

Reducing Randomness

Billet assignment and talent retention

by Capt William McGee

One of Gen Berger's top priorities is to improve the Marine Corps' talent retention and human resource management systems. He wrote in his *Commandant's Planning Guidance*, "retaining the most talented individuals within the institution is critical," and stated that the ability to fully implement and capitalize upon technological advancements and operating concepts rests on "revers[ing] negative trends related to talent retention."¹ It seems that the Marine Corps is struggling to retain its top performers.

The Service's focus for the last two years has been on *Force Design 2030*: the Marine Corps' reorganization in preparation for great power competition in the Pacific. Yet, force modernization

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and talent retention/human resource management remain clear goals for the Commandant. In fact, the two are linked. In a recent Congressional hearing, Gen Berger stated that cost savings actualized through Force Design 2030 would be used to finance the modernization of the Corps' human resource and talent management systems.²

People are expensive. The Marine Corps annually spends over half a billion dollars on training and recruitment.³ Given that departing Marines

must be replaced, retaining personnel will decrease manpower costs and these savings could be used to fund equipment modernization. As the Commandant recently stated, he is "at the limits of what I can do"⁴ to cut costs in favor of modernization, decreasing personnel costs could provide budget trade space to continue force modernization.

Talent management is difficult for any large enterprise—and so much more so for the Marine Corps: a centrally controlled labor market without mid- or late-career entry points. The Corps controls everything about a Marine's career from the moment a volunteer raises their right hand until the day they retire. Satisfaction with geographic location and billet are key drivers in personal performance and retention. Improving the orders assignment process will be crucial to human resource modernization efforts.

How to Assess Retention

The ideal Marine takes pride in his job, takes initiative to pursue career goals, and possesses the ability to weigh risk and make decisions accordingly.⁵ These are precisely the individuals whom the Corps should strive to retain. However, the Commandant's identification of "negative trends related to talent retention"⁶ and desire to develop "creative ways to keep the talent within the Navy and Marine Corps"⁷



A Marine officer must be a leader foremost and should take initiative to pursue career goals.

(Photo by 6th Marine Corps District.)

indicates that, in his view, the Service is struggling to retain its top performers.

Discussions about retention typically revolve around comparing the number of personnel in service to the number necessary. These conversations ignore a crucial component: the quality of the individuals being retained. It would be entirely possible for the Marine Corps to have enough people to fill every billet, but if these are not the right people, then the Marine Corps will not be succeed.

The Commandant's comments, specifically his use of the word "talent" instead of "personnel" articulates a concern that high performers are disproportionately leaving the Service. Likewise, his intent to "develop a true talent management system that measures success by our ability to attract, recruit, identify, incentivize, and retain the most talented individuals across the entire force"⁸ indicates concern that the current manpower management model is not structured to keep these Marines in the force. Likewise, his planned release of "major policy changes related to talent management to include how we screen and select our commanders and most senior leaders"⁹ indicates unease with the manpower management and promotion system. The scale of this issue is unclear to outside observers as data on retention and promotion are not publicly available.

Analysis of this problem should begin by creating a rough proxy for talent. A quantitative measure would weight officer candidate data (grade point average, physical fitness test score, etc.) by the national ranking of their undergraduate institution. This measure could then be compared to the length of service to determine if the Corps retains its most talented members.

To understand the Service's ability to identify and promote its top performers, this model could be used to assess whether the most talented officers disproportionately rise into the ranks of its senior leadership. The system's effectiveness could be evaluated by comparing the data on the Corps' current senior leadership and comparing it to their commissioning year group. If the current leadership were at the top of their peer set then the system is operat-



Retention is a function of performance, billet assignments, and promotions. (Photo by 6th Marine Corps District.)

ing well. If not, then the system must change.

Historical officer candidate data likely resides with Marine Corps Recruiting Command and career data with Manpower and Reserve Affairs. This analysis could (should) be conducted in-house to minimize reputational risk to the Service. Manpower and Reserve Affairs could assign one of its operations research analysts to evaluate the scale of the problem.

Successfully retaining the most talented Marines is crucial to the Marine Corps' continued position as the Nation's preeminent warfighting institution. The Corps should want individuals who are in demand (i.e. offered external opportunities) and should be wary of those who have no choice but to remain in its ranks. However, the Service does little to assure that its human resource system will work to the former's advantage—and it guarantees that absent major disciplinary violations, the latter will almost always be welcome. Ironically, the traits that define a successful Marine Corps officer—initiative, pride, and risk-management—are the ones that often lead good officers out of the Service.

Retention Headwinds Ahead

The decision to remain in the service

is a deeply personal one and affected by many factors. One of these is the benefits package offered in return for service. The pension is one of the most significant to retention. Under the traditional retirement system, if a Marine resigned before twenty years in uniform, they would do so without retirement benefits. This structure created a career cliff beyond which it no longer made (business) sense to leave the Service. Common wisdom amongst company-grade officers held that if one served for at least ten years then they should continue for another ten to avoid walking away from a generous retirement package.

