STATEMENT OF MAJOR GENERAL EVAN R. GADDIS, USA

I. Introduction

Mr. Chairman, members of the committee, I am honored to testify before you today

and discuss our Army.   In January, before the Senate Committee on Armed

Services, the Chief of Staff Army, General Dennis Reimer, told the Committee,

"There is no secret to our success – it is people. We must attract and retain them in

sufficient quantities." This is our challenge and we accept it, knowing you and the

Nation are relying on us.

My testimony today does not dwell on the past but, rather, describes what we are

currently doing and what our strategies are for the future. We recognize that we

must be proactive, watch the trends and anticipate, and make smart, efficient

changes.

II. Facing the Challenge

The Army is at a critical juncture in its journey through the 21st century towards

2010; we face a challenge as significant as the Army faced at the end of the Cold

War. The Army has reached the end of the draw down, cutting our active Army force by 38 percent (780k to 480k) and the end of the lower and easier-to-achieve accession requirements. The market dynamics recruiters face today are as challenging as any faced in the history of the All-Volunteer Force.

Why? Because the Nation's economy is extremely strong with very low unemployment and a tight labor market. High quality youth today have seemingly endless opportunities in both industry and academia. A market with very low propensity compounds these tough market factors; most applicants seek the Army for personal benefit, not for reasons based on service to country. The opportunities for today's youth are greater today than ever experienced over the past 20 years.

III. Production History

Our mission is to provide soldiers to the Army. Our overall enlistment results for FY 98 indicated we attained 98.3 percent (71,749) of our required mission of 72,550 regular Army accessions. The average age of those volunteering for Regular Army service was 20.7 years. We achieved 91.2 percent (37,047) of our Army Reserve accession mission of 40,600 goal. The average age of those joining the Army Reserve was 23.3 years.

Our Army Medical recruiting production showed success in Regular Army achievement of Army Medical Specialty Corps (Dietician, Physician Assistant, Obstetrician), Medical Service Corps, and Veterinary Corps. Our most serious Army Reserve shortfall was Medical Corps (62.7 percent) and LPN (86.3 percent).

Our Special Missions recruiting was successful, with the exception of enlisted Special Forces (91.2 percent) and USAR Chaplains (88.1 percent). We achieved at least 100 percent of our goals in: Warrant Officer Flight Training; Officer Candidate School; Technical Warrant Officer (Administrative and Flight); Special Forces Officer; Special Operations Army Reserve; and Technical Warrant Officer Recruiting in the Reserve Component.

Active Army and Army Reserve enlistment contracts numbered 108,796 in FY 98.

IV. Recruiting Factors

Recruiting success depends on a number of factors: the youth marketplace dynamics; Army market presence; a professionally trained recruiting force;

effective, efficient recruiting support programs; a properly resourced modernization plan and strategies that accept and accommodate change.

There are almost 19 million men and women between the ages of 17-21 who are the focus for all military recruiting. We project that, of this year's 17- to 21-year-old cohort of 9 million males, only 14 percent are the high quality, fully qualified and available prospects all military services want to recruit. From this pool of 1.4 million 17- to 21-year-olds, the Department of Defense must recruit almost 8 of every 100 in the cohort to meet active accession quantity and quality requirements. This is the exclusive and extremely competitive market in which our recruiters must actively prospect.

Our research also indicates that overall propensity for military service has declined since the early 1990s. Today 18 of every 100 young men and women consider military service only as an option, not as a first choice. The most qualified of today's youth have more opportunities, are in a more stable economic environment, and have a brighter outlook for their future. Ironically, what is good for the Nation – low unemployment, increased educational opportunities and decreased national security threat – makes our recruiting mission more challenging and more intense.

V. Changing Army Dynamics

The dynamics of the Army have changed as well. The Army has become a smaller, more flexible, faster-paced organization. Additionally, the Army has moved to a Total Army structure with greater emphasis and reliance on the Reserve Components. As the Army has drawn-down, so has the Individual Ready Reserve (IRR). Today's diminished IRR pool presents significant challenges to the prior service recruiting efforts for both active and reserve components.

Today's recruiting environment is extremely challenging, and all indicators point to the continuation of this challenging environment. To be realistic, we will assume the worst-case scenario: that today's tough market conditions will continue. We must also embrace the Army's "change, continuity, and growth" philosophy. The recruiting system is not in catastrophic failure, but we must change the practices that are inefficient or have become outdated, continue with the values that have brought historic success, and grow in new directions that lead to long-term success.

