

Officer Off-On Ramps

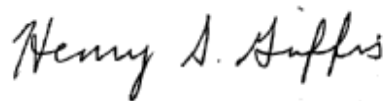
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A handwritten signature in black ink that reads "Henry S. Griffis". The signature is written in a cursive style with a large initial 'H' and 'G'.

Henry S. Griffis, Director
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This document represents the best opinion of CNA at the time of issue.
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Executive summary

For some time, the Navy has struggled to retain enough experienced personnel in certain skilled occupations to meet its manpower requirements. New manpower requirements have emerged, often requiring experienced personnel with skills not typically found in the Navy. These emerging requirements can come about very quickly and can be especially difficult to fill in a timely manner. In addition, the Navy's manpower needs are expected to change significantly in future years toward an even more skilled and experienced workforce. Compared with the current manpower profile, the future manpower profile is expected to have fewer low skilled, very junior positions and more higher skilled, experienced positions.

The Navy's closed, up-or-out personnel system, along with the military compensation system, has made these force management challenges difficult to address. Although the Navy has some tools available with which to manage personnel and shape the force, Director, Military Personnel Plans and Policy (N13) asked CNA to analyze another personnel management tool—lateral entry.

Lateral entry is a process by which an employee is hired and placed in an above-entry-level position. Lateral entry in the Navy would allow civilian-sector workers who have relevant skills and work experience to enter the personnel system at a level commensurate with those qualifications. For this project, we prepared two studies—one for the enlisted force and one for officers. Reference [1] is the analysis of enlisted lateral entry, while this study considers officer lateral entry.

When N13 requested this analysis, he had in mind the personnel management challenge of officer retention—particularly for women. Officer retention rates for women have been consistently lower than those for men. The male/female retention rate differential is especially troubling in the Surface Warfare community because the gap is substantial, and women make up a significant portion of accessions.

N13 asked us to focus our analysis on officer off-on ramps because this form of lateral entry may be particularly suited for retaining female officers. Off-on ramps occur when officers begin their active duty officer careers in typical fashion—at the most junior ranks—but then are allowed to leave for a period of time and return to active duty at a later date.¹ This career progression could be considered lateral entry by prior-service officers.

Many officer career paths, especially the Unrestricted Line due-course career paths, are tightly prescribed series of sea and shore duty assignments of increasing responsibility and authority. Deviations from the due-course path can lower chances for promotion and advancement. Likewise, officer career progression laws, policies, and tradition make it difficult to leave an active duty career and return to it. Thus, officers face a definitive leave/stay decision—in their community or in the Navy—before they get too far down the career path.²

Survey and focus group results indicate that, for Surface Warfare Officers (SWOs), direct monetary compensation is not always the most important factor affecting the stay/leave decision. Instead, both male and female SWOs cite workplace morale and difficulty achieving a work/life balance as important factors in the decision. Women, however, cite these two reasons more frequently than men and also report that these two factors have a stronger effect on their stay/leave decision. Improved off-on ramp policies may help to address these concerns better than traditional tools, such as retention bonuses.³

1. *Officer off-on ramps* and *sabbaticals* are similar. A worker who takes a sabbatical from paid employment may be obliged to return to the job for a certain length of time. Depending on the structure of the off-on ramp program, there may be an obligation to return to an officer career.
2. To ascertain if observable differences among officers are correlated with staying or leaving, researchers have examined officer retention in more detail using Navy personnel records. Results show that stayers and leavers differ in some observable characteristics, but not in ways that can be used for effective accession or retention policies.
3. Such remedies as retention bonuses appear to be correlated with increases in overall community retention, but the retention gap between men and women persists, partly because they appear to respond differently to monetary incentives to stay in the community.

We examine the key considerations for off-on ramp programs and how they might be shaped. Possibilities range from low-cost, low-obligation programs to more expensive, higher obligation programs. An important consideration is whether current laws must be suspended or even amended to accommodate the pilot program.

We also examined officer broken service to understand how off-on ramps may have been functioning unofficially over time. While we did not find very large percentages of officers with broken service, this alternative career path has clearly existed throughout the years. We found that breaks in service were more common in the 1980s (pre-drawdown) and were similar for men and women.

We then examined the SW, Judge Advocate General (JAG) Corps, and Meteorology and Oceanography (METOC) communities in more detail with these off-on ramp program choices in mind. We found that male/female retention differences varied by community, but the off-on ramps could still benefit all three communities.

By the time we began this study, the Navy had already proposed an officer sabbatical pilot program for SWOs, which the Department of Defense and the Office of Management and Budget did not approve. Now the Navy has developed a proposal for a different kind of officer off-on ramp pilot program, the Career Intermission pilot program, which is still under review. Thus, our recommendations regarding officer off-on ramps support efforts already under way by the Navy:

1. *Continue efforts to initiate a pilot program for officer off-on ramps.* The Navy needs to address male/female retention differences, and evidence suggests that an off-on ramp program is feasible.
2. *Communicate with officers about their views on retention policies and set appropriate expectations for the policy process.* Continue to collect qualitative data through officer surveys, focus groups, and interviews and explain how the approval process for pilot program proposals may affect the off-on ramp program efforts.
3. *Ensure that officer off-on ramps will not hinder careers.* This assurance is crucial and must be reflected in everything from promotion board precept language to systematic evaluation of which officers are assigned to career-advancing positions.

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Background on officer lateral entry

The initial tasking for a lateral entry study included the enlisted force and the officer corps. The motivation for considering lateral entry in the officer corps is similar to that for the enlisted force. The key issues of retention, meeting emerging requirements, and shaping a more senior future force apply to both groups of personnel.

The personnel management challenges affect the two groups at different times and with different degrees of severity. The current focus for the officer corps is on retention—mainly differences in male/female retention rates in the Unrestricted Line (URL) communities, especially the Surface Warfare (SW) community.

Some of the laws and policies that govern officer careers are different from those for the enlisted force. Although the retirement system is essentially the same for the two personnel groups, the career advancement system, service obligations, and promotion systems differ. A lateral entry program designed to meet the personnel management challenges in the officer corps will have to consider these differences.

Laws and policies that govern officer careers

Enlisted career progression is governed by a promotion system that is a function of billet vacancies, minimum time-in-service rules, time-in-rank rules, high-year-tenure (HYT) rules, and top 6 policies (all of which are reviewed in [1]).⁴ Still, there is significant variation across ratings groups in the time it takes to promote to the next rank, especially after promotion to E-3. To a certain degree, the Navy can use this variation in time-to-rank to identify where lateral entry may be

4. As we discuss in [1], these rules and regulations will have to be modified to allow for more lateral entry in the enlisted force, especially the HYT rules.

most effective and to guide lateral entrants to the appropriate above-entry-level positions based on training and experience.

In contrast, the officer corps has a more rigid system of career progression that, while also a function of billet vacancies, is dictated by a different federal statute.⁵ The basis of the law came about nearly 30 years ago in the Defense Officer Personnel Management Act of 1980 (DOPMA); many of the policies, procedures, and traditions that affect career management were created years ago and have been in practice for some time.

In general, officers who are commissioned at about the same time will be required to go before promotion boards at about the same time. Specifically, DoD and Navy instructions give guidelines for when the promotion is considered “in zone.” This occurs at years of commissioned service (YCS) 10+1, 16+1, and 22+1 for promotion to O-4, O-5, and O-6, respectively. In addition, DOPMA dictates the overall size and rank distribution of the officer corps. The law sets specific limits on the number of O-4, O-5, and O-6 officers allowed in inventory relative to the number of O-1 to O-6 officers.⁶

Promotion up-or-out rules help the communities keep the shape of the force indicated by DOPMA. In general, officers can stay to YCS 20 provided they take no more than several attempts to promote to O4; otherwise, they must leave active duty.⁷ Other officer force-shaping rules include minimum service requirements (MSRs), which require officers to serve on active duty for a minimum length of time and thus

5. United States Code (U.S.C.) Title 10, sections 521, 523, and 610–634, cover many officer career progression rules, including officer end-strength limits, minimum time in rank, and up-or-out rules. Interpretation of the statute is found principally in Department of Defense Instruction (DoDI) 1320.12-14 and NAVINST 1400.1A and 1420.1A.

6. Some officer communities are not covered by DOPMA limits. These include flag, medical, dental, warrant, and full-time support (FTS) officers, as well as officers on the retirement lists.

7. There are up-or-out rules for promotion to O-5 and O-6, but the up-or-out points occur after YCS 20, when officers are vested and can immediately draw retirement benefits on leaving active duty.

keep retention very high until MSR is met. Also, the compensation system, and the retirement system in particular, tend to encourage officers who reach roughly 12 YCS to stay until YCS 20, but it provides little encouragement for officers to stay beyond YCS 20.⁸

The law and policies have required each officer community to determine due-course career progression. The career path must have clearly identified career milestones. It must also include sufficient time for training and education, and it must provide opportunity to fill operational billets of increasing levels of authority to achieve those milestones. This creates very tightly prescribed career paths for a 20-year career. Moreover, staying on the prescribed due-course career path is critical for promotion. In general, personnel laws, policies, and tradition are not intended to support deviations from the stated due-course career path, breaks in service, or any type of lateral entry.

The timing of the MSRs, the compensation system, and the prescribed career paths create a window for definitive stay/leave decisions. The decision point comes after reaching MSR but before proceeding too far down the career path. MSRs typically can be completed anywhere from 4 to 10 years of service, while the pull of military retirement begins around mid-career, at about 11 to 12 years of service. Many times, too few officers choose to continue on the career path, and the community has to consider ways to retain more officers.

