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Filling the Ranks

Transforming the U.S. Military Personnel System

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Chapter 5

The Military Profession and Intangible Rewards for Service

Elizabeth A. Stanley-Mitchell

Technological advances virtually guarantee the U.S. military's ability to crush adversaries on the conventional battlefield. In response, these adversaries are increasingly shifting to asymmetric strategies, such as fighting in urban terrain or targeting U.S. vulnerabilities with terror, weapons of mass destruction, and information warfare against critical networks. To counter such wide-ranging threats, the U.S. military needs strong leaders with deep knowledge of sophisticated weapons and equipment, experience in a variety of combat and non-combat environments, and the ability to adapt to perpetually changing situations. These capabilities are not inherent in the new technologies alone.[1] In a word, the U.S. military needs professionals.

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1. A growing literature suggests that technology can only enhance military effectiveness when it is employed by a highly skilled military. Indeed, as the U.S. Army noted in 1994, "Future leaders will [need to] have a higher level of doctrine-based skills, knowledge, attitudes, and experience.... In fact, the complex nature of future operations may require leaders of greater experience and rank commanding at lower levels than ever before." See U.S. Army Training and Doctrine Command, *Pamphlet 525-5: Force XXI Operations* (Washington, D.C.: Department of the Army, August 1994), chap. 4. See also Stephen Biddle, "Victory Misunderstood: What the Gulf War Tells Us About the Future of Conflict," *International Security*, Vol. 21, No. 2 (Fall 1996), pp. 139–179, and other recent work by Biddle; Christopher Parker, "New Weapons," *International Security*, Vol. 23, No. 4 (Spring 1999). pp. 119–147; and Chapter 3 in this volume by Owen Cote.

This chapter examines the military profession—the officer corps of the five armed services—as a profession, and the effects of tangible and intangible rewards for service, seated in a wider discussion of professions and compensation generally.[2] Tangible rewards include both monetary pay and non-monetary (in-kind) benefits, such as housing, medical care, and assistance with child care and education. Intangible rewards include autonomy in choosing work problems, having talented colleagues, group solidarity, a shared sense of purpose, and job satisfaction.

The military faces three dramatic challenges from the perspective of the profession. First, with new technologies and new missions all along the conflict spectrum, the competition over jurisdiction will get worse. Second, the intra-professional status hierarchy, which confers more status on combat arms specialties, creates some counterproductive side effects for the up-or-out tenure system. Third, bureaucratization and rationalization shift the focus toward least-cost solutions, at the expense of effectiveness at meeting the needs of the nation.

All of these challenges affect the relationship between the profession and the rewards for service. This chapter argues that most of these challenges create pressure to rely on tangible rewards rather than intangible ones. Unfortunately, however, the more compensation shifts toward tangible rewards, the more likely it is that professionals who seek the intangible rewards will leave. Their departure, in turn, makes the military a less attractive place for other professionals, creating a vicious cycle away from professionalism toward bureaucracy.

There are real benefits to having a military profession instead of a military bureaucracy. First, professions create and expand expert knowledge, while bureaucracies can only apply it. Second, professions create social control of individuals operating in groups. By providing a code of ethics and the professional norms of mentorship and peer control, professions can police dysfunctional or aberrant behavior from within. Most importantly, professions inculcate in individuals the ability to function in ambiguous, chaotic circumstances, of which war is a

2. These are the Army, Air Force, Navy, Marines, and Coast Guard. While a conventional understanding of the military profession may include senior or long-serving noncommissioned officers (NCOs), scholars who write about the military profession limit the definition to the officer corps, as I do here.

prime example. Monetary rewards and other tangible compensation cannot duplicate this kind of social control.[3]

This chapter proceeds as follows: the first part defines professions generally, and looks at the relationship between professions, careers, and compensation. The second part examines the military profession in particular, concentrating on three traits that affect compensation and career patterns: jurisdictional competition, the intra-professional status hierarchy, and bureaucratization and rationalization of the profession. The conclusion uses this analysis of professions to tease out some implications for military compensation during this era of defense transformation.

Professions, Careers, and Compensation

Andrew Abbott argues that an occupation's identification as a profession and its standing within society are outcomes of social competition among professions for control over expert knowledge as applied to particular jurisdictions. He defines professions as "exclusive occupational groups applying somewhat abstract knowledge to particular cases."[4] In other words, the essence of a profession is its work: its legitimated claim to apply expert knowledge to a particular set of tasks. This legitimated claim to exclusive control of some type of work is a profession's "jurisdiction." Because professions operate in an interdependent system—the "system of professions"—they compete for the control of work, and the jurisdictional boundaries among them are constantly disputed. Professions occupy a jurisdiction by filling a vacancy or by fighting for legitimate control of it through a variety of channels such as the legal system, the public arena, and the workplace. A move into new jurisdictional territory by one profession inevitably affects others. Still, the most important factor for gaining and maintaining control over a jurisdiction is demonstration that the professional activity succeeds: that is, that it solves the problems it confronts.

3. Gayle L. Watkins and Don M. Snider, "Project Conclusions," in Don M. Snider and Gayle L. Watkins, eds., *The Future of the Army Profession* (Boston: McGraw-Hill, 2002), pp. 537–546.

4. Andrew Abbott, *The System of Professions: An Essay on the Division of Expert Labor* (Chicago: University of Chicago Press, 1988), p. 8.

The sociological literature on professions has examined professional career patterns and the intangible rewards for professional service, such as the status within and among professions. However, there has been very little written about professions and tangible compensation.[5] This section advances some hypotheses about the relationships between professions and tangible and intangible rewards, and suggests that as the ideal of a professional career declines in America, tangible rewards are becoming more important than intangible "professional" ones.

