Good morning! Thanks for coming out here today.

I’ve asked all of you to join me to talk about the next two links we’re building to what I call the Force of the Future – our Defense Department’s all-volunteer force, military and civilian, that will help lead and defend our country in the years and generations to come.

All of us who work here at the Pentagon are fortunate to be part of what is today the finest fighting force the world has ever known. But as we all know, generations change, technologies change, labor markets change. That’s why one of my responsibilities now – and a job for all of us in the years ahead – is to make sure that amid all this change, DoD continues to recruit, develop, and retain the most talented men and women America has to offer…men and women like you. That’s what building the Force of the Future is all about.

And it’s something we absolutely have to do. It’s critical we do so to meet and overcome the five challenges we face today – from Russia, China, North Korea, Iran, and terrorism, especially ISIL – and to be flexible and agile in preparing for the future…for unknown dangers we can’t anticipate today. And it’s also critical we do so in keeping with the military’s character as a profession of arms, and the distinctive nature of public service – because mission effectiveness and the security of this country always have to be job one, for all of us.

Now, as many of you know, these aren’t the first two links we’ve built – in fact, they’re the third and fourth.

Link number 1, which I announced in November, focused on building and expanding on-ramps and off-ramps for technical talent to flow between DoD and the tech sector in both directions – such as creating the Defense Digital Service, expanding the Secretary of Defense Corporate Fellows program, making the Career Intermissions Program permanent, and bringing in Entrepreneurs-in-Residence for a year or two at a time. It also focused on modernizing our talent management systems – creating an Office of People Analytics, resuming exit surveys, and launching LinkedIn-style pilot programs to help match servicemembers with their next assignments.

The second link, which I announced in January, focused on family retention for military personnel – promoting that critical objective by helping them balance their commitments to the force and their families by expanding maternity and paternity leave, extending childcare hours on bases, and giving families the possibility of some geographic flexibility in return for additional service commitments.

We’ve taken other actions too, that will help benefit our future force. We opened all combat positions to women who meet our standards, to expand our access to what is, after all, half of America’s population for our all-volunteer force. And we’re working with Congress to improve joint duty requirements under Goldwater-Nichols…making them less rigid, and giving top personnel more flexibility to take on command assignments and other opportunities to broaden and deepen their careers.

With every announcement related to Force of the Future, I’ve said there’d be more to come, because competing for good people – military and civilian – is a critical part of our military edge, and everyone should understand this need and my commitment to it.
So today I’m pleased to unveil the next two links to the Force of the Future that we’ve been working on. One is for DoD’s uniformed military side, particularly focused on giving the services room to make commonsense improvements to the officer promotion system. And the other is for DoD’s civilian workforce. Both are critical, and I wanted to announce them together—even if it meant giving a longer speech—because, as many of you know, whether you’re military or civilian, here at DoD it’s one team, one fight. And in the end, the goal is the same—this is about our people, and building an effective force that will continue to defend our country and make a better world.

Before I get into the details, I want to thank everyone who contributed to this over the last several months—many here today. There’s DoD’s Personnel & Readiness chief, Peter Levine…Peter, thank you for taking on this new role, and to you and everyone in P&R for helping see these initiatives through. To the Services’ “Ones,” and Manpower & Reserve Affairs offices—thank you all for working so closely with Peter and his team on all these initiatives. And I particularly want to thank the Service Secretaries and Service Chiefs, for their support, and for their presence today—Secretary Fanning, Secretary Mabus, Undersecretary Disbrow; General Milley, Admiral Richardson, General Neller, Lieutenant General Lengyel…thanks to all of you for joining us this morning, and for your contributions to building the Force of the Future. We couldn’t have done it without you.

With that, let me start with what we’re doing on the military side, to ensure our services have the tools they need to always ensure we’re promoting, retaining, and bringing in the best possible officers to lead our all-volunteer force.

Many of you are familiar with ‘up-or-out,’ the term for our current system. This system serves us well, but that doesn’t mean it can’t be improved.

It’s important to recall how and why this system came about. After the Revolutionary War, American military officers were promoted based on seniority alone, almost without exception—junior officers would wait for as long as 20 years to fill so-called “dead men’s shoes,” and only then was there possibility for promotion.

That began to change 100 years ago this fall, when the Navy, and later the Marine Corps, worked with Congress to completely overhaul its officer promotion system—establishing promotion boards, minimum time-in-grade requirements, and maximum age limits. This was the genesis of ‘up-or-out’: an officer had to be good enough to advance, or they had to retire. And after the Army and Air Force adopted the same system following World War II, it created the professional officer corps that’s led our military for decades since, and made it the envy of the world.

