| AUTHOR | Charnes, A.; And Others |
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| TITLE | Studies in Manpower Planning. |
| INSTITUIION | Carnegie-Mellon Univ., Pittsburgh, Pa. Management |
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|  | Management (Navy), Washington, D.C.; Texas Univ., |
|  | Austin. Center for Cybernetic Studies. |
| SPONS AGENCY | Office of Naval Research, Washington, L.C. |
| REPORT NO | NAVSO-P-3540 |
| PUB DATE | Jul 72 |
| NOTE | 204p. |
| AVAILABLE FROM | Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 |
| EDRS PRICE | MF-\$0.65 HC-\$9.87 |
| DESCRIFTORS | Career Planning; Computer Griented Programs; Federal |
|  | Government; *Management Systems; *Manpower Needs; |
|  | *Manpower Utilization; Mathematical Applications; |
|  | Mathematical Concepts; *Mcdels; *planning; |
|  | Research |


#### Abstract

This compilation consists of a collection of reforts on models and studies in the area of manpower management and planning. Part One contains a dactoral dissertation, "The Afflication of Computer-Assisted Multi-Level Manpower Planning Models in the Federal Government" by R. J. Niehaus, which provides a comprehensive summary of the e.S. Navy's Office of Civilian Manpower Management modeling research program. Parts Two and Three contain papers by R. J. Nichaus,, S. Charnes, W. W. Cooper, and others discussing the mathematics of models for aggregate manpower flanning and models of the assigriment and spectral analyses type. Topics covered by the papers are: (1) "A Goal Programming Model for Manpower Planning," (2) "A Model for Civilian Manpower Management in the U.S. Navy," (3) "A Generalized Network Model for Training and Recruiting in Mancower Planning," (4) "Multi-Level Models for Career Management and Resource Planning," (5) "Static and Dynamic Assignment Models with Multiple Objectives and Some Remarks on Organization Design, " and (6) "An Algorithm for Multi-Attribute Assignment Models and Spectral Analyses for Dynamic Organization Design." (SB)




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This report was prepared as part of the activities of: The Center for Cybernetic Studies, University of Texas under Office of Naval Research Contracts N00014-68-A-0126-0008 and N000-67-A-0126-0009; the Management Sciences Research Group, Camegie-Mellon University, under Office of Naval Research Contract N000-14-67-A-0317-0007 NR-047-048; and The Assistant for Computer Sciences, Office of Civilian Manpower Manage rent under Office of Naval Research Contract RF 39-521-101 OCMM-06-001. Distribution of this document is unlimited. Reproduction in whole or in part is pernitted for any purpose of the United States Government.

July 1972

Office of Civilian Manpower Management
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## PREFACE

This book consists of a collection of reports on models and studies in the area of nilanpower management and planning. This work was accomplished as part of a research program of the U.S. Navy's Office of Civilian Manpower Management (OCMM). The first part of the book consists of the doctoral dissertation of R. J. Niehaus for the School of Govermment and Business of the George Washington University. One of the contributions of this dissertation in that it provides a comprehensive summary to date of the OCMM modelling research program. The second and third parts consists of a series of papers by A. Charnes, W. W. Cooper, R. J. Niehaus, and others discussing the mathematics of the models. The second part deals with models for aggregate manpower planning and the third with models of the assignment and spectral analyses type.

There are two others who have contributed to portions of the research which is reported. These are D. Sholtz of OCMM and A. Stedry of The University of Texas. Acknowledgement is also due to the officials of OCMM who supplied guidance and direction for these studies. Among others, these included: R. H. Willey, CAPT. W. Gundlach, J. Cardillo. and P. Meyerson.

In addition to OCMM, other organizations have contributed to the research. They include: The Operations Research Branch and the Personnel and Training Branch of the Office of Naval Research; tie Resource Analysis Division, Center for Naval Analyses; the Technical Advisor for Personnel Logistics, Office of Research, Development, Test, and Evaluation, Chief of Naval Operations; and the Special Assistant for Research to the Assistant Secretary of the Navy (Manpower and Reserve-Affairs).
A. Charnes
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## PART I

## COMPREHENSIVE SUMMARY

# The Application of Computer-Assisted Multi-Level Manpower Planning Models in the Federal Government 

by
Richard J. Niehaus
July 1972


#### Abstract

This study examines the application of large-scale multi-level models for manpower planning in the Federal Government. This includes the data systems which are necessary for their implementation. A multilevel model can be defined as one in $w!$ :ch more than one level of decision making is included in the same model structure. This study concentrated on the models to link top level resource planning with the career planning process.