There are generally four ways that status is determined within a profession: by client differentiation, routine versus non-routine work, internal stratification, and career patterns. First, clients are differentiated, in that higher-status members of a profession will generally have higher-status clients. Higher-status lawyers, for example, tend to have bigger corporate clients from a higher socio-economic class than lower-status lawyers. Second, higher-status members of a profession will do more specialized and less routine work.[6] Higher-status lawyers might advise on high-stakes tax arrangements or litigate large corporate disputes, while lower-status lawyers might handle divorces for individuals. Third, the highest-status members of a profession are those who work most abstractly in the expert knowledge of the profession, and less with concrete applications of that expert knowledge. Abbott calls this "professional regression": those with the highest status are those who withdraw from application and work in the most purely abstract professional environment.[7] For example, law school professors and appellate court judges have the highest status, since much of their work focuses on abstract knowledge of law, while lawyers representing clients, focusing more on the concrete applications of law to practical problems, have lower status in the legal profession. In part, professional

5. The one exception is a dated book by Lester W. Bartlett, *Compensation in the Professions* (New York: Association Press, 1933). In contrast, there is a large body of literature on compensation and organizations in general. See, for example, a special issue of the *Industrial and Labor Relations Review*, "Do Compensation Policies Matter?" Vol. 43, No. 3 (February 1990).

6. Abbott, *The System of Professions*, pp. 122–124.

7. Ibid., p. 118.

regression helps to protect the profession's core expertise from those "application" areas that require rapid knowledge change or transient skills.[8]

A final way of differentiating status both within and among professions is the length of training and the career patterns within the profession. Higher-status professions tend to have longer training periods, in part because so much expert knowledge must be absorbed by its members. Moreover, career patterns aiming at high intra-professional status generally have longer training periods and are more fixed in form than other careers in that profession.[9] For example, law students aiming at prestigious judicial clerkships generally must serve on the staff of a law review; new lawyers must march along the associate and junior partner path to become a senior partner at a major firm. Similar patterns exist in academia and medicine.

As a result, most professions have rigid entry standards and career patterns. These traits give rise to demographic rigidity: the profession is unable to expand or contract rapidly. Two implications are especially important for this chapter. First, demographic rigidity helps to defend the professional group from outsiders, by ensuring that the profession's members are a coherent, homogeneous group. Second, rigid career patterns make it difficult for the profession to adapt to sudden shifts in demand or sudden shifts in mission. In the short term, this creates vacuums that allow other professions or occupations to sweep in and take over those new jurisdictional tasks. In the longer term, a profession can adapt to the changes after it trains new cohorts.

Although the concept of a lifelong "career," with fixed entry, training, and exit rates, was central to the nineteenth-century concept of professions, this is no longer typical. Overall, the ideal of a "career" is disappearing from most of the American workplace today. The proportion of professionals who join professional associations is declining, as

8. Ibid., p. 183.

9. Ibid., p. 129.

the number of members in those professions has skyrocketed.[10] Many of these professionals identify with their professions but are not actively working in them. While the highest-status members of each profession continue to "professionally regress" into more sub-specializations and other abstract work, many American professionals have moved into salaried work in large, bureaucratic organizations. This change has coincided with shifts in the entire society's mode of production and services, including outsourcing and multi-professional workplaces. In response to these environments, the professions have adopted more flexibility, allowing lateral entry and reentry into the professional workplace.

Some of these career shifts must affect compensation: it seems reasonable to suppose that professionals are enticed by a mix of tangible and intangible rewards. If the most prestigious work within any profession is that which focuses most on abstract knowledge and least on concrete applications, then it would seem likely that professionals should be motivated more by such intangible "professional" rewards and less by tangible (monetary and non-monetary) ones. Intangible rewards include autonomy in choosing work problems, talented colleagues, group solidarity, a shared sense of purpose, and job satisfaction.

The more the work environment selects for professionals valuing intangible rewards, the better those rewards would in theory become, because the number of colleagues with the same value system and a wider array of expert knowledge would increase. Conversely, the more the work environment selects for professionals valuing tangible rewards over intangible ones, the less attractive the intangible rewards look to someone who values them. If the workplace is filled with people merely interested in doing the job and taking home a paycheck, the psychic benefits of the intangible rewards decrease.

The same dynamic would appear to hold for the bureaucratization of a profession. The more a profession's career patterns focus on "getting your ticket punched" rather than on developing professional expertise, the more likely it is that tangible rather than intangible rewards will become the focus on the professional's compensation. Moreover, bureaucratization limits opportunities for professional growth and autonomy. Therefore, people attracted to bureaucratized work environments will by nature have less in common with professionals interested in intangible rewards. The ability of professionals to move into other occupations, such as management and administration, exacerbates this problem, as those other work environments tend provide higher monetary compensation.

These hypotheses about the relationship between intangible professional rewards and tangible compensation are supported by a related literature in psychology about the effects of external rewards on intrinsic motivation. (Intrinsic motivation occurs when work activities provide their own inherent reward, such as filling the psychological need for autonomy and competence.) While not focused specifically on professions, this research argues that greater tangible compensation will decrease interest in internally-motivated (professional) work.[11]

External, tangible rewards, depending upon how they are perceived, can actually decrease intrinsic motivation. Recipients may interpret external rewards as controllers of their behavior, and thus thwart their perception of autonomy and undermine their intrinsic motivation for the activity. This dynamic holds for both task-contingent rewards, which are given for doing or completing a target activity, and for performance-contingent rewards, which are given for doing the target activity well.[12] Because people have to work (or work to a certain

10. There are approximately one million lawyers, 700,000 doctors, and 700,000 engineers in the United States. Andrew Abbott, Speech at the United States Military Academy Senior Conference, June 15, 2001.

11. Edward L. Deci, Richard Keostner, and Richard M. Ryan, "A Meta-Analytic Review of Experiments Examining the Effects of Extrinsic Rewards on Intrinsic Motivation," *Psychological Bulletin*, Vol. 125, No. 6 (1999), pp. 627–668; Luc G. Pelletier and Robert J. Vallerand, "Supervisors' Beliefs and Subordinates' Intrinsic Motivations: A Behavioral Confirmation Analysis," *Journal of Personality and Social Psychology*, Vol. 71, No. 2 (1996), pp. 331–340.