All this progress was positive. It ensured a fresh flow of talent, so that our officer corps would continually revitalize and hone its warfighting effectiveness in a changing world.

That’s exactly what we’re trying to do today. And this brings me to a key principle: ‘up-or-out’ isn’t broken—in fact, it’s an essential and highly successful system—but it’s also not perfect. Most of the time, and for most of our people, it works well. The problem, however, is that DoD can’t take a one-size-fits-all approach. And “most of the time” isn’t good enough for the Force of the Future.

The ‘up-or-out’ system is currently governed by the 36-year-old Defense Officer Personnel Management Act, or DOPMA, that in some cases proves too rigid. It can limit the ability of our services to achieve the right force mix they need—especially at a time when we’re seeking to promote a wider range of experience, perspective, and training to strengthen the overall effectiveness of our force. That’s because sometimes DOPMA forces officers to make
tradeoffs between strong but overly-specified paths to promotion, and paths that might offer
greater career depth or breadth. It can offer little incentive for officers to focus, specialize, or try
something different from a traditional career path, even if doing so would benefit DoD and make
our force more effective. And for individual officers themselves, at times we’ve seen that people
who deviate from such strict career paths may be penalized by not being selected for promotion –
that’s not always the case, but it does happen. This hinders our force’s ability to take advantage
of the rich value that a full range of opportunities provide.

This rigidity is compounded when promotion eligibility is determined by year group – a
management mindset that doesn’t really account for the possibility of an overall stronger force
comprised of officers with differing experience and training, or of officers who might gain their
experiences and training along slightly different timelines. In some ways it can seem like a
crowded escalator, especially in more junior ranks…with everyone moving up together, and any
attempt to get off, even temporarily, can make it really hard to get back on.

Such rigidity can be constraining to the military services and Service Chiefs in their effort
to attract and retain the best force possible. It’s also difficult for those who want to open their
aperture for professional growth and thereby help make us a better force.

Sometimes this system has led us to lose good people. People with skills we need, but
who see better opportunities elsewhere, in places that are less rigid, slow-moving, and
bureaucratic, and more agile, creative, and merit-based. And as future generations increasingly
value merit and flexibility, it’s more than just a matter of retention – it’s a matter of recruitment,
too.

We can and must fix these problems. That’s why we’re seeking to make four landmark
changes to DOPMA. Together, these stand to be the most consequential changes to our officer
promotion system in over 30 years, if not more. And they’ll improve that hundred-year-old
system and help bring it into the 21st century – all with the clear intent of improving the
effectiveness of our force, and maintaining its character as a profession of arms.

The first change we’re seeking – and this idea is a credit to Admiral Richardson and his
Navy team – is for the services to be able to adjust, based on performance, the so-called lineal
numbers of their officer corps. This will help them better balance merit and seniority in the
promotion system.

Right now, when a promotion board selects a certain number of officers to be promoted,
they don’t all move up at the same time. DOPMA limits how many personnel are allowed for
each rank, so officers selected for promotion have to wait for an opening in the rank above them
before they can actually get promoted. Then, when there is an opening, the order in which they
move up is determined by lineal numbers, which are assigned to officers based on seniority –
that is, based on date of commissioning or when they were last promoted. With naval references
to lineal numbers dating back to at least 1800, this is one of the last vestiges of the pre-World
War I, promotion-by-seniority system. And sometimes that’s to our force’s disadvantage.

It can lead to a particular assignment going to the most senior person on the list, even if
someone else a bit lower down would be more effective in the job. It also means that high-
performing officers who get selected for promotion a year or two ahead of theirs peers often have
to wait in line behind everyone else more senior – sometimes for a year or more – which
prevents putting their talent to use as soon as it may be needed. And if they get fed up waiting
and decide to leave the military for some other opportunity, that hurts us too – it’s
counterproductive.
So that’s why we’re seeking to change DOPMA to let the services adjust lineal numbers based on superior performance. It’s a key part of good talent management. And it’ll help us recognize and incentivize the very best performers—not to mention make promotion even more merit-based than it already is.

The second change we’re seeking, to ensure our force doesn’t lose or penalize talented officers who wish to broaden their careers, is the authority for the services to be able to temporarily defer when those officers are considered for promotion.