Tools to improve retention

Continuation bonuses

When retention problems occur, one of the commonly used remedies is to offer continuation bonuses. Continuation bonuses are typically offered at a point in the career path that induces officers to stay beyond MSR long enough to fill department head tours. Then, the

8. Note that officers with prior enlisted service will be sensitive to overall YOS, not only YCS.

pull of the retirement system can help keep the officers on active duty until YCS 20 once the bonus payments are complete.⁹ Continuation (or retention) bonuses are used in many officer communities, including the URL communities. The SW and aviation communities, both of which offer continuation bonuses, are where most of the female officers commissioned through the United States Naval Academy (USNA) and the Naval Reserve Officer Training Corps (NROTC) scholarship program will access.

Continuation bonuses are considered to be relatively cost-effective compared with other alternatives, such as across-the-board pay raises. However, retention bonuses are difficult to decrease or eliminate entirely, even when retention improves sufficiently. Moreover, several studies assert that, while officer retention bonuses appear to be correlated with increases in overall retention (see [2]), there is some evidence that women may respond to continuation bonuses, or at least to increases in the current levels, to a lesser degree than men might (see [3] and [4]).¹⁰

Other types of benefits

A number of other benefits that are not direct cash compensation are offered to retain officers. Some involve taking leave from the due-course career, including time to acquire additional education. Reference [5] provides a summary of these types of leave. Officer personnel law allows the uniformed services to grant educational leave for officers, usually with a payback of 2 months for every month of educational leave taken. Taking such leave, however, even for short periods of time to augment education, can be viewed negatively in a due-course URL career. Thus, some of these types of benefits may help retain officers in the Navy but not necessarily in the URL.

9. This can vary since the timing of department head tours and proximity to the O-4 flow point vary across communities.

10. In the case of the SW community, the exact magnitude of the effect of the continuation bonus on retention has been difficult to assess. The bonus program began in 1999, but the impact of 9/11/01 on the desire of servicemembers to remain on active duty and the economic slowdown in the early 2000s may also be factors in the increased retention.

A note on military compensation

The current system

As discussed in [1], the current military compensation system will make achieving most types of enlisted lateral entry quite difficult, if not impossible.¹¹ The same is true for officer lateral entry. The main issue with the compensation system is its inflexibility with regard to force shaping. For both enlisted personnel and officers, a large portion of total compensation is based on basic pay and allowances. With very few exceptions, the military pay and rank system does not factor in training and experience gained outside the force; workers with training and experience must still begin their Navy career at the lowest ranks. The current pay/rank system poses a serious challenge to bringing in above-entry-level workers and adequately compensating them for their outside-the-Navy experience.

In addition, the military's cliff vesting retirement system reduces force-shaping flexibility. It provides no benefits for military personnel who leave before YOS 20; the majority of Sailors and officers will leave the service with no retirement benefits at all. It creates a large incentive to remain in the service between 10 and 20 years of service, and little incentive to remain after the fully vested 20-year milestone.¹² This means that, if MSR is met before YCS 10, which is the case for many officers, the retirement system does little to promote retention beyond MSR.

Moreover, the military retirement system is becoming less comparable to the flexible, portable retirement and savings plans available in the civilian sector. These plans do not require that employees stay for 20 years in order to vest in the retirement system, and, in many cases,

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11. In particular, a new force structure that includes a more highly skilled, more technical, and more experienced workforce will be difficult to achieve under the current compensation system. Reference [6] provides an in-depth discussion of the misalignment of the military compensation system and the achievement of the planned future force.
 12. See [7] for a comprehensive review of the military retirement system and its effect on personnel retention behavior.

employees are able to take retirement/savings with them when they leave employers.

The area of officer lateral entry in which we are most interested—off-on ramps—is less affected by the current basic pay system than it is by the retirement system. This is because officer prior-service lateral entrants (i.e., officers who choose to take an off-on ramp) are already a part of the military personnel system and have trained, gained experience, and successfully promoted in the system. Assigning rank to an officer who has taken a modest break from service should be relatively straightforward. The incentive effects of the retirement system and the inflexibility they impose on personnel management, however, are essentially the same for officers, whether they chose to take an off-on ramp or not.

Compensation reform

The report by the Defense Advisory Committee on Military Compensation (DACMC) summarizes the recommended changes to the compensation system that would be most appropriate for a more flexible personnel management system [8].¹³ The recommendations follow:

- Make changes in the basic pay table to better reward performance and to support longer career profiles where desirable. In particular,
 - The pay table should become a function of grade and time in grade, rather than grade and years of service (i.e., more appropriately compensate for needed skills and experience).
 - Time-in-grade increases in basic pay should be extended beyond the career lengths currently implied by the time-in-service pay table.
 - HYT policies should be reassessed. [Author's note: for officers, this means relaxing the up-or-out promotion rules and

13. The DACMC final report can be found at <http://www.defenselink.mil/prhome/dacmc.html>.

possibly relaxing the DOPMA rank limitations.] For those occupations where HYT constraints have been relaxed to encourage longer careers, the time-in-grade increases should provide a financial incentive consistent with longer service. This change will complement retirement system changes that provide incentives to stay beyond 30 years.

- Make substantial changes to the structure of the active component nondisability retirement system [including developing]:
 - A government contribution to a thrift savings plan or 401(k)-like plan that adds a percentage of basic pay, in the range of 5 percent, to the member's contribution.¹⁴
 - A retirement annuity that begins at age 60, computed under a formula similar to the current retirement annuity. The annuity would vest at the completion of 10 years of service.
 - The annuity formula would be extended through 40 years of service, so that a member serving 40 years would receive 100 percent of the high-three average of basic pay.
 - The retirement health benefit would continue to vest at the completion of 20 years of service.
 - Additional offsetting compensation, in the form of current rather than deferred compensation, [that is] sufficient to achieve force-shaping goals.¹⁵

As we stated in [1], these recommended changes to the compensation system will have to be made before a large-scale, robust lateral entry effort can take place.

14. Government contributions would begin to accumulate immediately upon entrance to active duty and would vest no later than the tenth year of service (but not before the fifth year of service). After vesting, the member who remains on active duty should have the flexibility to receive the government's new contribution in cash, in lieu of the thrift savings plan contribution.

15. For additional details, see a longer summary in [1] or the original DACMC report [8].

Types of officer lateral entrants

The analysis for the enlisted force in [1] described two potential groups of lateral entrants—prior-service (PS) and non-prior-service (NPS) personnel. The officer corps already has several successful examples of NPS lateral entry, albeit on a small scale. The examples are largely confined to the staff corps and to lateral entry early in the professional career. It is also largely confined to officer communities that fall outside DOPMA coverage. In many of these cases, NPS lateral entry resembles pretrained lateral entry.

The Medical and Dental Corps are good examples. Doctors and dentists can acquire some if not all of their professional training, and possibly relevant work experience, before entering the Navy. Professional boards and associations outside the Navy set clear standards for education, training, and experience; the Navy can use these to assess the qualifications of potential lateral entrants. Since these communities lie outside DOPMA limitations, they have more flexibility to assign initial rank so that pay is more in line with civilian-sector earnings.

Many consider NPS lateral entry to the warfighting communities to be a daunting challenge. The Navy itself is frequently the sole provider of warfighting training and experience (e.g., submarine training, numerous training pipelines specific to naval aviation). It would not be easy for the Navy to assess how work experience acquired outside the Navy supports the warfighter career path. Also, the warfighting communities are covered by DOPMA; rank and pay are closely tied and carefully dictated by law. It would be very challenging to access officers who had somehow acquired relevant experience outside the Navy and compensate them for that experience without according them higher rank. DOPMA rank limitations would make this a difficult personnel management challenge.

PS officer lateral entry can be considered lateral entry by Navy Veteran (NAVET) officers, or more simply, officers with broken active duty service. This means that the officer must have begun an active duty commissioned officer career, left the active component, and returned. (We eliminate FTS officers from our analysis.) This type of lateral entry forms the basis of officer off-on ramps.

Male/female retention differences

The current challenge

The lateral entry focus in the officer corps is on retention in the URL—particularly on the difference in retention rates for men and women. Traditional retention tools, such as retention bonuses, may not be effective for addressing the male/female retention gap. Instead, other policy tools, such as officer off-on ramps, may be more appropriate for closing the retention gap.

The SW community illustrates these issues. Figures 1 and 2, prepared for [9], show the challenge that personnel planners in the SW community face. Figure 1 presents SWO retention rates by years of service (YOS) as a SWO for those who accessed from 1980 to 1997. Overall, only about 30 percent of the SWOs who have 3 YOS in the community will stay until YOS 9. From YOS 6 to YOS 9, women retain at increasingly lower rates than men.¹⁶ Other officer communities show similar patterns.

Figure 2 illustrates an even more pronounced difference in retention rates for SWOs who accessed after 1993. In this restricted sample, the 3- to 9-YOS retention rates show a 20-percentage-point difference, with the male/female rates at 40 and 21 percent, respectively. These officers came into the Navy after the repeal of the Combat Exclusion Act (CEA). Since then, women who attend USNA or receive an NROTC scholarship (excluding nursing students) are expected to access to a URL community, which usually means SW or Aviation.¹⁷

16. YOS 6 is 1 year beyond the MSR for many SWOs.

17. Before the CEA repeal, women had no (or limited) access to the traditional warfighting communities. They accessed to the General URL (GURL), which allowed them to fill positions open to all URL officers. They could also access to the Restricted Line (RL) and to the staff corps. Women are still prohibited from accessing to the Submarine or Special Operations community and certain positions in Special Warfare.