12. An example of a task-contingent external reward would be a service member's base pay, or special pays for hazardous duty or reenlistment. An example of a performance-contingent external reward would be bonuses linked to particular performance measures, such as linguist pay for achieving a specific threshold score on a foreign language exam.

standard) to get the reward, the reward is likely to be experienced as controlling. This research suggests that only two kinds of external rewards will not decrease intrinsic motivation: unexpected rewards and rewards that are not linked to the target activity at all.[13] Because these exceptions are perceived by recipients as providing information about their competence, rather than as controlling their behavior, such rewards can increase intrinsic motivation.

When intrinsic motivation is decreased by external rewards, the people performing the activity come to depend upon the external reward rather than their intrinsic motivation. This finding is important in the context of professions, because it suggests that external rewards will reinforce tangible rewards at the expense of intangible ones, and thus exacerbate the dynamics described above. The more the work environment selects for professionals valuing tangible rewards over intangible rewards, the less attractive intangible rewards look, and the more tangible rewards become the focus of the professional's compensation.

Overall, the decline of the ideal of a professional career in America suggests that tangible rewards are becoming more important than intangible or professional ones. The more a professional behaves like a manager in a large, bureaucratic organization, the more he or she will want to be compensated as one. The next section examines this finding within the context of the military profession.

The Military Profession

The military profession comprises three sub-professions: army, maritime, and aerospace. These professions are generally contained within the officer corps of the five uniformed services. The military services are simultaneously professions and government bureaucracies. Like other professions, the officer corps is a professional group, marked by expert skill acquired over time, the rendering of a specialized service, and a

13. In a military context, an example of an unexpected tangible reward is compensatory time off. An example of a reward not linked to target activity would be housing supplements or improved non-monetary (in-kind) benefits, such as medical care, child care, or base housing.

sense of group identity, which entails a system of internal administration and a professional ethic.[14]

The military's professional jurisdiction is to develop technologies, capabilities, and strategies to "provide for the common defense," most often in places and under circumstances that cannot be foreseen. Thus, the essence of professional military work is exercising judgment under uncertainty. Like other professions, the military profession applies its expert knowledge to meet the needs of its client, the U.S. government, on behalf of the entire citizenry.[15]

Many of the traits that characterize professions in the United States affect the military profession as well. Like other professions, the military officer corps is an exclusive occupational group applying abstract expert knowledge to a particular jurisdiction. Like other professions, the military's jurisdiction has changed over time and thus brought the military into contact and competition with other occupations, such as private security firms and non-governmental organizations (NGOs), for control over that work. Like other professions, the military has intra-professional status hierarchies: combat arms specializations, for example, have a higher status than support functions. Like other professions, the tension between bureaucratization and the profession has some major consequences for the structure of professional career paths and compensation, with a resulting trend toward deprofessionalization.

JURISDICTIONAL COMPETITION

The military profession is united in its claim to expert knowledge over the management of violence, with an emphasis on the science (as distinct from art) of war. Originally, the three major services had their respective battlefields—land, sea, and air—and thus different realms of expertise. As technology has unified the theater of war, it has undermined this clear distinction between the three major services and their

14. Morris Janowitz, *The Professional Soldier* (Glencoe, Ill.: Free Press, 1960), pp. 5–7.

15. Don M. Snider and Gayle L. Watkins, "Introduction," in Snider and Watkins, *The Future of the Army Profession* , pp. 6–7; Samuel P. Huntington, *The Soldier and The State* (Cambridge: Harvard University Press, 1957).

respective battlefields. The resulting movement toward joint military operations has further eroded distinctions between sub-specializations within the military profession. In addition, the professional jurisdiction has expanded as the nature of warfare has changed. The military has, since the nineteenth century, expanded its jurisdiction from the management of violence, to the management of defense after the Second World War, to the management of peace in the post–Cold War era.[16] This expanded jurisdiction has brought the military into closer contact and also competition with other professions for control over those tasks. Indeed, many of the missions that the military currently fulfills are no longer confined to the theater of war. For example, peacekeeping operations and humanitarian relief efforts occur within what Abbott calls a "multi-professional workplace"; such operations require cooperative action between the military and a wide array of civilian service providers and other government agencies.

Don Snider and Gayle Watkins and their colleagues have examined the U.S. Army jurisdictional competition with other professions.[17] Their study concludes that the Army is competing poorly. As the military has expanded its jurisdiction to new missions such as peacekeeping, humanitarian relief, and homeland security, and to new tasks involving new technologies, it must compete in these common jurisdictional areas with private security firms, high-tech contractors, other government agencies, and NGOs, which can often outperform the military.[18] There are at least three reasons for this. First, the military does not possess the same level of abstract knowledge about how to conduct peacekeeping or deter terrorist attacks that it has about waging war.[19] Second, many

16. James Burk, "Expertise, Jurisdiction and Legitimacy of the Military Profession," in Snider and Watkins, *The Future of the Army Profession*, p. 30.

17. Snider and Watkins, *The Future of the Army Profession*.

18. Deborah Avant, "Privatizing Military Training: A Challenge to U.S. Army Professionalism," in Snider and Watkins, *The Future of the Army Profession*, pp. 179–196; Thomas L. McNaugher, "The Army and Operations other than War: Expanding Professional Jurisdiction," in ibid., pp. 155–178.