After around ten or twelve years, anyone still serving was likely to continue to do so for another decade. Thus, if the Commandant's intent is to retain the most talented members of the Marine Corps, these efforts should focus on company-grade and junior field-grade officers with between three and twelve years of service.

This analysis comes with a major caveat: the 2018 Blended Retirement System altered this incentive structure by providing reducing the size of the pension by twenty percent in return for contributions to retirement savings accounts. This change will affect retention in two ways. First, every officer

commissioned in year group 2018 and beyond will be able to walk away at any point in their career with retirement benefits. From a financial perspective, a twenty percent smaller pension means twenty percent less of a (business) case to stay in the Service. Second, because the overall payout is reduced, one would expect the career cliff to move to later in the career.

Job satisfaction is another significant factor. The Marine Corps is in the midst of a generation shift from ground conflict in the Middle East to focus on the Pacific. The Corps' company-grade ranks are full of lieutenants and captains who joined the service in order to serve in Iraq or Afghanistan. The drawdown from those regions will affect their decision to remain in the Service.

The most recent Manpower Management Officer Assignments (MMAO) Roadshow briefing revealed that officer attrition is currently running about one percent above historical averages.¹⁰ This occurred amid the COVID-19 pandemic—one of the worst labor markets in recent history—and so this rate probably understates dissatisfaction as some Marines likely postponed leaving the Service given the condition of the economy. Retention headwinds will only increase in the summer of 2022, as this is the first PCS cycle for Marines commissioned in 2018. If the Commandant's comments about talent retention are accurate, this trend will only accelerate in the future.

Given that efforts at officer retention should focus on individuals in the first half of their career, how should the Service convince top-performing Marines to remain in uniform?

Billet Assignment as a Retention Tool

A recent study of the effects of duty station preferences on performance found that “enlisted Marines who are assigned to desired duty stations outperform their counterparts” and “officers who receive desired duty assignments remain in the Marine Corps longer relative to those who do not.”¹¹ This study confirms that the first few sets of orders are crucial to retention: “officers and top performers particularly outlast their counterparts when they are assigned to

a preferred duty station early in their careers.”¹² Geographic location plays a significant role in job performance and officer retention. So, it is reasonable to assume that billet desirability also plays a significant role in retention and performance. Improving satisfaction with the outcomes of the billet assignment process will directly affect retention.

Consider the scale of the billet assignment problem from the perspective of the monitor, the individual assigned to assign billets to each occupational community. A back-of-the-napkin calculation for the MAGTF Intelligence Officer population reveals over a trillion possible combinations of 166 movers and billets.¹³ Granted, the monitor is supposed to be guided by the Marine's preferences and other considerations, so the set of outcomes will narrow somewhat. However, even when these are taken into account, the range of outcomes is still massive, and so the monitor is in the position of having to sort through what must be a mind-bogglingly complex web of shifting preferences and positions. The scale of this problem combined the fact that much of this positioning and tentative slating takes place out of sight, creates what is often perceived to be a level of arbitrariness to billeting decisions from the perspective of the moving Marine. This scale creates a certain level of arbitrariness to billet decisions.

The monitor is one of the most powerful positions in the Marine Corps as each of their decisions can uproot a family or ruin a career. Even in the best of circumstances, the process by which the monitor goes from reading the mover's preference questionnaire to assigning them a billet is far from clear, and this lack of transparency breeds cynicism.

Think about this process from the perspective of a top-performing company-grade officer. Most tours of duty end in the summer, and as a result of service obligations incurred upon moving, Marines typically resign at the end of a tour rather than in the middle of it. A moving Marine will receive orders between one to five months before detaching from the command, but resignation paperwork is due four to fourteen months before leaving the Service. So,

if someone is thinking about resigning, the timing of this process forces them to choose between a known quantity (job or academic program) and an unknown quantity (the outcome of the orders process, because the system requires them to resign before they have any clarity about their next Marine Corps assignment). This is not a recipe for retention.

One experience with the orders assignment process reveals that the system does not always function as a pure meritocracy, and so most understand that every orders cycle represents significant—and unmitigatable—professional risk. Improving the outcomes of this process, so that the majority of Marines can reasonably expect to be satisfied with their orders, will likely increase retention.

Process Improvements

Improving officer retention will require the service to rethink its talent management processes to move away from the “top-down industrial model that [the Marine Corps] has today”¹⁴ toward one which prioritizes the goals of its members and incentivizes performance rather than mandating compliance. In the short- and medium-term, the Marine Corps should focus on increasing the transparency of the process and providing a sense of professional agency to individuals in the system.

Consider the power of the monitor over his moving population. This individual is responsible for each Marine's future job and geographic location. Yet, the monitor is usually the same rank as the moving population and someone from the same occupational field. The Marine Corps is a small organization. Between The Basic School, MOS school, and the fleet, they likely know many of the movers personally or professionally, and this is a fact of which most company-grade officers are acutely aware. Increasing the rank requirement for the position—so that a major is responsible for assigning billets to captains—would deconflict the personal and professional networks that currently link the mover and monitor.