Figure 1. SWO 3- to 9-YOS retention, by gender

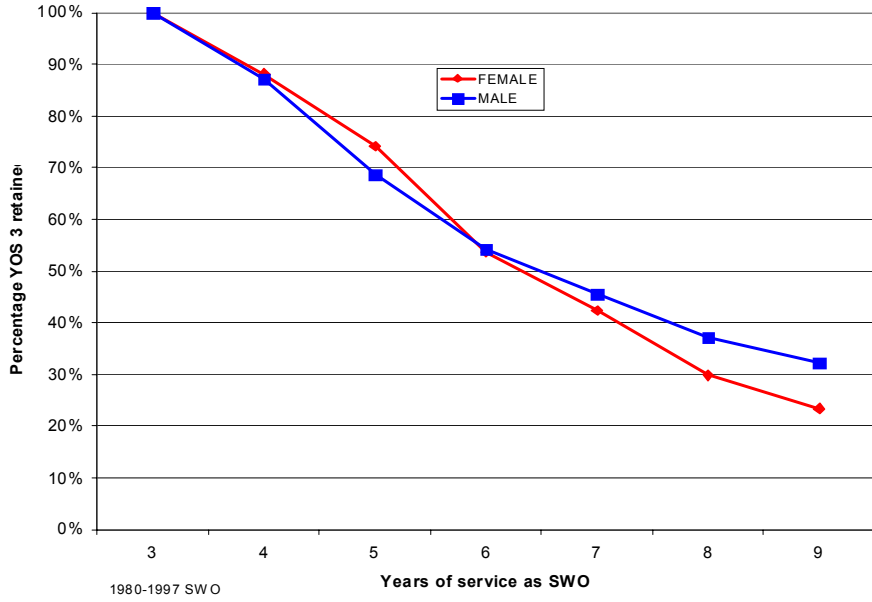
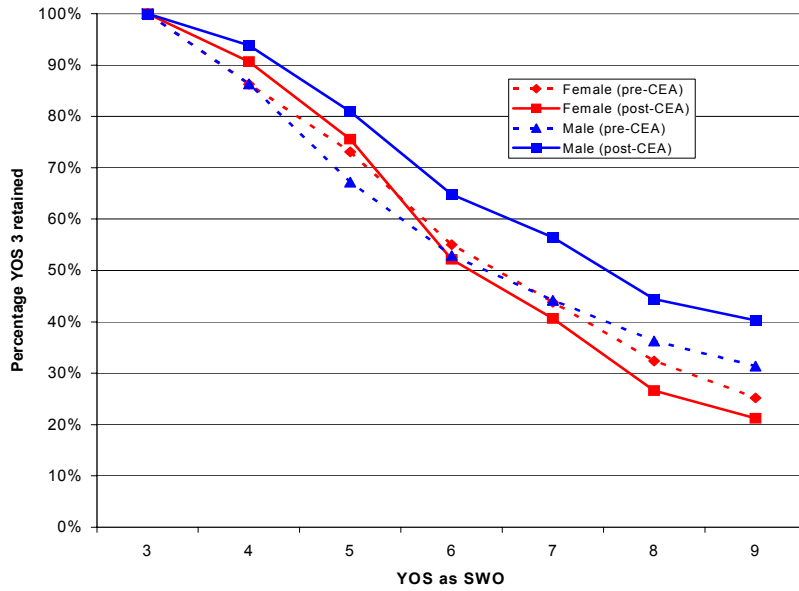


Figure 2. SWO retention before and after Combat Exclusion Act



Why are retention rates different for men and women?

In the SW community, women now make up about 25 percent of accessions, so community management is clearly affected by their lower retention rate. Women make up increasing percentages of a number of other communities as well. It is important to understand what factors affect retention rates for all officers in a community and, when retention rates are lower for women than for men, how those factors affect women differently. The goal is to structure retention policies that are effective for all officers but that are especially effective for addressing issues faced by women.

Observed differences and the likelihood of staying/leaving

Personal characteristics

Researchers examined whether differences in observable characteristics of female officers help explain differences in their likelihood to stay in or leave the community. Researchers turn to personnel records to understand how such characteristics as accession source, college major, technical aptitude, marital status, and dependents affect the stay/leave decision. With regard to the SW community, the decision to stay or leave is threefold: stay in the community, lateral to another officer community, or leave the Navy altogether.

References [3, 9, and 10] focused exclusively on the SW community. Using slightly different modeling/estimation approaches and slightly different observable characteristics in the stay/leave decision models, they came to similar conclusions. All else constant, they show that:

- Female USNA graduates have higher estimated likelihood of leaving the SW community than women who accessed from other sources. The difference is especially pronounced compared with female Officer Candidate School (OCS) accessions.
- Women who took technical undergraduate degrees or have stronger mathematics/technical standardized test scores have a higher estimated likelihood of leaving the Navy.
- Junior female SWOs who are single are more likely to leave the Navy than those who are married and/or who have children.

Unfortunately, these observable differences do not translate into feasible policy options. For example, implementing a policy to reduce the number of women accessing from USNA or the NROTC scholarship program is entirely contrary to other important goals that the Navy seeks to achieve. The Navy wants the best officer leadership that U.S. society can offer, including men and women of all racial/ethnic groups.

Because the officer corps has virtually no lateral entry, future Navy leadership will be selected from officers who are commissioned today. As a result, there has been a sustained effort to achieve a sizable minority of women in the USNA Brigade—about 20 percent. In the past few years, USNA has essentially achieved that goal. Female representation in the NROTC scholarship program is slightly higher than 20 percent. Moreover, the number of qualified female applicants to USNA and to the NROTC scholarship program remains strong, and the Navy remains committed to this aspect of accession diversity.

Similarly, the Navy is committed to maintaining a technically savvy officer corps. If a policy were taken to access fewer women who intend to take technical degrees and/or who demonstrate strong technical aptitude in order to increase community retention, this would go against all the other efforts to achieve a technically trained officer corps.

In fact, the Navy has debated for years what should be the appropriate percentage of officer accessions taking technical undergraduate degrees, especially from USNA and the NROTC scholarship program. Some have argued that 70 percent or more of these program graduates should have technical undergraduate degrees. Others agree that at least 60 percent should have technical undergraduate degrees. For many USNA and NROTC scholarship commissioning cohorts, this has been achieved. Even when students in these programs do not take a technical degree, they are still required to complete a basic core curriculum in science, mathematics, and engineering.

Finally, the findings on marital status do not suggest any particular retention policy. It would be best to use other data to understand how

officers view the Navy workplace and career paths and whether these views affect their stay/leave decisions.

All three studies find that, in addition to women having lower Navy retention rates than men, they also lateral out of the SW community at higher rates than men. Reference [10] suggests that the SW command climate may be a factor but also that many junior SWOs, and perhaps women in particular, are looking for a Navy career path that involves less time at sea. These ideas represent officer opinions and concerns about the Navy workplace and officer career paths that cannot be observed in the Navy personnel files. We will discuss these unobservable differences among officers and their effect on the stay/leave decision in more detail.

Observed responses to retention bonuses

In response to flagging retention in the community in the late 1990s, the SW community instituted a retention bonus in FY 2000 called SWO continuation pay (SWOCP). To be eligible for the bonus, officers must have screened for department head (DH). If officers accept the bonus, they must complete back-to-back DH tours. The SWOCP amount is \$50,000 to be paid out over the course of the DH tours. In addition, the community has instituted a junior SWO Critical Skills Retention Bonus (CSRB)—an additional \$25,000 payable to eligible SWOs from YOS 6 to YOS 9. This brings the total bonus amount paid to SWOs through their DH tours to \$75,000.¹⁸

The bonus appears to be correlated with increases in overall community retention [2, 3]. Recently, however, the authors of [3] show that the estimated effect of the bonus on retention is difficult to separate from behavioral responses to 9/11/01. In addition, references [3, 9, and 10] all show that lateral transfer rates out of the SW community for both men and women have increased since the inception of the bonus, a response not intended by offering the bonus.

18. The SWO CSRB is payable to eligible SWOs of rank O-4 for active obligated service through 12 to 15 years. The current SWO CSRB has an authorization of up to \$46,000 per officer. A senior SWO CSRB of \$15,000 to \$20,000 has also been authorized for eligible O-5s and O-6s to serve in critical operational and overseas billets.

The SWOCP likely has had a positive effect on community retention, although perhaps it is smaller than originally anticipated. However, it does not appear to have helped close the gap between male and female SWO retention. This suggests that retention policies other than direct compensation may need to be developed.

Unobserved differences and the likelihood of staying/leaving

Observed differences in the characteristics of stayers and leavers offer very little for the development of policies that will raise overall community retention *and* help close the male/female officer retention gap. Using qualitative data collection methods, such as focus groups, interviews, and surveys, researchers have begun to identify officers' opinions and concerns about the Navy workplace and the due-course career progression that influence the stay/leave decision. The efforts undertaken for [3] and [4] have provided much insight into differences among officers that cannot be observed in personnel records.

Pushed off/pulled off

Some human resource specialists use the terms *pushed off* or *pulled off* to describe the process by which workers leave certain professional career tracks. Workers are said to be pushed off if the firm, industry, or profession is inhospitable to workers for reasons other than their actual performance, and this causes workers to leave. A worker may be pulled off a career path if the offer of more lucrative employment or the desire to change fields or career paths is the precipitating factor in the decision to leave the job.

What about work/life balance? Workers may believe that non-work-related activities, such as having a family, are incompatible with their careers. Part of the decision to find a better work/life balance is a matter of personal choice, and there may be little that an employer can do to change it. However, worker views about work/life balance may be related to workplace policies, and some of those policies may be helping to push workers off the career path.

Are women in the URL Navy being pushed off or pulled off? It is often difficult to determine how performance measurement, professional development, career management, and personal choice affect stay/

leave employment decisions. Regardless of whether officers who leave were pushed or pulled off, however, the Navy needs to minimize inhospitable workplace practices and consider personnel management policies that can provide for a better work/life balance.