19. Burk, "Expertise, Jurisdiction and Legitimacy of the Military Profession," p. 32.

of these professional competitors—especially the private security firms—optimize their expertise in only a small part of the entire conflict spectrum; the military, required by the government to deal with threats all along the conflict spectrum, is unable to specialize. Finally, although the military has adopted technologies that primarily enhance its conventional warfare capability, it has not adequately addressed the wider threats that such technological change could bring to its traditional jurisdiction. Indeed, given this technological focus, adversaries are almost certain to respond with asymmetric strategies, for countering which the military is much less suited than other organizations. By laying claim only to the jurisdiction of high-tech conventional war, the military risks becoming irrelevant in dealing with the most likely future threats to U.S. security.[20]

This jurisdictional competition has important implications for compensating military professionals. As the shared jurisdictional areas grow, so do the opportunities for military professionals to apply their expert knowledge to these problems after they take off the uniform. Moreover, in the interest of saving money, the Department of Defense is increasingly choosing to outsource key professional tasks. The growing technological sophistication of weapons and equipment make it more and more difficult for the military to provide all requisite expertise itself. Thus, civilian contractors are becoming increasingly indispensable on the modern battlefield to train and equip soldiers and to keep their systems operational.[21] As a result, separated and retired military officers have new opportunities for jobs with private security firms and defense

20. I detail this argument in Elizabeth A. Stanley-Mitchell, "The Digital Battlefield: What Army Transformation Efforts Say About Its Future Professional Jurisdiction," in Snider and Watkins, *The Future of the Army Profession*, pp. 127–154.

21. For example, during the Army's Task Force XXI Advanced Warfighting Experiment in March 1997, 1200 contractors from 48 vendors were in the field supporting a U.S. brigade of 3,500 soldiers, providing advice, maintenance, and technical support. Mark Hanna, "Task Force XXI: The Army's Digital Experiment," *Strategic Studies*, No. 119 (July 1997). Such reliance on civilian contractors is projected to increase as the number of advanced information technology systems fielded to military units rises. See Elizabeth A. Stanley-Mitchell, "Technology's Double-Edged Sword," *Defense Analysis*, Vol. 17, No. 3 (2001), pp. 278–279.

contractors: they can, for example, provide logistics for U.S. military deployments, plan and implement psychological warfare campaigns, troubleshoot communications network glitches, train foreign militaries, write U.S. Navy doctrine, or teach Reserve Officer Training Corps (ROTC) cadets.[22]

Such opportunities are usually better compensated outside than inside the military, which raises the opportunity cost for professionals to remain in the military, and could lower retention unless either pay is increased or professional allegiance is strong. Moreover, as James Burk has noted, military reliance on private contractors for ROTC instruction "may subtly teach new entrants into the profession that, despite the rhetoric of self-sacrificing leadership, market logic trumps other considerations."[23] Jurisdictional competition gives military professionals opportunities to apply their expert knowledge outside the military, pursuing better economic opportunities and avoiding many of the hardships of active-duty military service. Both professional allegiance and tangible rewards will affect where individuals choose to work in this common jurisdictional area. If professional allegiance is low, monetary pay and non-monetary benefits will influence this decision more, and those individuals able to operate in the common jurisdictional area will tend to move to the non-military professions and employers.

THE INTRA-PROFESSIONAL STATUS HIERARCHY

Like other professions, the military differentiates among its professional members, mostly through professional regression, whereby the highest-status members of a profession are those who work most abstractly in the expert knowledge of the profession and least with concrete applications of such knowledge. Applying this concept to the military, we would expect that the highest-status military professionals would be writing doctrine and teaching in professional schools. However, in the military, this hierarchy is inverted. The highest-status members of the military profession are those in combat arms specialties, followed by

22. Avant, "Privatizing Military Training," pp. 182–190.

23. Burk, "Expertise, Jurisdiction and Legitimacy of the Military Profession," p. 35.

those in combat support specialties such as military police and intelligence. Logistics and other service-support specialties come next, while those with other kinds of professional expertise, such as doctors, lawyers, or professors, have the least status within the military profession.

That combat arms specialists are the most prized by the military profession is not surprising, given that the profession's core jurisdiction is providing leadership for fighting war. The most prestigious work in the military profession is the work that is hardest and that is recognized as such: exercising judgment in the face of technological, political, and tactical uncertainty. This uncertainty is arguably greatest within the combat arms specialties, especially as an officer climbs up the hierarchy. For example, one of the most prized professional positions in the military hierarchy is command, for a commander must constantly make judgments about allocating a unit's resources and time in the face of extreme uncertainty about the nature of the next threat. The higher the level of command in the hierarchy, the greater the uncertainty, the wider-ranging the exercise of judgment, and the more prestigious the position.

The centrality of warfighting in the intra-jurisdictional hierarchy has two important implications for compensation and career paths. First, since professional warfighting expertise has very little applicability outside of the military profession, combat arms specialists have the least transferable expert knowledge of all military professionals. As a result, the opportunity cost for combat arms specialists (at least those below the rank of general or admiral) to remain in the military is remarkably low. Few external professional competitors operate in the part of the conflict spectrum where combat arms specialists have the most expertise, conventional war. (The one notable exception to this rule is pilots who, even out of uniform, have plenty of opportunities to fly.) Military professionals from lower-status specialties have skills that are much more transferable to outside workplaces. Paradoxically, if members of these lower-status military specialties, such as information technology, logistics, and medicine, were paid comparably to what they could earn outside the military, they would be the highest paid of all military professionals.

Because the majority of senior leaders in the military are drawn from the higher-status combat arms specialties, those specialties retain extra influence in personnel policies for the profession as a whole. This may explain why the military has retained a common basic pay across all

military skills, based on the number of years of service, regardless of civilian opportunity cost.[24] The bonus pay that certain specialties receive hardly narrows the gap between civilian and military pay for those types of expertise. Perhaps because those coming from combat arms backgrounds never faced the same kinds of monetary opportunity costs as those from other specialties—and because they tend to have a greater allegiance to military service than do other specialties—they themselves are satisfied, despite a lower base pay, by the intangible rewards of self-sacrifice and patriotism.[25] Indeed, they look down upon those other specialists who would prefer a monetary pay more in line with external benchmarks.[26] Moreover, senior military leaders in combat arms specialties have an added willingness to accept a relatively flat pay scale: most general officers, when they retire from the military, can step into positions that offer lucrative compensation for the contacts made while serving. This lucrative pay-out for generals and admirals after retirement minimizes the need for a more differentiated pay scale while on active duty.