VI. The Army After Next

Projected trends for the future Army includes a smaller military with a larger proportion of leaders to those led. This high quality force will be capable of rapid, autonomous, and varied operations. We assume an all-volunteer force, supplemented by larger civilian and contractor base support. Army soldiers must be high quality individuals capable of accepting responsibility and conducting independent operations; however, they must also understand how their operation ties in with other elements in the force. They must be agile and capable of responding to rapidly changing complex scenarios.

Because the scope of Army operations has changed and continues to change since the breakup of the Soviet Union, deployments involve a variety of humanitarian and peace keeping missions with special requirements for each situation. As a result, soldiers must also be sensitive to their environment and capable of working with a variety of people. The requirement for highly strenuous physical activity will remain as well. In short, the future will require a multifunctional, full-spectrum soldier.

VII. Changing the Army Image

We require a fundamental change in the sales process and the supporting doctrine that relies on selling the product rather than the "brand" of Army. The environment

that spawned the current doctrine relied on a target market that was looking for a

hiatus before starting college or a method to fund college. The dynamics of the

market have changed and will continue to change in the future, and we have to

recognize these differences through doctrinal changes. For example, many youth

now consider college itself to be a hiatus, a break before starting a career. In the

past, our primary competition was the other military services. Today and in the

future, we must recognize not only the multiple services, but also the other

components, industry, and academia as our competition for the high quality youth

market. Many youth do not care which company offers employment; they are

concerned with the benefits available to them personally. Current forecasts of a

continued strong economy and tight labor force will reinforce these concepts in the

future. We must modify our sales doctrine to better communicate the vast

opportunities the Army offers.

VIII. Information and Choice to Prospect – Recruiter Interaction

The recruiting system will change to provide more information and choice to the

prospect earlier in the sales process. Today's youth have been raised in a "just-in-

time marketing" environment — they get what they want immediately. Research

indicates these trends will develop even more strongly in the next youth generation.

Our recruiting system is currently structured to provide detailed enlistment option information only after they are far along in the qualification process. The slow nature of information availability may act as an impediment to attracting youth.

Distance learning technologies have great potential in moving the recruiting system into the 21st century. Interactive video screens between a prospect and recruiter or guidance counselor will push the information and choice directly to the prospect in real time. This technology will not only provide information and choice, but it can also assist in qualifying the prospect earlier in the process. This technology (Army Recruiting Information Support System – ARISS), is currently being fielded to the Active Army, Reserve, and National Guard.

IX. Expanding the Market

We are analyzing ways to reach more of today's youth. We must create a larger pool of qualified youth prospects from which to recruit and expand into populations where we have historically not penetrated. Expansion into under penetrated markets allows the Army to maintain high quality standards, while making the recruiting process more efficient and effective. In the future, we will focus our effort on homogenous market segments like ethnic, college, and high school graduate

segments. As the Army moves through Army XXI toward the Army After Next (AAN) we are reviewing how we define the quality of the enlistee to ensure we are keeping pace of the dynamics of the nation and needs of the Army.

The two historic measures of quality have been the educational tier (or High School Diploma Graduate) for attrition, and Test Score Category I-IIIA for trainability. The fact that first-term attrition has continued to rise while our educational quality marks have risen, suggests the attrition issue cannot be linked to the educational tier alone. The Army is actively studying other measures of retainability. Additionally the Army is considering new ways to influence first term retention through incentives designed to reward term of service completion. The definition by which we measure quality for the force must shift to one that more accurately reflects an applicant's trainability and longevity. The theory must shift from a single base educational measure toward measures that include character and motivation.

One approach under study is the Assessment of Individual Motivation (AIM). The AIM is a self-reported, paper-and-pencil test measuring performance-related attributes such as drive to achieve, discipline, and stress tolerance. Preliminary results indicate that AIM is a good predictor of first term attrition and service commitment. The Army will test twenty thousand recruits this year; results of the

test may show it as a valuable measure for the longevity dimension of quality. The test should provide evidence to direct research in quality definition.

Based on the GAO recommendation to have the services link recruiter awards to recruits' successful completion of Basic Training, we have introduced a "Basic Training Pride in Ownership Incentive Program" that links successful completion of basic training to recruiter incentive awards. We believe this program will be a positive, proactive approach that reemphasizes to recruiters their job is not really done until their recruit completes basic training. We recognize that there is a connection with enlisting those applicants with the "right stuff" and training those with "motivation" to succeed; therefore, basic training attrition will be a factor used in future recruiter awards. Our foremost goal is to provide the Army a soldier it truly needs and our field commanders deserve.

X. Modernizing the Recruiting Force

To succeed in today's marketing and sales environment, we must be able to respond to the needs and rapid changes of our high quality youth. Today's competition is armed with state-of-the-art marketing technology, while our recruiters are equipped

with systems that are slow, outdated, and ineffective. The key to our recruiting success is in our ability to leverage technology in order to enhance our marketing techniques. With the fielding of new technology (Army Recruiting Information Support System – ARISS), recruiters are now getting the technology that they require to be more competitive with today's sales force.