Through interviews and focus groups with SWOs, with a particular emphasis on senior female SWOs, reference [3] reports that female SWOs may be being both pushed and pulled off the career path. Some of these women report perceptions of being pushed off; they have experienced a less-than-accepting workplace for women regardless of their performance on the job. Many women also reported that it was very difficult to have—or even consider trying to have—both an SW career and a family. While personal choice may be pulling some female SWOs off the career path, OSD and Navy officer career management policies may be helping to push them off, too. Reference [3] describes many opinions and concerns of female SWOs and finds the following:

- Successful female and male SWOs report that they love the career of a SWO, the life at sea, and the leadership roles they play. On this point, there is no gender difference.
- Both male and female SWOs listed dissatisfiers about the SWO career, including workplace (i.e., morale) issues and work/life balance issues. Women, however, mentioned work/life balance issues frequently; their discussions suggested that work/life balance issues have a significant effect on their decisions to stay or to leave.
- Off-on ramps or sabbaticals in the SW career would be welcome, as long as this alternative career path does not hinder their SW career progression.

In addition, results from [4] for SWOs suggest that monetary incentives can be used to increase retention up to a point, though other options may be effective as well. For example, neither men nor women chose continuation bonuses as a top reason for staying in the community. If SWOCP were substantially increased, however, majorities in both groups reported that it would positively affect the decision to stay. Compared with women, men reported that they would be

more responsive to increases in bonuses. Other quick-poll results include the following:

- Overall, female SWOs were less likely than male SWOs to report intentions to remain in the Navy at their next decision point.
- A substantially higher percentage of men than women reported SWOCP as a reason to stay in the Navy.
- While the top reasons reported by *both* men and women for leaving the Navy concerned work/life balance, particularly for time away from family, a higher percentage of women reported work/life balance issues.
- A substantially higher percentage of women than men reported that morale was a top reason for leaving the Navy
- More women than men reported interest in a sabbatical as a reason to stay (essentially an off-on ramp), but sabbaticals did not rank as highly as guaranteed education, geographic stability, SWOCP, or guaranteed lateral transfer as a reported influence to stay. The response on sabbaticals may have reflected concern that taking a sabbatical would be viewed negatively by commands and promotion boards.

Off-on ramps

The specific management challenge that the Navy needs to address with an off-on ramp program is better retention of all officers, and particularly better retention of female officers. Basic fairness among employees, however, not to mention equal opportunity laws, precludes offering one group of employees certain career choices while denying those choices to other employees. In fact, singling out women for particular career alternatives would not likely be viewed positively by male or female officers.¹⁹ Here, the Navy must make a gender-neutral personnel management policy while anticipating a non-gender-neutral response. An off-on ramp policy will be effective if the entire community's retention increases sufficiently; it would be especially effective if women's retention increased more than men's.

Navy officer off-on ramps: key policy issues

We center our discussion and evaluation of officer off-on ramps on four questions:

1. Do off-on ramps help to manage the force and fill billets?
2. Do off-on ramps improve overall community retention *and* women's retention?
3. Are off-on ramps cost-effective?
4. Are officers who use these ramps as productive as those who stay on active duty (AD) in their community continuously?

Better force management and fewer gapped billets are the desired outcomes from any personnel policy. In the case of the warfare communities, and the SW community in particular, off-on ramps must increase retention—especially women's retention—to manage the

19. Indeed, some senior female SWOs cite parity of access to off-on ramps as crucial to the success of the policy tool (see [3]).

force and fill more billets. No matter how well planned and executed an off-on ramp program may be, it must change the retention behavior of the group it is intended for, or it should not be continued.

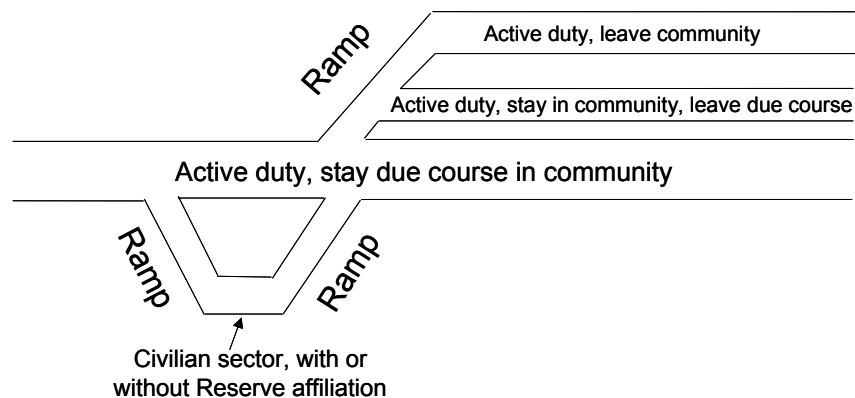
Some definitions of officer off-on ramps

We define off-on ramps as officers who begin an AD career, leave AD for a prescribed period of time, and return to an AD career. We do not consider reservists who are mobilized for a limited time or FTS personnel to be part of this definition of off-on ramps. We consider several movements for off-on ramps for AD officers:

1. From AD to non-AD status and back to AD status once again, in the same community and with a due-course career path
2. From a traditional due-course career to a different path in the same community (no break in AD service)
3. From a traditional due-course career to a different community (no break in AD service).

An example of item 2 would be a due-course SWO taking a SW subspecialty career path; an example of item 3 would be a SWO lateraling out of the SW community. These two examples constitute off ramps only since it is largely impossible to regain a due-course career once an officer has switched to a community subspecialty career path or to a different community. Figure 3 shows the types of off-on ramps.

Figure 3. Possible Navy officer off-on ramps



In this study, we are most interested in the first type of off-on ramp, displayed on the lower half of figure 3, where the officer temporarily leaves a due-course career and returns to the same due-course career.

Some initial off-on ramp program considerations

Off-on ramp program details can vary widely and have large implications for the cost of the program to the Navy and the officers, and the degree to which laws must change to allow the plan. For example:

- Who pays for time away from AD? Will the Navy:
 - Provide regular compensation while away from AD?
 - Provide benefits only, such as medical and dental benefits?
 - Provide no compensation?
- What affiliation will the officer have with the Navy while away from active duty? Will the Navy:
 - Require the officer to affiliate with the Navy Reserve (e.g., the Selected Reserve) with corresponding compensation?
 - Require no military affiliation while away from AD?
- Is the officer obliged to return to a traditional URL career path, to the community, or to the Navy?
- On return to AD, will the officer's date of rank (DOR) be adjusted for the time away from AD?
- How does time away count for YCS and retirement?

Cost-effectiveness of any retention policy is also imperative. The costs and benefits of an off-on ramp program must compare favorably with other off-on ramp options and other retention policies. We do not have results from an off-on ramp program yet, so we cannot compare its cost and benefits to other policy options. Reference [5], however, considered the factors that affect the return on investment (ROI) of different types of off-on ramps potentially available to the military.²⁰

20. Reference [11] also estimates ROI for different types of off-on ramps in the SW community.

The programs included personal extended leaves (e.g., for maternity or paternity absences), sabbatical leaves for education, and return-to-service programs, such as the Coast Guard's Temporary Separation (TEMPSEP) program. It is perhaps not surprising that the authors of [5] find that ROI for these programs depends on the duration of the leave, the number of participants in the programs, the level of compensation offered, and the likelihood that the program actually changes retention behavior. They found that programs that offered limited duration leave that changed the retention behavior of at least 10 percent of the participants generally had a positive ROI.

How does the cost-effectiveness of off-on ramp programs compare with other retention policies? We have some indication from [3, 4, and 10] that the SWOCP might have to be increased considerably before additional increases in retention are realized, and that women may be least responsive to increases in the bonus.

Finally, there is the issue of productivity, both actual and perceived, for officers who opt to participate in an off-on ramp program. Can officers leave active duty for a limited period of time and ably continue their careers where they left off? For an off-on ramp program to be successful, officers who take the off-on ramp must be viewed as no less productive than officers with similar operational experience. From the standpoint of the active component, this can be accomplished by moving the DOR for officers who took an off-on ramp to properly reflect active duty experience. Also, resetting of their year group clock will allow officers time to demonstrate performance in an operational billet before coming up for the next promotion.

One complicating factor in adjusting the DOR for active duty purposes is how this reflects on officers' time if they affiliate with the Navy Reserve. For example, if the off-on ramp program requires officers to affiliate with the Selected Reserve (SelRes) while away from active duty, resetting their DOR on return to active duty might be viewed as disregarding the training, drilling, and work performed while in the SelRes. Officers could be required to affiliate with the Individual Ready Reserve (IRR) or the Standby Reserve (Inactive status) while away from active duty. Because these two components do not require training or drilling, the Navy might lessen the conflict between

accounting for time in the Navy Reserve and adjusting the DOR on return to active duty. The drawback is that officers who affiliate with the IRR or the Standby Reserve would not likely maintain their training and experience to the same degree as if they affiliated with the SelRes. Although there might be some compromises to make, it would seem that the active duty and reserve components could find a way to accommodate an off-on ramp program.

Still, how will promotion boards perceive off-on ramp officers? Even if officers' DOR is adjusted, promotion boards may view those who choose off-on ramps as less effective or as sending an adverse signal of their career commitment.²¹ The perceived productivity/career commitment issue is critically important. Some women cited in [3] did not choose off-on ramps as a desired retention tool because of concern about an adverse effect on their careers. If officers believe that the Navy's culture cannot overcome negative perceptions of breaks in careers, an off-on ramp program is unlikely to be successful. The Navy must take the following steps:

- Draft promotion board precept language that guards against treating officers negatively for participating in an off-on ramp program.
- Monitor command climates for negative views of off-on ramps.
- Ensure that officers who take off-on ramps can compete fairly for career-enhancing billets.

