate that an officer retention problem looms on the horizon. More than a decade of prolonged high operational tempo, ever-increasing deployment lengths, a rapidly improving economy, and erosion of trust in senior leadership, coupled with uncertainty about the future, mean the U.S. Navy could be facing its most severe retention crisis since the end of the Vietnam War.

In fact, officer retention is at a tipping point, at which events from our past, present, and anticipated near-term future are converging. In short order we will begin losing a large number of officers having each more than a decade of operational wartime experience, and they will be taking their expertise and the lessons they have learned with them. While their qualifications can be replicated, their experience cannot. This trend is also likely to impact our enlisted ranks, because of the negative impact that plummeting junior-, mid-, and senior-grade officer retention can have on the enlisted members of their commands.

Lessons from Fortune 500 companies are telling. The most successful organizations realize that you cannot simply wage a bidding war to keep talent—there is always a competitor willing to offer more money. Instead, the most successful companies focus heavily on intangibles, such as work that challenges and stimulates an individual, opportunities to pursue advanced education or personal interests, and “perks” that reflect an individual’s worth to the company. The successful companies invest much time and energy in studies to understand more fully what Millennials need and want, and then they tailor their efforts to promote esprit de corps and personal fulfillment. The recommendations in this article take a similar approach, focusing most heavily on the opportunities under the direct purview of senior leadership—some of which are easily implemented and low cost.

We must act swiftly. We must stop reacting belatedly to trailing indicators, reflecting on the situation after the fact, but instead move proactively on the basis of leading indicators and readily identifiable factors the author has derived from two years’ worth of fleet input and informal officer interviews. More work remains to be done. We must acknowledge our service’s tendency to favor efficiency more than effectiveness and thoughtfully reconsider our approach to organizing, training, and equipping our future force. Our allies, global partners, and our nation deserve no less.

We are competing with a global demand for personnel to retain our best, brightest, and most talented officers—the same pool of officers who will one day

rise to senior leadership. We cannot directly hire into positions of importance, and therefore cannot afford simply to let them walk away.

NOTES

- The recommendations made in this article were current as of the final updating of the text in early May 2014. Several of them may have been acted on, and likely corrected, while the journal was in press.
1. Epigraph: Adm. Thomas Hayward, twenty-first Chief of Naval Operations, recalling the post-Vietnam War drawdown. Oral History, Interview 7, 7 June 2002, p. 329, Operational Archives, Naval History and Heritage Command, Washington, D.C.
 2. SEAL community manager, Navy Personnel Command, interview with author.
 3. Informal interviews by the author over a two-year period at the Naval War College, Newport, R.I., and the Pentagon. The current retention survey is also bearing this out, though it will not be finalized until fall 2014, when the report and raw data will be released publicly.
 4. Remarks to the Surface Navy Association, 15 January 2014, YouTube video.
 5. A listing, issued annually by *Fortune* magazine since 1955, of the top five hundred closely held and public U.S. corporations, ranked by gross revenue. See, for instance, “Fortune 500,” *CNNMoney*, n.d., money.cnn.com/.
 6. Heidi Golding and Henry Griffis, *Increased PERSTEMPO, Retention, and Navy Policy*, CNA Report D008040.A2/Final (Alexandria, Va.: Center for Naval Analyses, July 2003), p. 7.
 7. Sam Fellman, “8-Month Deployments Become the ‘New Norm,’” *Navy Times*, 2 December 2013.
 8. Richard Halloran, “Navy Plans to Reduce Time Carriers Are Overseas,” *New York Times*, 30 April 1985.
 9. *Navy Officer and Enlisted Retention: Historic Rates through End of FY13* (Alexandria, Va.: Center for Naval Analyses, December 2013), author’s files.
 10. Officer pay grades in the U.S. Defense Department are designated O-1 (the most junior—in the Navy, an ensign) to O-10 (a four-star flag or general officer, the O-11 grade being reserved for wartime). In the Navy an O-5 is a commander, an O-6 a captain; in the Army, Marine Corps, and Air Force, they are, respectively, a lieutenant colonel and colonel. For the Navy, see “Rank Insignia of Navy Commissioned and Warrant Officers,” *America’s Navy*, 12 August 2009, www.navy.mil/.
 11. “Officer Distribution Update” (slide show, Office of the Chief of Naval Operations [PERS-43], Washington D.C. [hereafter PERS-43], 14 August 2013).
 12. Figure 1 is based on data tabulated in PERS-43, *Updated PCC Retirement Accounting*, 9 January 2014, reproduced below.
 13. A term used frequently by Adm. Jonathan Greenert, the current CNO. In his equation, a service member’s perception of overall quality of service is based on two key metrics: perceived quality of *work* and of *life*. “Quality of work” includes skill-set training, belief in the mission, and possession of the right training and tools to perform assigned roles. “Quality of life” includes pay and compensation, benefits from military service, health care, housing, operational tempo, and a myriad of other intangibles that impact a service member. The author contends that a third metric, that of *leadership*, should also be evaluated for a more holistic evaluation of “quality of service.”
 14. *How Has PERSTEMPO’s Effect on Reenlistments Changed since the 1986 Navy Policy?* (Alexandria, Va.: Center for Naval Analyses, 2004).
 15. U.S. Commerce Dept., *The Older Population: 2010* (Washington, D.C.: U.S. Census Bureau, November 2011).
 16. PricewaterhouseCoopers, University of Southern California, and London Business