Other near-term efforts to modernize the recruiting force include obtaining Internet access for recruiters, cell Phones, and off-the-shelf technologies. In the long-term, modernizing the REQUEST system is imperative to facilitate the changed product-oriented, market-based doctrine. The processing system housed within the Military Entrance Processing Command (MEPCOM) must evolve as well, to provide information, choices, and qualification to the prospect earlier in the recruiting process. Technological improvement is a center of gravity for moving the Recruiting Command into the next millennium. It has the potential to yield efficiencies in the recruiting process that may eventually warrant reductions in infrastructure. These technological improvements are resource intensive in the short-term; however, the long-term gain will enable us to diminish the demand for resources in the future.

XI. Matching Resources to the Market

We know the current recruiting structure is not as effective as it should be – change

is required. We are doing a Functional Review and a Recruiting Market

Assessment (RMA) to ensure we have the right mix of recruiting resources placed in

the right location and that we are maximizing our effectiveness. During the Army

draw down years, we consolidated our resources into America's major cities,

abandoning many of the rural areas. Today, we find ourselves positioned away

from many of our high potential markets.

Army Reserve recruiting dynamics differ significantly from Active Army recruiting.

Reserve recruiting must consider a geography based demand system. The Reserve

recruiter is limited to filling vacancies within a 50-mile radius of a Reserve unit.

This impacts on enlistments and our ability to match the right skills with the needs

of the Reserve unit in the local area. Army Reserve units need to be positioned near

populations that can best match jobs with skills.

XII. Stabilizing the Recruiting Force

The quality of our recruiting force is exceptional; we must capitalize on the

expertise of seasoned, professional recruiters by positioning them to facilitate

production. Whether a senior officer or recruiter, the business of recruiting is

unique and requires a steep learning curve. The difficulty of recruiting in the future

market will continue, and one way to mitigate the impact of the environment is to

stabilize the force of experts.

As we stabilize the force, we must also consider how to relate the true recruiting

professional to the production levels. Part of this campaign will result in

restructuring the staffs and pushing successful recruiting cadre back to production

levels as dictated by the functional process review. Also, we must reward

professional competence with incentives designed to recognize high levels of

performance in an extremely demanding market.

As the Nation and the youth market continue to diversify ethnically and culturally,

our recruiter demographics must follow. The numbers of soldiers selected for

recruiting duty should reflect the need for ethnic recruiters in specific markets. The

decision on race/ethnic assignment of recruiters should be determined by market

demographics, that is, we must send recruiters to markets where they will have the

best chance to succeed. As an example, as we try to increase our percentage of

Hispanic soldiers to more accurately reflect the American population, we see a need

for greater numbers of Hispanic recruiters who are both comfortable and successful in working in the Hispanic community.

XIII. Total Army Support

The entire United States Army has become an active part of the recruiting system. The Army has developed a mentality that all soldiers are recruiters, and all commanders are recruiter supporters. This runs the gamut from support of existing systems like Total Army Involvement In Recruiting (TAIR), Hometown Recruiter Assistant Program (HRAP), and Soldier of the Quarter Program, to the new proposals like Hispanic and Cultural Outreach. The entire leadership is involved with spreading the word on the many opportunities the Army offers. General Officers and Civilian Aides to the Secretary of the Army (CASA) are speaking in our schools and communities. Our retiree community is also lending assistance.

Prospects and their influencers will form a lasting impression of the capabilities of the Army based on the soldiers and technology they view. Word-of-mouth advertising from soldiers to their family and friends is a valuable asset. Soldiers picked to support the recruiting process are stalwarts and their selection to support recruiting is viewed as a reward to good soldiers.

XIV. Customer Satisfaction and Quality of Life

The effects of happy soldiers and positive word-of-mouth advertising are a tremendous advantage to the recruiting and retention process. Likewise, a dissatisfied customer can do severe damage to the image of the Army. Improving satisfaction and quality of life begins with improving base pay, retirement benefits, housing, and TRICARE. In addition, our recruiters and their families who are located in remote high cost areas deserve a support structure that provides them the same quality of life that other soldiers in the Army experience.

XV. Operational Initiatives

The opening of Tier I status to home-schooled applicants is a great initiative. Currently, part of the FY 99 Defense Authorization Act includes the ability to test production in this previously untapped market segment. USAREC is implementing the policies to support recruiting and marketing to home-schooled applicants.