Other off-on ramp and sabbatical programs

The civilian sector

Sabbatical programs and other flexible work arrangements have been used in the civilian sector for some time. Reference [10] summarizes other types of off-on ramp programs outside the military service. While work/life balance may be a secondary benefit of these types of

21. There is already some tension between the active and reserve components regarding the productivity and experience of equivalently ranked officers in the same community. For example, see [12].

programs, their main thrust seems to be added productivity and professional rejuvenation. Briefly, the authors found the following:

- In academia, year-long sabbaticals are sometimes granted after having successfully secured a tenured position at a higher education institution. Sometimes, there is a requirement to return to the tenured position for a certain length of time.
- Sabbaticals for clergy are similar in structure to those in academia. Sabbaticals for clergy are used for:
 - Increased productivity (time for conducting research and for contemplative study)
 - Occupational retention (time for rest, rejuvenation, and investing in professional development).
- In the for-profit sector, sabbaticals and breaks in service tend to be much shorter, on the order of 6 to 12 weeks, and seem to be more directed at work/life balance issues. More firms are looking at flexible, part-time arrangements rather than sabbaticals to help employees with work/life balance.

One advantage that the civilian sector typically has over the military in offering alternative work arrangements (including sabbaticals or off-on ramps) is more flexible personnel management systems. This includes fewer explicit up-or-out promotion rules and more flexible compensation plans. However, attitudes about women in the workplace, creating work/life balance for all workers, and views about productivity of those who take breaks from career paths are still evolving in the civilian sector.

In fact, while sabbaticals, leaves of absences, alternative career paths, and flexible work arrangements are present in the civilian sector, they are not as available as one might expect. The Pew Research Center recently released a report on attitudes of mothers about participation in the paid workforce [13]. The survey included mothers who work full-time in the paid workforce, those who work part-time, and those who do not work in the paid workforce. The survey found that the demand for part-time work by mothers was far greater than the current level of part-time employment would suggest. The excess

demand came from both women who are currently working full-time but would prefer a part-time schedule and from women not currently in the paid workforce who might like to participate at a lower level than full-time. This suggests that the civilian sector is still adjusting to the demand for alternative career paths.

United States Coast Guard off-on ramp efforts

The Coast Guard (CG) TEMPSEP program provides one of the few examples of an explicit off-on ramp program in the uniformed services that is intended to retain officers in good standing by providing a better work/life balance. Although available to both enlisted personnel and officers, we discuss the program for officers only.

The TEMPSEP program was adopted in mid-2000, having followed from the CG's Care of Newborn Child (CNC) program that had been in place for much of the 1990s. The features of TEMPSEP and CNC are very similar, but the CNC program was available only for active CG enlisted personnel and officers to care for newborn children. In contrast, TEMPSEP expanded the program to all eligible enlisted personnel and officers, regardless of how their time away from active duty is spent.

To be eligible for TEMPSEP, separating officers must be career AD officers (no reservists, except the CG equivalent of FTS officers), must have served in the AD CG for the preceding 5 years without a break, must have achieved the rank of O-3 or above, must have completed their MSR, must be in good standing, must not be in a failed promotion status, and must not be eligible for retirement.

Eligible officers may sign a TEMPSEP agreement for up to 24 months. Should officers want to return to AD after the temporary separation (e.g., an on-ramp), the agreement guarantees them a return to active duty at the same rank at which they left as long as physical standards are met. The TEMPSEP program does not provide any compensation to officers while they are away from active duty, and the program does not obligate officers to return to active duty. Officers may affiliate with the CG Reserve while away from active duty and receive the reserve pay and benefits under existing reserve compensation rules.

Ease of reentry to AD is a key advantage of having a TEMPSEP agreement.²² On return to AD, the officer returns as a regular permanent member with his or her original rank at the time of separation. If the TEMPSEP officer did not affiliate with the CG Reserve, there is a formula that typically changes the DOR by approximately 1 month for every month that the officer was away from AD.²³ If officers did affiliate with the CG Reserve, their rank and DOR will follow from reserve experience.

Another advantage of the TEMPSEP program is that it was defined and implemented within existing federal law. Because no laws needed to be changed, the program avoided an extensive approval process by entities outside the Coast Guard.

The program appears to be relatively simple to administer. The CG makes no particular effort to reach out to TEMPSEP officers to reapply for active duty status as their on-ramp date approaches. Essentially, the officer must be proactive and signal his or her desire to return to AD. There is no compensation offered while away from active duty (apart from reserve compensation, should the officer choose to affiliate), and there is no obligation to return. Thus, TEMPSEP is a low-cost/low-obligation program; it is an exercise in determining how many officers (particularly women) simply need an avenue to take time off to pursue other activities. CG personnel provided the data in table 1 on the TEMPSEP program as of fall 2006.

The data in table 1 suggest that interest in the TEMPSEP agreement differs by gender. Women appear to be overrepresented among officers who signed a TEMPSEP agreement in the last 7 years compared with their representation in the active duty officer force.²⁴ In addition, of those signing agreements, disproportionately more women than

22. Reentry can be expedited if the TEMPSEP officer affiliated with the CG Reserve because the officer can be more readily reassessed.

23. The author gratefully acknowledges input from Coast Guard LCDRs Marc Bottiglieri and Kurtis Virkaitis, who provided TEMPSEP program background and data.

24. We do not have data on the number of TEMPSEP-eligible separating officers by gender over the period.

men are returning. This is some evidence that a sabbatical or off-on ramp arrangement (even one with low retention incentives and low obligation to return) may increase retention and may be more appealing to women than to men.

Table 1. Preliminary results from the Coast Guard TEMPSEP program for officers, FY 2001 through 2006^a

	Agreements signed on separation from AD		Officers who returned to AD by FY 2006	
	Number	Percentage	Number	Percentage
Men	121	59%	5	4%
Women	85	41%	11	13%
Total	206	100%	16	8%

a. Data were not available on the percentage of separating officers who are eligible to sign a TEMPSEP agreement. About 16 percent of all active duty CG officers are women. About 16 percent of all active duty O-3 CG officers are women. FY 2006 figures reflect roughly half of the year.

CG personnel strongly caution against expecting to duplicate results of the TEMPSEP program in other venues. Recall that the TEMPSEP program was instituted after the CNC program had been in place for a number of years. Thus, CG enlisted personnel and officers, commands, promotion boards, and others involved in personnel management had gained some familiarity with this type of break in service. The TEMPSEP program likely benefited from this precedence.

Navy off-on ramp proposals

While the TEMPSEP program is a virtually no-cost, no-obligation program, other proposed programs have been shaped very differently.

An earlier SW sabbatical proposal

In 2005, the SW community proposed an off-on ramp program to retain officers in the traditional SW career path. The program was a 1-year paid leave of absence after which the officer was obliged to return to the SW community for back-to-back DH tours. To ensure that officers selected for the program could fulfill their obligations on

return to AD, the proposed program was limited to officers who had screened for the DH tour.

In exchange for the obligation to return for these hard-to-fill positions, SW officers would be eligible for their entire AD compensation (base pay, medical benefits, etc.) with the exception of the basic allowance for housing during their year away from active duty. They would also receive SWOCP.

The time away from AD would count toward YCS and toward retirement. The sabbatical had to be fairly limited in length (no more than 12 months) because there would be no DOR adjustment and because the time away was so well compensated. Even with the 1-year time limit, the program would likely have been prohibitively expensive.

The pilot program needed DoD and Office of Management and Budget (OMB) approval, not least because it would have required suspending (or amending) federal law to extend AD pay to officers on sabbatical. OMB did not approve the proposed pilot program. Reasons included the inconsistency of having to call up reservists to fight the War on Terror while granting active duty personnel sabbatical leave. Indeed, the need for officer sabbaticals at all was questioned.²⁵

The current Navy officer off-on ramp proposal

In FY 2007, the Navy submitted a Unified Legislative and Budget (ULB) proposal to initiate a pilot program to allow active duty officers to take up to 3 years' leave from active duty. The program, called the Career Intermission pilot program, would include 20 officers and up to 20 enlisted personnel annually for 3 years. The Navy would define other eligibility criteria that would depend on the timing and severity of the retention problems in the officer community and enlisted rating career paths.

The proposal says that officers selected to off-ramp would be obliged to return to active duty and to serve for twice the length of their leave

25. We confirmed this with OMB Military Personnel budget examiner Jeff Goldstein in a phone conversation in August 2006.

time from active duty. While away from active duty, officers must join the IRR. They would not be eligible for active duty pay but would be eligible for other active duty benefits, such as medical, dental, and access to commissary benefits. They would also be eligible for certain reserve pay. The current version of the ULB proposal calls for adjusting the officers' DOR on return to active duty to more properly reflect their active duty experience level and to maintain competitiveness at subsequent promotion boards.

The current proposal's extension of medical, dental, and other fringe benefits to a reservist must be done by suspending current law for the participants in the off-on ramp program. This will require extensive outside-the-Navy approval.

As the Navy continues to develop an off-on ramp pilot program proposal, one last consideration becomes evident. The potential participants in proposed retention programs (active duty officers) have frequently contributed to the proposal development by submitting to interviews, surveys, and focus groups. Meanwhile, the Navy personnel policy commands work diligently to propose effective retention policies, often using the input from the potential participants. The off-on ramp pilot program proposal is no exception. Yet, these policy development efforts are not always visible to the potential participants. In addition, the Navy does not control the pilot program approval process since it has to seek and obtain approval from entities outside the Navy. As a result, the Navy needs to determine two things:

- How should the policy development efforts be communicated to the potential beneficiaries?
- How should it manage the expectations of potential participants about program implementation?