Fiscal Year	Total Loss	OP Loss	OP-T Loss	SM Loss
2004	4	4	0	0
2005	9	3	5	1
2006	9	4	1	4
2007	11	9	0	2
2008	6	4	1	1
2009	5	3	1	1
2010	7	4	3	0
2011	13	6	4	3
2012	20	10	4	6
2013	16	8	2	6
2014	23	15	3	5

School, *PwC's NextGen: A Global Generational Study* (London and Los Angeles: April 2013), pp. 8–9, available at www.pwc.com/.

17. *Ibid.*, pp. 11–13.

18. See Nathan Laird, “Reduce Administrative Distractions Website Launches,” *America's Navy*, 1 July 2013, www.navy.mil/.

19. U.S. Navy Dept., *Task Force Resilient: Final Report* (Washington, D.C.: April 2013), p. i, www.navy.mil/.

20. Task force members, informal author interviews, the Pentagon, winter 2013.

21. Tobias Naegele, “Best of the Best: What Will It Take to Keep Them?” (opening remarks, panel, U.S. Naval Institute / Armed Forces Communications Electronics Association 2014 West Conference, San Diego, Calif., 11 February 2014).

22. Many thanks to Cdr. Ryan Stoddard for reminding me of this stellar example.

23. Also see Secretary John Lehman, “Is Naval Aviation Culture Dead?,” U.S. Naval Institute *Proceedings* 137/9/1,303 (September 2011).

24. U.S. Navy Dept., “Personnel Tempo of Operations,” OPNAVINST 3000.13, versions A–D (Washington, D.C.: 1986–2014) [hereafter OPNAVINST 3000.13 (version, year)]; *idem*, “Fleet Response Plan (FRP),” OPNAVINST 3000.15 (Washington, D.C.: 31 August 2006).

25. OPNAVINST 3000.13B (11 February 2000).

26. For PTS, see U.S. Navy Dept., “Perform to Serve Policy Changes and Updates,” NAVADMIN 128/10, 12 April 2010. For Career Navigator see “Career Navigator Goes Online,” *America's Navy*, 5 June 2013, www.navy.mil/.

27. As evidenced by the media response following the Department of Defense's release of its annual budget on 4 March 2014.

28. Charles A. Henning, *Military Pay and Benefits: Key Questions and Answers*, CRS Report RL33446 (Washington, D.C.: Congressional Research Service, 13 May 2011).

29. As headlined in *Military Times* and by CBS News, respectively. See generally “FY15 Budget Preview: As Delivered by Secretary of Defense Chuck Hagel, Pentagon Press Briefing Room, Monday, February 14, 2014,” U.S. Department of Defense, n.d., www.defense.gov/.

30. Adm. Bill Gortney, “Optimizing the Fleet Response Plan,” 15 January 2014, p. 6.

31. Member of the Joint Staff Global Force Management office, informal author interview.

32. Gordon Lubold, “Air Force Warns: We Could Run Out of Pilots,” *Foreign Policy* (26 December 2013).

33. See “Career Navigator Goes Online,” also “21st Century Sailor,” *Navy Personnel Command*, www.public.navy.mil/.

34. Lt. Col. Donald A. Bartholemew, *PERSTEMPO Legislation: War on Terrorism and Beyond* (Carlisle, Pa.: U.S. Army War College, 2002), p. 4.
35. National Defense Authorization Act for Fiscal Year 2000, Pub. Law No. 106-65, 13 Stat. 512 (5 October 1999).
36. U.S. Navy Dept., “FY-10 Surface Warfare Officer Critical Skills Bonus Programs,” NAVADMIN 084/10, 9 March 2010.
37. Estimated using numbers of commanders screened for operational command during FY15 surface warfare and FY14 aviation command-screen boards.
38. “Navy Looks to Relieve Administrative Burdens from Fleet,” *America’s Navy*, 7 June 2013, www.navy.mil/.
39. “CNO’s Diversity Vision,” *America’s Navy*, n.d., www.navy.mil/. The document is careful to speak of “advanced education” rather than “advanced degrees,” since education can come from sources other than residence at degree-granting institutions.