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24. Beth Asch and John Warner note that the military compensation system differs from private-sector systems in its "decided lack of skewness," having a flat pay structure with relatively little pay differential between junior and senior leaders. Beth J. Asch and John T. Warner, "A Theory of Compensation and Personnel Policy in Hierarchical Organizations with Application to the United States Military," *Journal of Labor Economics*, Vol. 19, No. 3 (July 2001), pp. 523–562, at 524.

25. One of the reasons that combat arms officers are more likely to remain in the service is that they have a great preference for such service. In dynamic retention models for officers, combat arms specialists are uniformly less sensitive to pay changes than other officer specialties. See, for example, Glenn A. Gotz and John C. McCall, *A Dynamic Retention Model for Air Force Officers: Theory and Estimates* (Santa Monica, Calif.: RAND, December 1984); Richard L. Fernandez, Glenn A. Gotz, and Robert M. Bell, The *Dynamic Retention Model* (Santa Monica, Calif.: RAND, April 1985).

26. The disrespect can also be attributed to the fact that combat arms specialists perceive that other specialties perform their tasks in a relatively safe environment, while they themselves perform their tasks in a physically challenging and dangerous environment.

The second implication of the centrality of warfighting is that the military has one of the most demographically rigid career paths of all professions. It has fixed entry cohorts and initial training, and an explicit up-or-out system that extends until retirement. A key reason for this rigidity is that the up-or-out system keeps the force relatively young. The youth issue is no longer as important as when the policy was created, because people are remaining healthy and active into much later stages of life, and because the need is increasingly for technological skill and experience rather than physical strength. Nonetheless, the continued need for "youth and vigor" has serious implications for the profession's compensation and career paths.[27]

Because an up-or-out professional system accepts new members only at the bottom, it does not allow for lateral entry or reentry. The military profession justifies such constraints by its focus on "learning-by-doing": you cannot do the job of a general if you have not been a lieutenant. Nonetheless, the lack of lateral entry greatly complicates the problem of staffing the upper-level positions in the military's hierarchy. The system must be able to attract the most talented individuals, retain them, and percolate them to the top. As Asch and Warner argue, up-or-out rules should tend to encourage those who are least talented to leave, since they are less likely to be promoted.[28]

Yet career rigidity has negative effects on the military's compensation and promotion systems. First, the constraint on lateral entry or reentry raises the required level of entry pay. By barring lateral entry, the military profession requires a higher-quality pool in the entry rank, to ensure that it will have enough qualified professionals to percolate to the top.[29] Because true ability is unobservable at entry, the only way the

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27. The phrase is used by Asch and Warner, "A Theory of Compensation and Personnel Policy in Hierarchical Organizations," p. 526.

28. Asch and Warner, "A Theory of Compensation and Personnel Policy in Hierarchical Organizations," pp. 526, 548.

29. I do not include doctors, dentists, lawyers, and chaplains who enter service at the O-3 rank in the category of "lateral entry." Letting these specialists enter as O-3's is not lateral entry, but rather compensation for their additional specialist skills.

organization can hire enough high-ability individuals is to raise entry pay and improve the average ability of the applicant pool.[30] The result, as Asch and Warner demonstrate in their analysis of enlisted service members, is that entry workers are paid more than their marginal product in their entry jobs. This, in turn, makes the organization's entire pay scale appear "flat" in comparison to organizations without the lateral entry constraint.[31]

Second, the up-or-out system puts a premium on making sure that officers meet certain requirements to be eligible for promotion (what the military calls "checking the blocks"); otherwise, they are forced out of the service. As Don Vandergriff has argued, checking these blocks in the Army means that an officer leaves troop command at the sixth year of service and does not return to command unless selected for it in the fifteen or sixteenth year of service. The rest of his or her time in uniform will be spent primarily in headquarters staff positions.[32] This career path means that officers are not given the opportunity to remain working in their preferred sub-specializations for very long. Instead, a "one-size-fits-all" career model is frequently achieved through excessive rotations rather than developing professional expertise. The system does not allow professionals to grow in the units they will later command, nor does it allow them to remain in place long enough to develop detailed expertise about potential adversaries or particular threat environments. This fosters bureaucratization of the profession by degrading job satisfaction.

Third, by barring lateral entry or reentry and by focusing on a one-size-fits-all twenty-year career path, the profession is unable to optimize

30. Asch and Warner, "A Theory of Compensation and Personnel Policy in Hierarchical Organizations," p. 550.

31. Ibid., pp. 554–555. Entry level pay is less skewed for junior officers than for junior enlisted soldiers, because most officers enter either through one of the service academies or by way of a scholarship at a civilian university. However, when this educational benefit is included in the initial compensation, junior officers are probably also paid more than their marginal product in their entry jobs.

32. Donald Vandergriff, *The Path to Victory: America's Army and the Revolution in Human Affairs* (Novato, Calif.: Presidio Press, 2002), p. 157.

as a profession. Different kinds of expert knowledge have different life-cycle productivity paths. Some kinds of expertise, especially those that take years to master, cannot be deeply or broadly developed along undifferentiated career paths. The optimization of different sub-specialty productivity paths is thwarted, because many skills have shorter or longer life cycles than twenty years. For example, while professionals who specialize in infantry tactics may be most effective for only ten years, those who specialize in medicine could be at their most effective for thirty or forty years. This problem is exacerbated by the fact that some expert knowledge—especially in intelligence or technological fields—may be nurtured best outside of the military. For these specialties, the inability to target members for a career divided between active-duty and private-sector employment is a waste of potential professional talent and hinders the profession's jurisdictional control.