Providing for appropriate communication to and from potential participants in programs will be essential to developing the most effective policy possible within the budget and other policy process constraints.

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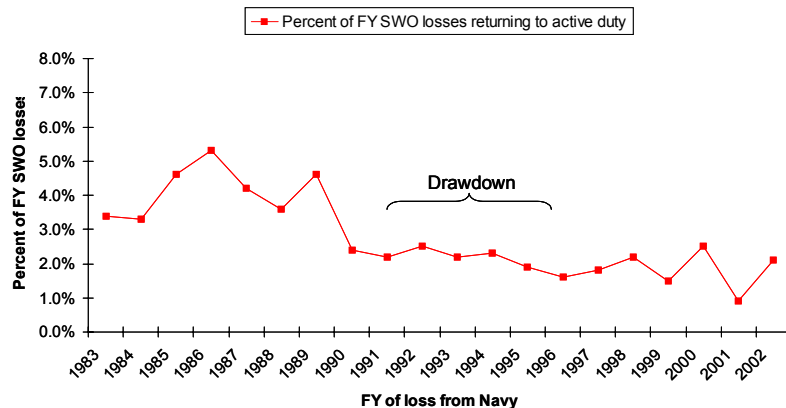
Broken service and specific community needs

Informal off-on ramps: officers with broken service

To understand the magnitude of possible off-on ramp programs, we examine data on officer broken service—essentially off-on ramps that have been operating without the benefit of a special program. We examine the personnel records of officers with broken service over the past 25 years. For the more recent cohorts, we also look at their reserve status while away from active duty. We focus on those leaving the Navy altogether since those who lateral out of their community of origin typically do not lateral back into that community.

We begin with the SW community. Figure 4 shows that broken service for SWOs was more prevalent in the 1980s than the 1990s. Most of the losses were O-3s. We excluded FTS officers, Warrant Officers, and Limited Duty Officers from our calculations.

Figure 4. SWO broken active duty service^a



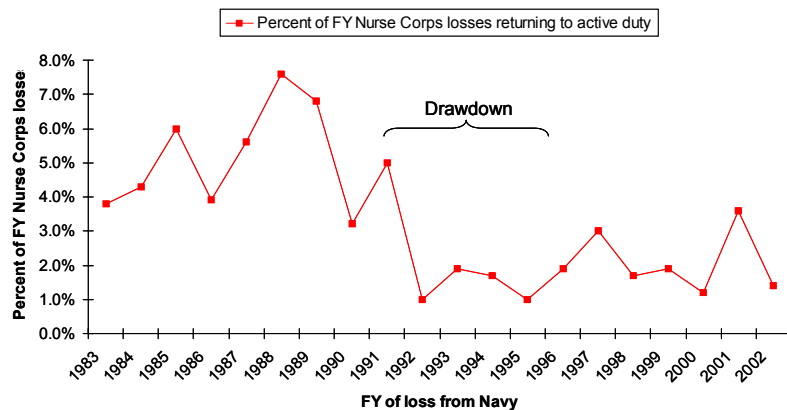
a. Average annual Navy losses for designators 111X or 116X for FY 1983 through 1989 was 931 and for FY 1990 through 2002 was 987.

Of the FY 1983–1989 SWO losses, about 4 percent returned to the active duty Navy. From FY 1990 to FY 2002, the portion of SWO losses returning to active duty fell to about 2 percent. About 75 percent of the FY 1983–1989 SWO losses, and 70 percent of the FY 1990–2002 SWO losses, who returned to service came back to the SW community.

The decline in the percentage of SWO losses who returned to active duty coincides with the drawdown of Navy personnel. There was likely more opportunity to return to active duty when officer endstrength was increasing or stable rather than decreasing. Also, due to the combat exclusion laws in place before 1994, fewer women accessed to the SW community in the 1980s than the latter half of the 1990s. From FY 1983 to FY 1989, only four female SWOs left the Navy and returned, all of them to the SW community. From FY 1990 to FY 2002, ten female SWOs left the Navy and returned, seven of them to the SW community.

Next we compare these broken service data for SWOs with data for the Nurse Corps, a predominantly female community. Figure 5 shows the same loss data for the Nurse Corps: 78 percent of the losses from FY 1983 through FY 2002 for the Nurse Corps were women.

Figure 5. Nurse Corps broken service^a



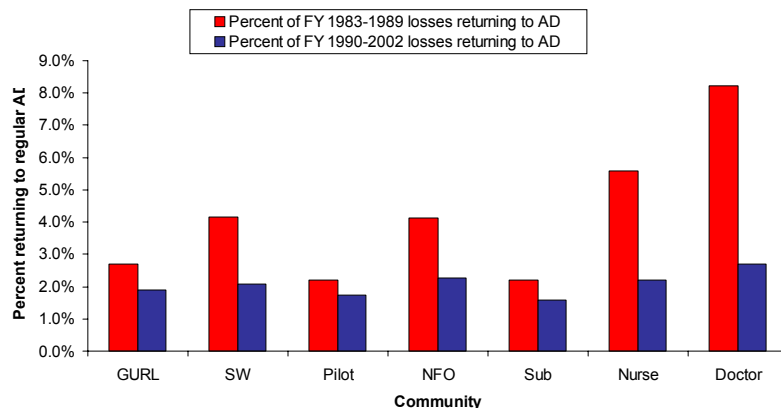
a. For designators 290X at the time of loss. Average annual losses FY 1983–1989 = 256; average annual losses FY 1990–2002 = 289.

As figure 5 demonstrates, the pattern of return to active duty for the Nurse Corps losses is similar to that of the SW community. The percentage of Nurse Corps losses who return to the Navy was higher from FY 1983 to FY 1989 than it was from FY 1990 to FY 2002. The average annual return rate in the earlier period was about 6 percent, while the return rate in the latter period was about 2 percent. The vast majority of returnees in both periods returned to the Nurse Corps.

It is difficult to compare the broken service of the more shore-based Nurse Corps with a heavily sea-based URL community, such as SW. Moreover, the sample sizes for women in the SW community are so small that it is not feasible to compare the broken service activity of the Nurse Corps with that of female SWOs. It is interesting, however, that the magnitude and pattern of the broken service over time in the two distinct communities is quite similar.

Indeed, the magnitude and pattern of broken service is similar across many officer communities. Figure 6 shows that broken active duty service happened across many officer communities, and the return-to-Navy rate for officer losses was higher in the 1980s than in the 1990s for all of the communities. The Aviation and Submarine communities had the smallest difference in return rates over the two time periods.

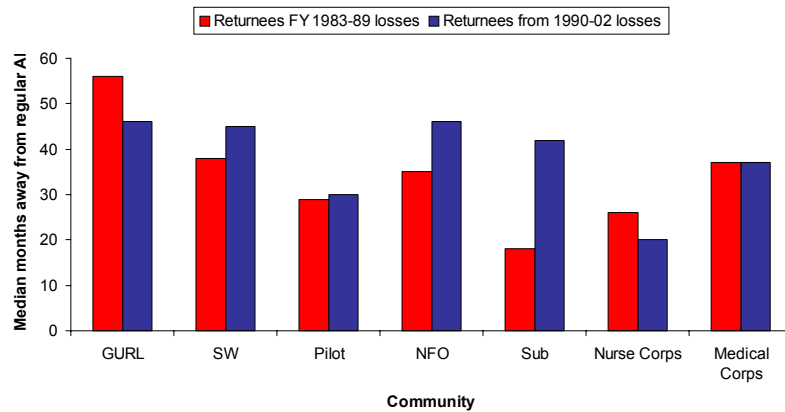
Figure 6. Broken active duty service for officer communities



Time away from active duty

Given that an off-on ramp policy should be structured to give adequate time away from active duty for work/life balance, how long should an officer be allowed for off-on ramps? Figure 7 shows the median time away for those who left and returned to active duty across officer communities. Median time away in nearly all communities and over both time periods exceeded 2 years. The General URL (or GURL) community, which was predominantly female, had the longest median times away from active duty service of nearly 5 years for the earlier time period and just under 4 years for the more recent time period. Also, the median time away from active duty increased for the URL communities over time (excluding the GURL community), while it remained about the same or declined in the non-URL communities.

Figure 7. Median time away from active duty



The data appear to reflect limited opportunities to return to active duty service through the drawdown years. It is unclear why the return-to-service percentages did not increase in the late 1990s and the early part of this century. It may be that the strength of the economy in the late 1990s made return to service less attractive.

Time spent in the Reserve

Figures 8 and 9 display the importance of the Reserve for officers with broken active duty service. Figure 8 shows data on FY 1997–2002 active duty officer losses matched to FY 2000–2005 reserve records. From FY 1997 to FY 2002, there were 26,338 active duty Navy officer losses. We found 12,151 of those officer losses in the Reserve (excluding FTS officers), or about 46 percent of the active duty losses over the period. A total of 495 of all officer losses returned to active duty by FY 2005 in non-FTS status and as regular officers (e.g., not as reservists called up for active duty). Of the 495 officer losses who returned to regular active duty, 407 spent time in the (non-FTS) Reserve. Thus, more than 80 percent of officers for whom we could observe broken active duty service had spent time in the Reserve during their break in service.