DOPMA has generated very specific timelines for when officers come up for promotion. Everyone gets considered when the system says they’ve had their current rank for enough time, and they’re considered alongside and in competition with their chronological peers—usually in groups based on when they were commissioned. To be competitive, everyone is expected to have gained the requisite experiences and knowledge to advance and succeed in their career field, and in the amount of time when the calendar says it’s time to screen for the next rank. That means the system can penalize any deviation from the typical career path—even one of significant benefit to an officer and the military.

Take Army Lieutenant Joseph Riley, for example, who was a Rhodes Scholar and the nation’s top ROTC cadet in 2013. Because he spent two years at Oxford instead of holding the typical military jobs expected of the Army’s junior officers, the system almost didn’t promote him, and in fact was on track to separate him from the military entirely—that is, until General Milley heard about it last fall and intervened, thankfully.

We can’t have a system that inadvertently almost kicks out a Rhodes Scholar just because the calendar tells us to. That’s a disincentive to those who might otherwise take advantage of a broadening opportunity—like earning their doctorate, or pursuing other advanced training, or doing a tour with industry—to gain experiences that will make them a better officer. We need people who’ve had those kinds of diverse experiences; they help keep us innovative and open to new ideas that can make us better. A PhD, a Masters, or another experience or form of advanced training doesn’t make for a diverted warrior—it makes for a smarter warrior.

And if the services can allow those warriors temporarily defer their promotion boards, it will help ensure that officers and their personnel managers who pursue less traditional career paths won’t be harmed for it, and give them time to meet all of DOPMA’s promotion requirements before they’re considered for promotion.

Now, the third change we’re seeking for DOPMA has to do with what’s known as lateral entry. As many of you know, civilian doctors can join the military at officers’ ranks commensurate with their skill and experience. But in most other specialized fields, there’s no way for the services to recruit a properly-skilled and experienced civilian who wants to serve in uniform without having them start at the lowest ranks.

That’s mostly intentional. Growing our own military leaders is part of being a profession of arms, and frankly, no civilian job can prepare a person to lead an infantry or armored brigade in the field, command a fighter squadron or a bomber wing, or skipper a submarine or an aircraft carrier at sea. Only years of training and experience in the military can do that.

However, this can be problematic in some very specific areas, such as cyber and other scientific and technical fields, where jobs are not only high-skill, but also hard-to-fill, rapidly changing, and in high demand by the private sector. Here, DoD civilians can sometimes help fill gaps in expertise, but not always—the fact is, some missions have to be done by someone who has the legal protections we afford our military personnel.
So in those situations, when perhaps a network defense or encryption expert from a tech company feels a call to serve, and is willing to contribute to our mission as a reservist or on active-duty, we need a way to harness their expertise and put it to use. We may not be able to offer as much money as the private-sector, but we can offer one of the noblest of missions. We can offer the most intriguing of problems. And we should be able to offer a rank, status, and leadership position commensurate with their abilities.

We’ve done this before in similar career fields. During and in between World War I and World War II, the Army Signal Corps granted mid-grade commissions to early radio communications and broadcast pioneers. One was Edwin Armstrong, inventor of wideband FM radio. Another was David Sarnoff, the head of RCA, who served on General Eisenhower’s staff in England before and after D-Day, and after the liberation of Paris helped reestablish its communications links with London and New York.

Now, I have to say we can’t do this for every career field – far from it. It will probably never apply to line officers, as they’ll always need to begin their military careers as second lieutenants and ensigns. But allowing the military services to commission a wider segment of specialized outside talent – talent who can meet our standards, who provide unique skills we need, and who are willing to serve in uniform – will help fill critical gaps in our force. And it will make us more effective.

This brings me to the fourth and final DOPMA change, which is intended to make room for an uncertain future. Here, we’re seeking enduring flexibility for future defense secretaries to let the services make needed tweaks to DOPMA-related policies down the line, for purposes of improving the force. While the other three changes are about providing specific solutions to specific problems, this change will help us be prepared for what we can’t anticipate.

We know there may be unforeseen problems that could come up five, 10, or 20 years from now. We also know we’ve never been perfect at predicting the strategic future. So under certain conditions, the services need to be able to waive select DOPMA constraints to very quickly build up expertise in a critical career field. This will enable them to respond to an uncertain future, in ways that can be tailored to their unique capability requirements and particular personnel needs, without casting off a system that still largely meets our needs for most officers across the force.

For each of these changes, we’ll need Congress’s help to provide the proper authorities, but there’s good news here, because we know some on Capitol Hill already agree with us. And I greatly appreciate that over the past year, Congressional leaders from both parties have expressed support for reviewing DOPMA and making some commonsense improvements to help strengthen our warfighting effectiveness. We’ve already been working with Congress very closely on this, and I’m looking forward to partnering with both the House and Senate Armed Services Committees to get this done.