Finally, career rigidity opens the military to a problem shared by all demographically rigid professions: the inability to adapt to sudden shifts in demand or mission. In such cases, the profession cannot adequately adapt until it trains new cohorts. This increases the risk of "poaching" by other professions with which it shares jurisdictional areas. Free of such personnel restrictions, private security firms and defense contractors can expand to meet market demand and supplant the military in some tasks along the conflict spectrum.

BUREAUCRATIZATION AND RATIONALIZATION

Like other professions, the military faces problems of bureaucratization and rationalization of its work, which limit the autonomy of the military professional, thereby changing the mix of incentives for tangible and intangible rewards.

There is a real tension in the military between bureaucracy and professionalism. Inherent in this tension is the shadow of the future. A bureaucracy focuses on developing least-cost solutions (efficiency), while a profession focuses on meeting the needs of the client (effectiveness). While there is some overlap between these two concepts, their different logics imply different ways of optimizing execution of a task. The most cost-efficient way to do something may not be the most effective way, and vice versa. For example, a battlefield commander can choose to direct the battlefield personally from a central location, thus minimizing

delays and mistakes by subordinate leaders. Although this might be very efficient, it would probably not be very effective. By centralizing the decision, the commander risks lacking crucial inputs to the decision that only local initiative could provide, and also misses out on the opportunity to develop junior leaders professionally.[33]

The military is experiencing an increase in bureaucratization at the expense of the profession. Most U.S. Army officers interviewed as part of the Snider and Watkins study identified themselves as "employees" more than as "professionals." One major interviewed for the study asked, "How can I be a professional if there is no profession?"[34] Moreover, the lack of identification as a professional is exacerbated by a lack of trust between junior and senior officers. In these interviews, many junior officers viewed senior officers as "dinosaurs," unable to understand the reality of today's environment and more focused on protecting their own careers than on taking care of the perceived needs of the organization. This perception of a risk-averse and careerist mindset among their superior officers leads those junior officers with a professional mindset—those who are most interested in the intangible rewards—to leave the military, because they do not see senior professionals they wish to emulate.[35]

33. Leonard Wong makes a similar point in his study of U.S. Army company command experience. Wong argues that although the Army says it values innovation and initiative among junior professionals, it rarely gives them the opportunity to make mistakes and thus to grow professionally. See Leonard Wong, *Stifled Innovation? Developing Tomorrow's Leaders Today* (Carlisle Barracks, Pa.: Strategic Studies Institute, April 2002).

34. Gayle L. Watkins and Don M. Snider, "Project Conclusions," in Snider and Watkins, *The Future of the Army Profession*, p. 545.

35. Gayle L. Watkins and Randi C. Cohen, "In Their Own Words: Army Officers Discuss their Profession," in Snider and Watkins, *The Future of the Army Profession*, pp. 77–100; Vandergriff, *The Path to Victory*, pp. 157ff; *Army Training and Leadership Development Panel Study Report to the Army*, accessed at <www.army.mil/features/ATDL/ATDL.htm>; Joseph J. Collins and T.O. Jacobs, "Trust in the Profession of Arms," in Snider and Watkins, *The Future of the Army Profession*, pp. 39–58.

Related to the perception that senior officers have self-serving career mindsets is the problem of a zero-defect and micromanagement culture. Spurred by the military draw-down in the early 1990s, the zero-defect culture focuses on today's cost-efficiency at the expense of tomorrow's effectiveness in dealing with a wide variety of uncertain situations. By limiting the possibility that something will go wrong and thus endanger their chances at promotion, senior professionals adopt behaviors that are decidedly more bureaucratic than professional.[36] In these situations, those in charge make decisions and issue directives from the top, rather than operating through the professional norms of mentoring and peer control—a process Eliot Friedson calls the "formalization of professional controls."[37] Instead of being controlled informally, professionals become increasingly controlled by codified technical standards or bureaucratic rules and regulations. Thus, formalized controls serve "to make the work of professionals more predictable and to increase the external control over it."[38]

Exacerbating the micromanagement culture is the fact that some parts of the military structure have far larger staffs than required.[39] These staffs were originally established to provide a cadre of officers around which to form units in case of rapid mobilizations during the Cold War, and they have continued to proliferate because of mission growth and the need to keep up with bureaucratic taskings and informational requests from a variety of other government agencies. The large size of these staffs has two effects. First, they drive decision-

36. Mark R. Lewis, "Time to Regenerate: A Gen X Response to Dr. Wong's Monograph" (December 2000); Mark R. Lewis, "Army Transformation Meets the Junior Officer Exodus," unpublished manuscript, January 13, 2002.

37. Eliot Friedson, "The Changing Nature of Professional Control," *Annual Review of Sociology*, Vol. 10 (1984), pp. 1–20.

38. George Ritzer and David Walczak, "Rationalization and the Deprofessionalization of Physicians," *Social Forces*, Vol. 67, No. 1 (September 1988), pp. 1–22, at 14.

39. Franklin C. Spinney and John J. Sayen, "The Sayen Report: Officer Bloat Creates the Shortage of Captains," *Defense and the National Interest*, July 16, 2000, accessed December 2, 2002, <www.d-n-i.net/fcs/comments/c372.htm>.

making upward, because in a staff section of peers, the next higher level must adjudicate and make the final decisions. Second, because these staffs have both an excess capacity for processing information and a desire to enhance their chances at promotion, they contribute directly to increased micromanagement with their voracious appetite for current data.[40] New information processing systems and communications networks only aggravate this tendency.