Figure 8. Recent active duty officer losses and subsequent reserve affiliation

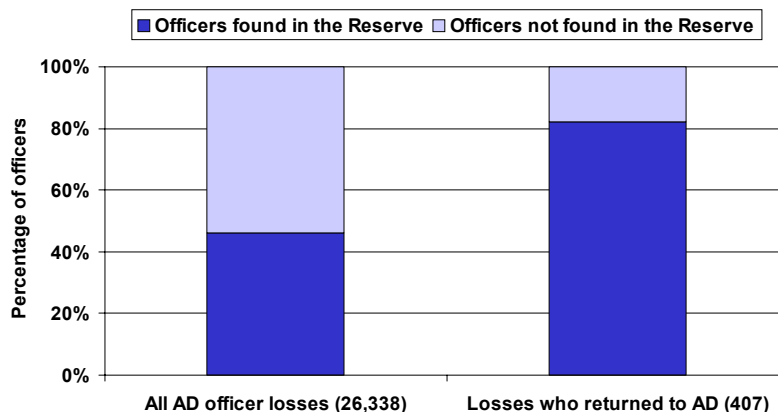


Figure 9 shows that, of the active duty losses from FY 1997 to FY 2002 that are found in the Reserve at some point from FY 2000 to FY 2005, most affiliate with the Individual Ready Reserve. This is not surprising since many officers who leave active duty will have completed their Navy minimum active duty service requirement but not necessarily

their 8-year total military service requirement. Many of these officers complete this obligation in the IRR.

Figure 9. Reserve component affiliation for officer losses and subsequent returnees

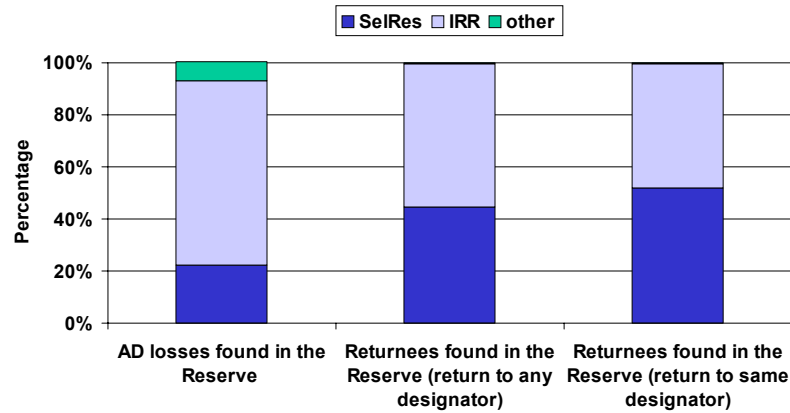


Figure 9 also shows that, among officers who spend time in the (non-FTS) Reserve during their break from regular active duty, we found a slight majority—about 55 percent—in the IRR when they first appear in the reserve data system. The remaining 45 percent were first found in the SelRes. If we limit our examination to officers who return to active duty in their same designator, we find that 52 percent were first in the reserve data system as members of the SelRes, with the remaining 48 percent in the IRR.

It appears that the vast majority of officers with broken service affiliate with the Reserve while away from active duty. It also appears that officers who return to regular active duty first affiliate with the IRR about as frequently as the SelRes. If the results from officers with broken service are any indication, there are likely a variety of ways to create a successful off-on ramp program for officers that allows for affiliation with some component of the Reserve while away from active duty.

Off-on ramps and specific officer communities

What other issues regarding off-on ramps may arise for officer communities? N1 asked us to look at three communities in more depth to understand some of their specific concerns. We found that each of the three communities—SW, the JAG Corps, and Meteorology and Oceanography—had different issues surrounding male/female retention rates and how and why off-on ramps might be used.

SW community

We have already documented the retention problems in the community and reviewed both quantitative and qualitative data regarding retention. If no off-on ramp pilot program is initiated, what might we expect from SW officers leaving and returning to regular active duty service based on the experience of officers with broken service from the 1980s and 1990s? From FY 2000 to FY 2006, about 117 women per year left the Navy from the SWO community. If we applied the amount of broken service activity observed in the 1990s (2 percent of losses returned to service) to current losses of female SWOs, only 2 of 117 women would return to service. If we applied the broken service activity level of the 1980s (4 percent), only 4 women would return.

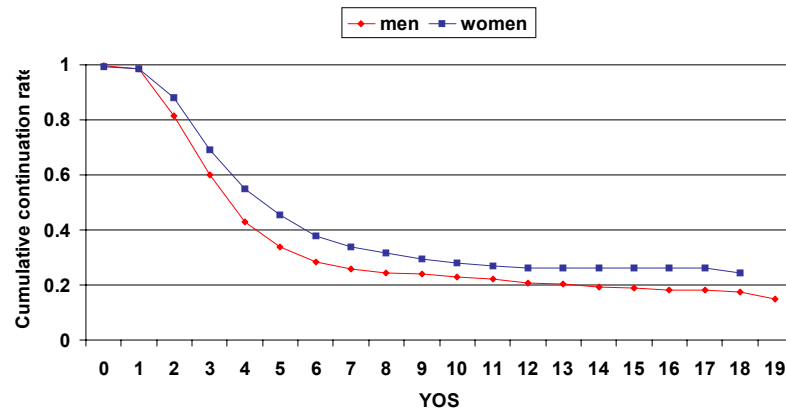
What might we expect from an off-on ramp program that is similar to the current Navy proposal? Up to 20 officers per year could participate in the pilot program as it is currently described, and the Navy can decide which community and which officers (by rank, etc.) may participate. If a majority of the 20 officers approved annually for participation in the proposed off-on ramp pilot program were female SWOs and most of the 20 returned to SW active duty service as they would be obliged to do, this would be a substantial improvement in what we would expect for return to service with no program in place. If, in addition, a majority of the program participants would have left the Navy entirely, then the program would be a successful retention tool.

JAG Corps

The JAG Corps has expressed much interest in officer off-on ramps because some perceive that female JAGs are facing the same work/life balance issues as women in other Navy communities and in the civilian sector. Offering an off-on ramp option that does not hinder career advancement could be an ideal way for all JAG officers, but

especially women, to gain a better work/life balance. Interestingly, figure 10 shows that the JAG Corps does not currently face a male/female retention gap.²⁶

Figure 10. Cumulative continuation rates for officers in the JAG Corps



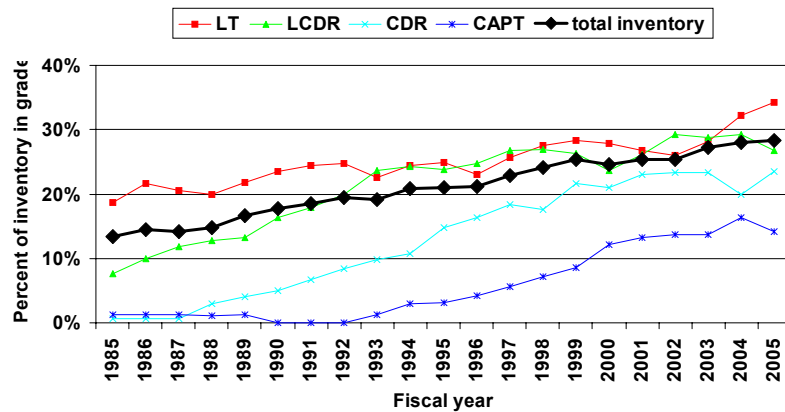
So far, career advancement for female JAGs does not seem to be greatly hindered, either. As figure 11 shows, the percentage of women in the JAG Corps from 1985 to 2005 grew steadily to more than 28 percent of the fiscal year end inventory. The percentage of women at each paygrade from O-3 to O-6 also grew steadily over the period.

While retention rates and career advancement in the JAG Corps do not appear to be greatly different for women and men, community leadership has expressed much interest in officer off-on ramps. Although they have not formally surveyed the community, some in the JAG Corps leadership ranks believe that some top legal talent, especially women, might be persuaded to stay in the service if they could achieve a better work/life balance, assuming that their JAG

26. We also examined male/female retention rates for JAG Corps officers for the 1985–2002 accession cohorts. We found no evidence of retention rate differentials at YOS 4, 6, 8, 10, and 20 for accession cohorts for which retention could be observed.

Corps career would not be adversely affected. Moreover, 50 percent of law degrees conferred in the United States are now awarded to women.²⁷ It may be advantageous to establish off-on ramps now to help persuade top legal talent to continue in the Navy and before retention rate differences between men and women develop.

Figure 11. Percentage of women in the JAG Corps by rank

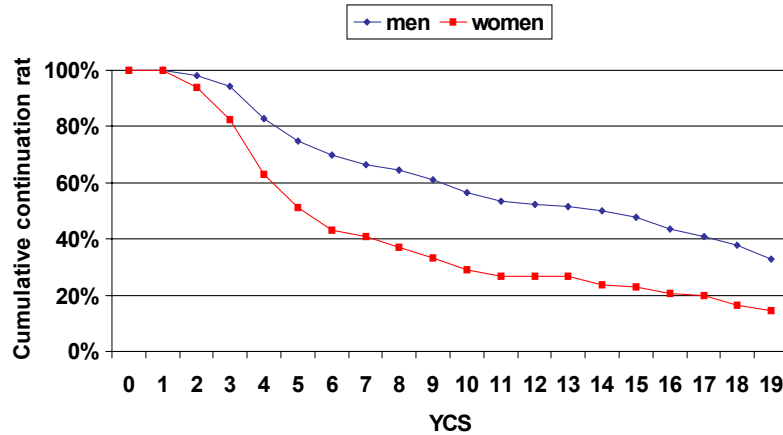


METOC community

In contrast to the JAG Corps, the METOC community faces issues with male/female retention differences that are similar to those of the SW community. Figure 12 shows the cumulative continuation rates for men and women in the METOC community (designator 180X for regular officers, 646X for limited duty officers). Clearly, a substantially lower percentage of women than men are retaining in the community; as in the SW community, women’s retention in the METOC community begins to deviate from men’s at around YCS 3 and hits a maximum difference at around YCS 9. Also, the percentage of women in the METOC community has grown to over 20 percent in the last 3 decades.