Codifying position requirements for each rank would allow for a more informed conversation between the

mover and monitor. Each Marine is expected to pass through wickets at each rank by filling a series of key billets. MMOA uses company command as a stand-in for key billet as this is the position most infantry officers will fill as captains—but every other community is different. Serving as a staff primary of a battalion, or assistant staff officer of a regiment, are generally considered to be key billets as well. However, the Marine Corps does not possess an authoritative manual outlining what constituted a key billet for each MOS at each grade. So, the mover must rely on the monitor's assertion that a future billet will prepare them for command. Again, this comes from someone of the same rank with, at best, three years of service more than the mover. Publishing a manual would allow the monitor and mover to discuss billets informed by a common understanding.

Providing career flexibility once billet requirements have been completed would go a long way towards rewarding top-performing individuals. If a Marine completes a key billet for a more senior rank, then the service should consider that requirement fulfilled. The current policy is that each key billet must be completed in grade, meaning that, for example, a first lieutenant who served as a company commander or staff primary during their first fleet tour must return to the fleet to repeat it in an equivalent position. This limits professional growth. Why not allow officers who have already completed the requirement the flexibility to pursue another opportunity?

Medium-term reform must focus on injecting some sort of market mechanism into the order assignment process. The Army and Air Force are currently prototyping billet assignment systems that allow movers to apply for jobs and give gaining commands say on their next employee.¹⁵ This system would increase transparency in the assignment process and allow individual Marines to select billets based on their preferences. Not everyone can receive their top choice assignment, but at least, this system would provide clarity. Those who do not receive their first choice know they were considered but someone else

was selected. This system would also provide the other functions performed by markets, such as price discovery. A functioning market would provide up-to-date data on the value of each billet. It would also show which individuals are in the most demand—allowing the Service to more precisely incentivize retention, as the Commandant intends.¹⁶

Human resource modernization and talent management are difficult topics and reforms that strike at the beating heart of the institution. However, the Marine Corps envisioned in *Force Design 2030* will require talented leaders at every level. If the Commandant intends to “trade capacity (end strength) for quality”¹⁷ across the force, identifying top performers and convincing them to stay in the Service will be of paramount importance. The suggestions outlined above are by no means exhaustive—across-the-board reforms to the billet assignment process will go a long way towards improving the retention situation.

Notes

1. Gen David H. Berger, *38th Commandant's Planning Guidance*, (Washington, DC: July 2019).
2. U.S. Congress, *Statement of General Berger, Commandant of the Marine Corps During the Hearing on Fiscal Year 2022 Budget Request for the Navy and Marine Corps, before the House Appropriations Subcommittee on Defense (HAC-D), 117th Congress*, (Washington, DC: April 2021).
3. Staff, “Usaspending.gov,” USA Spending, U.S. Government, (June 2021), available at www.usaspending.gov.
4. U.S. Congress, *Statement of General Berger, Commandant of the Marine Corps Hearing on Department of the Navy Fiscal Year 2022 Budget Request, before the House Armed Services Committee, 117th Congress*, (Washington, DC: April 2021), quoted in Patricia Kim “At the Limits of What I Can Do:’ Marine Corps Commandant Makes Plea for Funding,” *Military*, (June 2021), available at <https://www.military.com>.
5. As the Marine Corps has already implemented changes to the junior enlisted performance evaluation system, altered the reenlistment parameters, and possesses a bonus program to incentivize reenlistment, this article will focus on the retention and talent management for the officer population

6. *38th Commandant's Planning Guidance*.

7. *Statement of General Berger, Commandant of the Marine Corps During the Hearing on Fiscal Year 2022 Budget Request for the Navy and Marine Corps, before the House Appropriations Subcommittee on Defense (HAC-D), 117th Congress*.

8. Office of the Undersecretary of Defense (Comptroller)/Chief Financial Officer, *Defense Budget Overview*, (Washington, DC: May 2021).

9. U.S. Congress, *Statement of General Berger, Commandant of the Marine Corps during the Hearing on the Posture of the United States Marine Corps, before the House Appropriations Committee-Defense, 117th Congress*, (Washington, DC: April 2021).

10. Staff, “2020 MMOA Roadshow,” Manpower and Reserve Affairs Officer Assignments, (n.d.), available at <https://www.manpower.usmc.mil>.

11. Ansley White, “Effects of Preferred Duty Station Assignment on the Performance and Retention of USMC Personnel,” (thesis, Naval Postgraduate School, 2021), available at <https://calhoun.nps.edu>.

12. Ibid.

13. There are approximately 500 0202s, of which about a third (166) will move every summer.

14. CNO, Commandant of the Marine Corps Speak at Defense Forum Washington 2020 - A Transformational Change in the Fleet's Architecture > United States Navy > display-pressbriefing

15. Kat Bailey, “AFPC Adopting Innovative Officer Assignment System IT Platform,” Air Force, (April 2018), available at <https://www.af.mil>; and Devon Suits, “Army Launches Enlisted Assignment Market for Select Career Fields,” (February 2020), available at <https://www.army.mil>.

16. *38th Commandant's Planning Guidance*.

17. Brookings Institution, “The Marine Corps and the Future of Warfare,” 14:50, YouTube Video, (May 2021), available at <https://www.brookings.edu>.