The new technologies that are encompassed in the current defense transformation could also be contributing to the "rationalization" of the military profession, whereby reliance on technical data supplants human experience and judgment. These technological advances—from precision fires to intelligence, surveillance, and reconnaissance assets—are changing the nature of the military profession. The subjective, qualitative, and autonomous judgments of military officers are increasingly being replaced by objective quantitative data generated by advanced technologies.[41] Over-reliance on these technologies can degrade the military's core expertise—its traditional warfighting skills. For example, by automating navigation and target acquisition processes, today's artillery systems minimize the need for expert knowledge in navigating and calling for fire. Instead, a user enters the relevant target positions, but never sees—and possibly never learns—the formulas used to plot trajectories or loads.[42] As a result, these

40. Lewis, "Army Transformation Meets Junior Officer Exodus," pp. 41–42.

41. A medical parallel was noted by Stanley Reiser in *Medicine and the Reign of Technology*: "medicine has now evolved to a point where diagnostic judgments based on 'subjective' evidence—the patient's sensations and the physician's own observation of the patient—are being supplanted by judgments based on 'objective' evidence, provided by laboratory procedures and by mechanical and electronic devices." Quoted in Ritzer and Walczak, "Rationalization and the Deprofessionalization of Physicians," p. 12.

42. In a more general application of this phenomenon, Donn Parker argues that today's information technologies create "noledge," which is "information that we do not know and that we may never know by study or experience." Parker argues that depending upon "noledge" is fine, until it disappears or becomes unavailable as a result of human programming error, hacking, or computer malfunction. Donn B. Parker, *Fighting Computer Crime: A New Framework for Protecting Information* (New York: John Wiley, 1998).

technologies routinize and thus demystify warfare. As with other bureaucratizing forces, the rationalization brought on by new technologies highlights the tension between efficiency and effectiveness. What is most cost-efficient may not be what is most effective from the perspective of nurturing the profession.

As with all professions, the more the military profession's career patterns focus on checking blocks rather than on developing professional expertise, the more likely it is that tangible rather than intangible rewards will become the focus of the professional's compensation. Bureaucratization limits opportunities for professional growth and autonomy, and for the other intangible rewards associated with professional work. By increasing the importance of tangible rewards as the key form of compensation, bureaucratization discourages those individuals who are more motivated by intangible rewards, prompting them to leave the profession. As those professionals leave, the proportion of individuals focused on checking blocks and other careerist behavior increases. This further increases bureaucratization and decreases job satisfaction for those remaining. Combined with the dynamics of inter-professional competition discussed above, this suggests that the officers remaining will tend to be much less qualified and much more risk-averse than the military profession was before such dynamics had their effects.

The Implications of Professionalism for Military Compensation

The ideal of a "professional career" is disappearing from most of the American workplace, as U.S. professions become increasingly bureaucratized. In turn, professional compensation has shifted from intangible toward tangible rewards. Most U.S. professions have adapted to this by creating more sub-specializations (professional regression) or by becoming more flexible about lateral entry or reentry. Even explicit up-or-out tenure systems like those in academia, and professional partnership arrangements such as those traditional in law and accounting firms, have

found ways to be more flexible, mostly by providing out-mobility into other occupations and professional jurisdictions. The military has not.[43]

As a result, the military faces some dramatic challenges as a profession. The competition for professional jurisdiction has intensified, while the intra-professional status hierarchy has created some counterproductive side effects for the up-or-out tenure system. Moreover, the trend toward bureaucratization has shifted the focus from effectiveness at meeting the client's diverse needs toward cost efficiency. To the extent that the military's response to most of these challenges has favored tangible rewards over intangible ones, it increases the risk that military professionals seeking intangible rewards will go elsewhere, exacerbating the situation by undermining intrinsic motivation and further increasing the need for tangible rewards instead of intangible ones.

What can policy-makers do to turn this vicious feedback cycle into a virtuous one? The analysis in this chapter suggests two ways to improve tangible rewards and two ways to improve intangible ones.

The military profession will benefit most *as a profession* from tangible rewards that can indirectly enhance intangible rewards that fulfill the two basic professional needs, for autonomy and for competence. Yet most tangible military compensation is of the "controlling" type: it rewards either engaging in or completing a specific task—task-contingent rewards, such as hazardous duty pay or promotions for longevity of service—or completing a specific task well—performance-contingent rewards, such as linguist pay for achieving a specific score on a foreign language exam.

Only two kinds of tangible rewards will not have this undermining effect on intrinsic motivation: unexpected rewards, and rewards that are not linked to the task at all. Such rewards can increase intrinsic motivation, and the military compensation system should try to provide more tangible compensation of these types.

Unexpected rewards, such as giving soldiers days off or bonus pay for performing especially well in a maneuver exercise, reveal information to the recipient about his or her perceived competence and value to the organization, and thus enhance the intangible rewards of service. Unexpected rewards are highly correlated with the professional characteristics of strong leadership and mentorship, because it takes a talented leader to employ such rewards in an effective manner; for example, if on-the-spot bonus pay became too commonplace, it would lose its unexpected nature. This suggests that unexpected rewards will appear more often in a more professional, less bureaucratic work environment. The military should nurture leaders who can provide these kinds of unexpected rewards, because it will speed up the virtuous cycle of enhancing intrinsic motivation.

43. Similarly, the Roman Catholic clergy only accepts new professionals at initial entry. Nonetheless, it is not a pure up-or-out system. Instead, it more closely approximates "up-or-stay"; priests not "promoted" to higher "ranks" such as bishop are allowed to remain with local parishes until they retire.

Rewards that are not linked to a task at all will signal to the recipient that he or she is valued for being a member of the organization, not for what he or she does within it. This enhances group solidarity and a shared sense of purpose or calling, two key intangible benefits from service. Rewards in this category would include tangible non-monetary (in-kind) benefits, such as improved housing and medical care, child care, and education assistance. This finding suggests that efforts to transform the delivery of family support services or to overhaul in-kind pay and benefits could pay out huge dividends in terms of intangible rewards to service. Joyce Wessel Raezer suggests some useful avenues to approach this in Chapter 10.