27. This figure comes from the U.S. Department of Education, National Center for Education Statistics.

Figure 12. Cumulative continuation rates in the METOC community



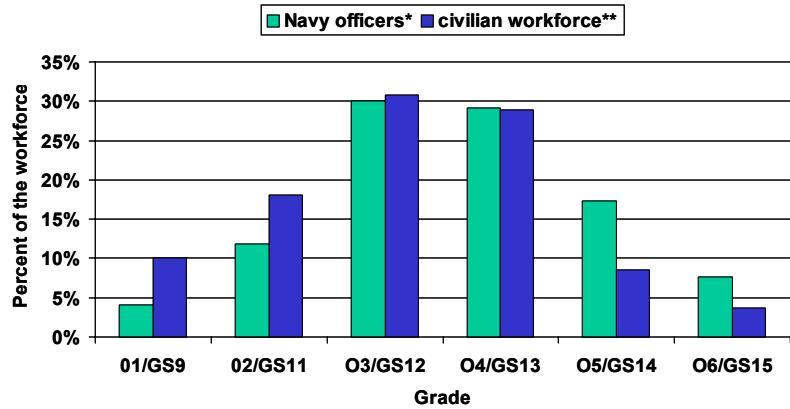
While the METOC women’s officer retention rate is troubling, community management cited other personnel issues as perhaps even more pressing.²⁸ The community would like to move more military officers to the civilian METOC workforce than law and policies allow. Then, as workforce needs dictate, they would like the option to bring these officers back to a military career. The goal is to improve the military experience and the education levels in the total METOC workforce, half of which is military and half of which is civilian. Figure 13 shows the relative grade distribution of the officer/GS-11 and higher portion of the workforce.

Some have argued that allowing more movement between the military and civilian workforces would increase the scientific background of the civilian workforce. In fact, the more senior grade distribution for the METOC military officers, coupled with the requirement that officers must earn Master’s degrees in a meteorology/oceanography specialty, results in an officer community that has many more Master’s

28. The author is grateful to CDR Richard Jefferies, Commander, Naval Meteorology and Oceanography Personnel Development Command, Master Chief Ray Chappell (AGCM), and community personnel specialist Pam Buehler for much help in understanding the METOC community’s particular needs regarding officer off-on ramps.

degree holders than the civilian side of the METOC community. Figure 14 shows the highest education levels for the METOC officer and civilian-equivalent workforces.

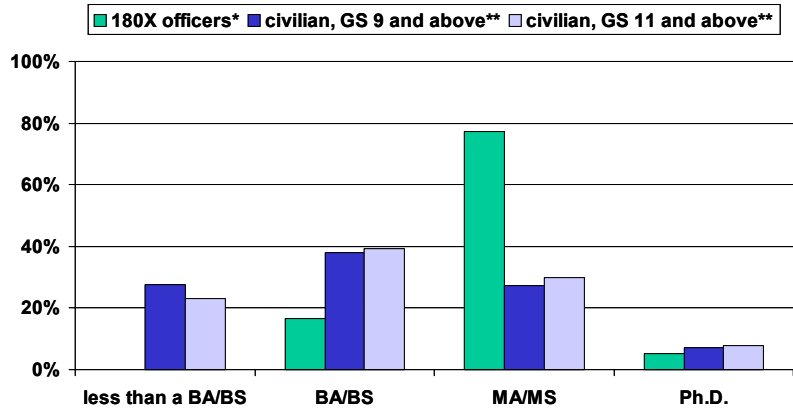
Figure 13. Grade distribution for METOC officers/GS-11 and above workforce, 2005 inventory



*Includes 422 Navy officers, 377 with 180X designator and 45 with 646X designator. The METOC community has one flag officer.

**Includes 1,031 Navy civilian workers on the GS/GG/GM pay scales at grade 9 and above.

Figure 14. Military and civilian education levels, 2005 inventory



*Includes 377 Navy officers with 180X designators. The METOC community has one flag officer.

**Includes 1,031 Navy civilian workers on the GS/GG/GM pay scales at grade 9 and above and 927 civilians at grade 11 and above.

Although the two goals of increasing women's retention and achieving more flow back and forth between the military and civilian workforces are not necessarily mutually exclusive, the community was clear that the latter effort was of larger concern. The community has looked into the ways to move officers between the two workforces within current law. Although the law already allows some movement from active duty to the civilian workforce, it was only designed to move military officers from active duty; there are few mechanisms to bring former active duty officers in the civilian workforce back to active duty.²⁹

While the current Navy off-on ramp proposal would not address movement between the military and civilian workforces as the METOC community might desire, it could certainly help address the male/female retention gap in the community.

29. There is also some authority to make temporary appointments of officers to civilian billets, but not enough to manage the amount of movement the community would like. Also, at the time of writing this report, the METOC community did not have any gain-to-strength authority (e.g., the authority to bring former active duty METOC officers back to active duty).

Conclusions and recommendations

Navy URL due-course career paths, like some other officer career paths, are very tightly prescribed series of sea and shore duty assignments designed for about 20 years of service. Deviations from the due-course career path can lower the likelihood of career advancement, and officer career progression laws, policies, and tradition make it difficult to leave an active duty career and return to it. Thus, officers face a definitive leave/stay decision some time during YOS 4 through YOS 12.

The retention decision point has been problematic for many officer communities and, in particular, for the SW community. Moreover, since the repeal of the combat exclusion law, female officers have been entering the SW community in much higher numbers but have been retaining at significantly lower rates than male officers.

Both male and female SWOs cite workplace morale and difficulty in achieving a work/life balance as other important factors in the decision to stay or leave. Women, however, cite these two reasons more frequently than men and also report that these two factors have a stronger effect on their stay/leave decision.

The survey and focus group results provide support for one possible policy solution to the retention problem. To improve the work/life balance, the Navy would like to offer off-on ramps to certain active duty personnel. In this study, we examine the key considerations for off-on ramp programs and how these programs might be shaped. We found that the range of possible off-on ramp programs is large and ranges from low-cost, low-obligation programs to more expensive, higher obligation programs. An important consideration for an off-on ramp program is whether current laws must be amended to accommodate the pilot program. In general, the more likely it is that laws will have to be changed to set up a pilot program, the less direct

control the Navy has over the eventual design of the program and the chances for implementation.

Off-on ramps appear to be a promising retention policy compared with other options. Researchers looked for observable differences among officers that could help explain stay/leave behavior and that could guide policy development. Several studies used personnel records and found that female SWOs who stay and leave do indeed differ in some observable characteristics, such as marital status, undergraduate education, and accession source. However, these differences do not translate into feasible accession or retention policy options.

Retention bonuses are another possible solution to shortfalls in officers choosing to stay. Indeed, overall community retention does appear to be correlated with increases in the retention bonuses. However, the retention gap between men and women does not seem to be diminished by bonuses. Part of the reason is that women and men appear to respond differently to monetary incentives to stay in the community. In fact, survey and focus group results indicate that, for SWOs, additional direct monetary compensation is not always the most important factor affecting the stay/leave decision.

Broken service and some specific community needs

We also looked at officer broken service to understand how off-on ramps may have been functioning unofficially over time. While we did not find very large numbers or percentages of officers with broken service, the alternative career has clearly existed throughout the years. We found that breaks in service were more common in the 1980s (before the drawdown) and were similar for men and women.

We also examined the male/female retention patterns of several officer communities in more detail. We found that male/female retention differences and personnel management challenges were different for the SW, JAG Corps, and METOC communities but that off-on ramps could potentially benefit all three.

The current Navy ULB proposal

Recently, the Navy proposed an officer off-on ramp pilot program (the Career Intermission pilot program) in which officers could leave active duty for up to 3 years. While away from active duty, the officer would affiliate with the IRR and would have fringe benefits, such as medical and dental coverage and commissary benefits through DoD. Participating officers would be obliged to return to active duty in their communities for at least 2 months for every month they spent in the Reserve. Officers' DORs would be adjusted on return to active duty to maintain competitiveness for promotion.

The review process for this pilot program is still under way. Our recommendations regarding officer off-on ramps, therefore, support ongoing efforts:

1. *Continue efforts to initiate a pilot program for officer off-on ramps.* The Navy needs to address male/female retention differences, and evidence suggests that an off-on ramp program is a feasible option because:
 - a. The (URL) officer career path, as currently structured, offers few options to address retention issues. It is a highly prescribed career path, deviations are typically not allowed, and it is supported by an inflexible compensation system.
 - b. The observable characteristics that have been estimated to affect female SWOs' stay/leave decisions do not translate into feasible accession and retention policies.
 - c. Retention bonuses do not appear to be closing the gap in male/female retention rates.
 - d. Survey and focus group results for both male and female officers suggest that off-on ramps could help retention as long as career progression is not hindered.
2. *Communicate with officers about their views on retention policies and, in turn, set appropriate expectations about the policy process.* Personnel records can be used to measure retention rate differences between officers, but they offer little understanding of why officers stay or leave. It is critical that:

- a. Communication with officers about the reasons for their stay/leave decisions continue on a regular basis, notably through surveys, focus groups, and other alternative qualitative data collection mechanisms.
 - b. The Navy, in turn, should be clear about actions that it is taking to provide off-on ramps and also must convey to officers how the non-Navy approval process required for pilot program proposals may affect the off-on ramp program efforts.
3. *Ensure that officer off-on ramps will not hinder careers.* This will be crucial to the success of off-on ramp programs. This assurance must be reflected in everything from promotion board precept language and active monitoring of command attitudes about off-on ramps to systematic evaluation of which officers are assigned to career-advancing positions.

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