The English Comprehension Language Test (ECLT) option supports the under penetrated minority markets. This option allows applicants who have difficulty in

speaking English to enlist for the English Comprehensive Language (ECL) training. The primary goal of this option is improving English language skills to a point that reflects soldiers' true ability. An applicant who scores low on the language test with below average aptitude tests scores will be offered an opportunity to enlist without specific job skill guarantees. After completion of the English language training applicants are given a second Armed Services Aptitude Vocational Training Test (ASVAB) with the concept that they may score higher and in turn have a greater choice of jobs and benefits available to them.

We have increased efforts to enable the Army to expand its reach into rapidly growing market segments such as the Hispanic market, a segment currently under-represented in the Army. The Army will implement a targeted effort to reach the Hispanic community by explaining our benefits and opportunities, increasing our advertising exposure and extending our outreach to the community. We will continue to evaluate our targeted marketing approach with the view of increasing enlistments and providing opportunities to all Americans, regardless of cultural background.

Other initiatives working include: development of career planning guides for middle school students; expanding the "Stay in School" program; stabilizing recruiter tours;

expanding the Hispanic Influencer Alliance (HIA); enhancing the local influencer

advertising campaign; supporting communities through increased assistance of

events; expanding ethnic/cultural training; expanding the HRAP program to include

a component for Cultural Outreach; and developing a Hispanic Resource Network.

In January 1999, we hosted a Hispanic Leadership Summit in San Antonio, Texas.

Future summits include another Hispanic conference in June 1999 in Los Angeles

and an Asian Pacific Islander Summit in the early fall of 1999.

We remain sensitive in our outreach to all minorities as demonstrated in our

recruiting publicity. Our publicity contains information and education on all of the

Army's career opportunities, benefits and special programs. We recently distributed

an adaptation of the best-selling book "All That We Can Be" to our recruiting

stations. This publication describes African-American success in the Army and

better explains the Army lifestyle to the African-American youth. We are also

investigating the possibility of translating some of our local advertising from English

to other languages, such as Korean and Chinese, to better inform some of our target

markets. We will continue to look at how we can inform and educate all of

America's youth and their influencers about the Army opportunities and options.

XVI. New Incentives

We are reviewing old incentive programs and developing new enlistment incentives designed to enhance the opportunities for those enlisting in the Army. These programs are designed to increase enlistments by offering products that appeal to high quality youth. The new incentive programs support campaigns of innovative products, selling, marketing, advertising, direct marketing, and improved research.

We are looking to leverage the changes to $50,000 Army College Fund (ACF), the three-year Enlistment Bonus (EB) increase, and the linkage of EB and ACF to simultaneously attract our target market segments. Other incentives in place include:

- Quick ship bonus

- Increase bonuses to more skills

- Station of choice

- Increased 2 year enlistment options to more skills

XVII. A Look Toward the Future

We are examining privatization initiatives that will enable us to penetrate the market more effectively and efficiently. These initiatives include telemarketing, civilian outsourcing, and joint ventures.

We are currently testing the use of a telemarketing firm with the technology to quickly canvas large populations of the quality youth. Because the telemarketing industry is equipped with automated state-of-the-art telephone systems, they can canvas a target population much faster and more efficient than a recruiter can do with a simple desk phone.

We are looking at the use of civilian contractors to do recruiting for our Army Reserve medical specialties. Additionally, placing civilian contractors into administrative areas currently filled by recruiters will free up the recruiter to prospect.

We are already doing joint ventures on several recruiting support functions and want to expand this concept into other areas. The Recruiting Command currently provides computer network support for all the military services. We are exploring the concept of a Joint Distribution Center where we consolidate the distribution for

publications and recruiting materials into one area. Recruiting Command is prepared to do this.

In short, these privatization initiatives will result in cost savings through streamlining processes.

XVIII. Summary

We are in highly competitive market and are having difficulty providing the strength to America's Army. Current trends indicate we will not meet this year's objectives in the Active Army or Army Reserves. We have the commitment of the Army's leaders and we are modernizing to provide the tools to our recruiters to make them competitive to maximize the recruiting effort within the capabilities in the areas we have control.

In conclusion, we recognize the need to change and we are changing. We will continue to apply our strategies for the future while using every resource available to make our recruiters successful now. We are looking inward to make bold moves, to be proactive in addressing market issues, to stay in step with today's changing demographics. We ask you in the legislature to look outward at your historic

responsibility and concern for the All-Volunteer Force, especially at those issues we

cannot influence ourselves, but which have a profound effect on our ability to recruit

competitively in today's youth population. Three of these issues – military pay

equity, medical benefits for military members and their families, and the retirement

system – have a major impact when we discuss Army opportunities and options with

prospects and their influencers. You have shown your support for the all-volunteer

Army in the past; we solicit your continued support.