We are seeking permanent authorities for all this, not temporary or pilot authorities, because we can’t expect our officers to plan 30-year careers around something temporary. And once these tools are implemented, we’ll be looking to the Service Chiefs and Service Secretaries to lead the way in putting them to good use to strengthen the warfighting effectiveness of our all-volunteer force.

In addition to the legislative authorities we’re seeking, I’m also announcing a couple more measures were taking to help our military recruit the best talent America has to offer – officers and enlisted alike.
For one, we’re going to modernize our system for recruiting and processing new personnel into the military. That means no more paper forms. Plenty of our personnel can tell stories about having to fill out the same packets of paperwork over and over again – not a good sign for a new recruit who’s been hearing that we’re the most technologically advanced military in the world. Force-wide, enlistment alone requires processing 70 to 80 million pieces of paper every year. That’s slow, expensive, and inefficient. So over the next five years, we’re going to move to an all-digital system.

We’re also going to expand work being done by DoD’s Joint Advertising, Market Research & Studies program, known as JAMRS, to leverage recent advances in data science and microtargeting to build a precision recruiting database, aimed at making sure we have access to America’s entire population.

This is important, because our military’s geographic pools are shrinking. Today 40 percent of those who join the military come from just six states. Most ROTC and academy graduates come from northern states, while the vast majority of our enlisted force hails from states in the southern part of the country. In some ways that’s not surprising. Military recruiting tends to be most successful in the South, Southwest, and Big Sky Country, and it tends to be most difficult in the Northeast. But it’s also paradoxical, since the Northeast is among those regions with the highest percentage of young Americans eligible to serve.

If we’re going to ensure we keep recruiting top talent in future generations, we have to fix this. And we have to start now, because it’ll only get harder as the economy continues to improve, and as fewer and fewer young Americans know people who’ve served. We can’t keep fishing in the same old ponds; instead, we have to fish in more ponds, new ponds, and ponds we haven’t been to in a long time – we have to draw talent from our country’s entire pool of population for our all-volunteer force.

And here’s the new approach we’re going to take. Rather than identifying geographic and demographic groups that already have a higher propensity to serve, and sending recruiters to find people like them – which is what we do now – we’re going to build and use this precision recruiting database to identify those who’d be a great servicemember, but might not know it. Or maybe they didn’t bother to think about it. Or maybe there’s some misconception about the military that’s keeping them from doing so. Either way, we’re going to reach out and make it clear DoD is a place where they can be a part of something bigger than themselves, where they can contribute to helping defend our country and making a better world.

So that’s the military side. Now let me turn to DoD’s civilian workforce, and the new steps we’re taking to continue keeping it great. And here, I have to say first that far too often, our civilian workforce gets treated like a political punching bag. And it doesn’t deserve that. You civilians in the audience today don’t deserve that.

When people talk about DoD civilians, they’re talking about over 700,000 patriotic Americans, more than 85 percent of whom live and work outside the D.C. area, serving across the country and all over the world. And they do critical jobs – helping repair our ships and airplanes; providing logistical support to our troops; designing, developing, and acquiring weapon systems; preventing sexual assault; helping care for our military’s wounded, ill, and injured; and much, much more.

There’s no question that what our civilians do is often different from what we expect of our uniformed servicemen and women – that’s because everyone has their role, from military personnel, to civilians, to contractors. But there’s also no question they’re part of our DoD
family. They too, serve. They too, sacrifice – some supporting troops in harms’ way. And they’re an equally important part of our Force of the Future.

So the goal here is the same as with our military personnel...to make sure our future civilian force is just as great as the one we have today – just as excellent as all of you – by continuing to attract and retain the best talent America has to offer. And today I’m announcing several new ways we’re going to do that.

First, we’re seeking authority from Congress to directly hire civilian employees from college campuses. And make no mistake: this is going to be huge. I can’t emphasize that enough.

Right now, if a DoD recruiter meets an undergrad student, a grad student, or a recent graduate who’s a perfect candidate for a particular job opening, they have to send them to the USAJOBS website. For the job-seeker, many of you know what that means: an arduous process of creating an online resume, uploading transcripts and other documents, responding to supplemental questions, having the application processed, and much, much more. It can take 90 days – and I expect that’s if you’re lucky, if everything’s moving at lightspeed. And that’s not even counting the time it takes for a security clearance.