Beyond improving these two kinds of tangible rewards—unexpected rewards and those not linked to a specific task—policy-makers should also improve direct provision of the military profession's intangible rewards. This chapter has suggested two ways to do this.

First, the military should jettison a one-size-fits-all career model, with its block-checking and excessive rotations. Instead, it should design officer careers paths based on the principle of developing professional expertise. Different professional specialties should have different career models, with different policies about lateral entry or reentry, different tour lengths, and different mandatory retirement dates, as Bernard Rostker suggests in Chapter 7. For example, in some technical fields where expertise is best nurtured by a career model that splits time between active-duty and private-sector employment, a career model could allow for lateral entry and reentry as well as longer career tenure.

More individualized career patterns would not only enhance professional expertise across the entire organization, but would also provide important individual intangible benefits, including autonomy, increased competence, more job satisfaction, and greater choice in work tasks. A more flexible system with many parallel career models would not completely replace the existing up-or-out system: there could be multiple up-or-out tracks. By increasing autonomy in career paths, many of the problems currently attributed to the single common basic pay (such as those described by Cymrot and Hansen in Chapter 6 of this volume) could be minimized, because the intangible benefits of more flexible specialized career paths could counteract the effects of the common basic pay. (Obviously, basic pay that varied by specialty, especially for those specialties with high civilian opportunity costs, would further enhance the intangible benefits of flexible career paths. The point here is that flexible career paths *by themselves* will confer a large benefit.)

These recommendations about more flexible career paths are even more important for the reserves, which are frequently used for those missions in which the military faces the most jurisdictional competition, such as stability operations, homeland security, logistics, and high-tech requirements. The more the active and reserve military can entice its professionals to perform these missions, the less likely it is that these missions will shift to others. While outsourcing to private contractors provides cost efficiency, the mostly negative second and third-order effects of such outsourcing on the profession's intangible benefits are becoming apparent. Improving the career model for reservists could help to minimize these negative effects.

A second way that the military can directly improve intangible rewards is by overhauling the culture of zero defects and micromanagement. This culture risks deprofessionalizing the military, by driving professionals from the military's ranks and leaving a nonprofessional military bureaucracy behind. If officers view their bosses as more focused on protecting their own careers than on taking care of the organization's needs, then these officers may leave. Such officers are usually those whose talents give them opportunities elsewhere; their departure decreases the pool of talented colleagues that provides remaining members with a crucial intangible benefit of being in the profession.

More importantly, the officers who choose to leave because they perceive a problem with deprofessionalization are exactly the officers who are most capable of reforming the organization from the inside. As Albert O. Hirschman noted in his landmark study, the exit of "quality-conscious" members deprives a faltering organization of those who could best fight its shortcomings and its difficulties. Loyalty can neutralize the tendency of the most quality-conscious members to be the first to exit; if loyalty is greater, potentially influential members will stay on longer, with the reasoned expectation that improvement can be achieved from within. In this way, loyalty can hold exit at bay and activate "voice" to improve the quality of the organization; indeed, the effectiveness of their voice is strengthened by these members' credible threat to exit.[44] The problem develops when those most loyal feel that the organization has not rewarded that loyalty. They tend to be the most quality-conscious members of the group and thus have the most demanding quality standards for the group; losing them can start a spiral of departures by those with the most to offer.

For both of these reasons, the military should do whatever it can to minimize the bureaucratic culture of zero defects and micromanagement. For example, the military could modify what it measures in officer performance evaluations, to place more weight on mentoring junior professionals. Alternatively, it could improve officer education by emphasizing the development of what should be military professionals' core expert knowledge, exercising judgment under uncertainty, rather than focusing on how to perform specific tasks or drills. Most importantly, it could deliberately choose not to promote officers who are known for "careerist," bureaucratic, and risk-averse behavior. Such steps could increase key intangible benefits to revitalize the profession, and would also create a virtuous cycle of "self-healing" by motivating loyal and quality-conscious members to remain in the organization rather than to leave it.

44. Albert O. Hirschman, *Exit, Voice and Loyalty: Responses to Decline in Firms, Organizations and States* (Cambridge: Harvard University Press, 1970), chaps. 4, 7.

The type of professionalism required for the future battlefield is not widely found in the ranks today. Tomorrow, the military will require extremely skilled officers with a range of expertise who are able to act quickly, decisively, and with autonomy. The most pernicious effect of the challenges raised here is that in order to develop talented junior professionals, the system must have talented senior professionals to mentor them. Thus, those officers in the system now are the ones who will determine whether defense transformation is a success in the future. This chapter has suggested that tangible rewards are not enough. Reinvigorating the profession will require addressing the issues of tangible and intangible rewards.

Chapter 6

Overhauling Enlisted Careers and Compensation

Donald J. Cymrot and
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Since the inception of the All-Volunteer Force (AVF) in 1973, the military personnel system has shown a remarkable ability to deal with diverse challenges. During the early days of the AVF, drug usage and racial tension were rampant. In the late 1970s and early 1980s, the quality of recruits declined significantly because of an error in the scoring ("misnorming") of the Armed Forces Qualification Test. In the early 1990s, military downsizing reduced forces by over a third, and in the late 1990s an overheated civilian economy challenged the services' ability to recruit and retain a high quality force. In recent years, by contrast, retention in some specialties was perhaps too high. In each of these cases, the AVF has shown the resilience to withstand the challenge. But more challenges lie ahead.

Increasing educational aspirations, technological change, shifting demographics, and civilian workforce innovations will continue to undermine the premises upon which the existing enlisted personnel system is built. Former Secretary of the Navy Richard Danzig characterized the problem by saying that thirty years after the advent of the AVF, the services are still stuck in a "mentality of conscription": enlisted personnel are still treated as if they were a cheap, readily available, and easily disposable resource. The reality, however, is much different: the services spend a great deal to recruit, retain, and motivate enlisted personnel, whose performance is vital to the mission effectiveness of the force.