Some people are able and willing to wait that long, and we’re lucky for that. But in today’s job market, if you’re a computer science or other STEM major graduating from Stanford or MIT or the University of Texas, you’re not going to wait three more months after you applied for us to make an offer. By the time we get around to it, chances are you’ll have gotten another offer already – if not accepted it, and shown up for your first day.

That’s bad, but it’s also easy to fix. After all, being able to make a tentative offer to an exceptional candidate coming out of school isn’t unique in government – the intelligence community has been able to do it for decades. It also affords our civilian workforce one of the benefits of our military’s ‘up-or-out’ system, which is the easy infusion of young, fresh talent.

This has potential to be a real game-changer for us. Our civilian recruiters will be able to go to campus job fair, do some interviews, and if they find someone who’s the right fit, they can make a tentative offer on the spot, pending security clearance…potentially cutting those 90 days down to zero.

Second for our civilians is that we’re seeking to create a new two-way talent exchange program with the private sector.

Right now we have very few such programs, with very limited scope. If we want to send a civilian from the Defense Logistics Agency or TRANSCOM to spend 6 months at a place like Amazon or FedEx to see what we might be able to learn, there’s no formal mechanism for that. And the same goes for the opposite direction, if we want to host people from those or other companies.

So we want to create a program to facilitate that – with all the proper ethical safeguards, of course. And being able to temporarily exchange civilian employees, talent, and best practices with some of America’s best and most innovative companies will help DoD stay on cutting edge, and be more efficient and effective.

And third for DoD civilians, we’re calling on Congress to make their maternity and paternity leave paid instead of unpaid. Parental leave is fully paid for military personnel, and the same should be true for their civilian colleagues.

This is important for retaining civilian talent, especially since we want to retain people who are experienced, but not at the end of their careers – which is exactly the time people are having families.
We can’t afford to risk losing civilian talent just because private-sector companies will pay them during their maternity and paternity leave, and we won’t. So it’s time to get this done.

As with the changes to DOPMA, we need Congress’s help on each of these. But here too, there’s also good news – we’ve been working together already, and we’re pleased with the positive support we’ve seen, particularly for the on-campus hiring authority. And I’m looking forward to partnering with the House and Senate Armed Services Committees to finish what we’ve started.

Finally, in addition to the civilian legislative proposals, I’m also announcing several more initiatives today that we’ll be doing on our own to help build our civilian force of the future. Let me highlight a few examples.

For one, we’re going to better leverage our existing authorities to directly hire Highly-Qualified Experts into jobs across the department. Today we only have about 90 such experts onboard across DoD – including some really talented and innovative people like the director of the Defense Digital Service, the head of DoD’s Strategic Capabilities Office, and the Air Force’s Chief Scientist. And we’re way below the maximum. Having such experts around is often a force-multiplier, so we’re going to use this authority more often, and increase our number of Highly-Qualified Experts by 10 percent a year over the next five years.

We’re also going to increase participation in the dozens of career broadening programs we currently offer for civilians – likewise by 10 percent a year over the next five years.

And we’re going to expand DoD’s decade-old scholarship-for-service program, which brings in graduates in mission-critical STEM fields to build the next generation of DoD science and technology leaders. This has helped us attract hundreds of outstanding young civilians graduating from top universities – Carnegie Mellon, Georgia Tech, Cal Poly, and many more. And the program retains talent too…over 70 percent have stayed beyond their service commitment. So we plan to increase the number of scholarships we offer – here too, by 10 percent each year over the next five years.

Again, those are only a few examples…we’ll be doing even more.

Let me close by saying that while all these efforts represent the capstone of how we’re building the Force of the Future, it’s also not the end. Because this is an ongoing process – there’s much work to be done with Congress, and as we implement and refine each initiative we’re pursuing, we’ll also continue to look for new ones.

I know I’ve announced a lot today, but we’re a big organization. And every time I walk the halls around the Pentagon, and travel to our installations across the country and around the world, I see example after example of what makes us so great: our people. I hope these changes will help you fully exercise your talents, and ensure that you’ll always have good people to your left and right – and in future generations – who are just as excellent as you are.

You’re part of how we’ll make that happen, because you’re our best ambassadors. You know better than anyone why the military, and why public service as a whole, is worthy of consideration as a career – not only for the difference it can make in our own lives, but also the difference it lets us make in the lives of others.

So I look forward to seeing you in the hallways, and talking about all this and how it’s going to make us even greater.

Thanks for everything you do.

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