This study explored for the first time the applications software necessary to support manpower planning models of the goal programming variety. It includes a number of d.ta studies documenting the initial operational experience of the generalized network form of these goal programming models. New mathematics were developed including a multi-level model which integrat?s resource goals with manpower goals. This is done by means of examples showing the methodology of transferring manpower model mathematics into workable data systems. It is done in terms of both the technical problems and the managerial proolems of such models to support top level policy testing.

Acknowledgement for assistance in the research is due to M. Wofsey and G. Black, School of Government and Business, The George Washington University; A. Charnes, Center for Cybernetic Studics, University of Texas, W. W. Cooper, School of Urban and Public Affairs, Carnegie-Mellon University; and J. Merck, Office of Management and Budget, Executive Office of the Prestiont.


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## CHAPTER I

## ISSUES AND TRENDS

The area of manpower planning has attracted much attention in both the research and managerial literature in the past several years. Interest is shifting away from the use of manpower planning techniques mainly for trend analyses. Focus is upon the use of the manpower planning techniques to support decision and policy making. This shifting emphasis is partly a result of new management science techniques, of large-scale computerized personnel data banks, and of highly efficient computation equipment. More importantly, however, the emphasis comes from the fact that policy and decision makers are becoming more demanding of planning information because of a stronger reliance en a systems approach to problem solving. One new technuque which is being added to this growing collection is the multi-level model. This model can be defined as one in which more than one level of decision making is included in the same model structure. For example, one might include top level manpowe ${ }_{1}$ and financial budgeting in the same model to compute career planning requirements. In this way the program planning aspects of the management process can be made to guide the career planners in a natural and direct manner. Multi-level models could also be constructed to link overall career planning with a system to assist in the operational task of assigning individuals to jobs.

There are reasons why the computer-assisted techniques are not being used to their full potential in the manpower planning area. Among them are the problems of understanding the techniques themselves and of confidence in the data. Another is that the models are new and thus must be shown to be better than current practice. Further, the sheer size of the models (in terms of the number of equations and variables) requires considerable support in terms of input data preparation and analyses. For example, some test examples already contain 3,200 equations with 5,200 variables. Finally, the models can be used to include a very wide spectrum of management activities. For example, the latest versions can be used to integrate career management, training, recruitment planning, and resource allocations into one planning system.

The research invoived a number of data studies to document the ways in which the multi-level models can be used to provide useful management information. This part of the research was designed to illustrate the ways in which one might build flexibility and variety into alarge-scale data system and still provide the needed control over the system outputs.

The significance of the research is that it provides a methodology that organizations can use to develop flexible manpower planning data systems. It also shows how these data systems can be used once they are built. These are important issues, since the use of personnel data systems beyond routine housekeeping applications is being deferred by many Federal agencies because of the complexity of the problem. What this research shows is how one can make use of current historical data files of personnel data systems to estimate future trends. It also shows how such trend analyses can then be coupled with other data systems to obtain a dynamic projection of manpower requirements with respect to those already on board. It inclides both the technical problems and the managerial problems of such models to support top-level policy testing.

The idea of using mathematical and statistical techniques to obtain better information on the manpower requirements has its roots in personnel research started by the Armed Services during World War II. ${ }^{1}$ In the early days, these efforts were limited for the most part to the use of classical statistical techniques such as

[^0]regression analyses and factor analyses. In more recent years this analytical work has been aided by many orders of magnitude by the use of computers. This use of computers has also exposed many of the technical problems associated with applying classical statistical techniques. This exposure led to the development of models which broadly can be classified into Monte Carlo simulation models and into analytical models.

In the past few years there have been several reviews of these models. Chief among them have been the papers by Huber and Falkner, ${ }^{1}$ Walker, ${ }^{2}$ Heneman and Setzer, ${ }^{3}$ Smith and Lawrence ${ }^{4}$ and Charnes, Cooper and Niehaus. ${ }^{5}$ A reasonably comprehensive bibliography has been put together by Lewis. ${ }^{6}$ Additionally, there have been several international meetings on these models sponsored by the NATO Scientific Committee ${ }^{7}$ and by the Institute of Management Sciences. ${ }^{8}$ Thus, the literature of manpower planning in an organizational context is beginning to have a firm foundat.....

The Monte Cario models can be described as suggested by Hillier and Lieberman ${ }^{9}$ as performing sampling experiments on a model of the system. The resulting system is of a sequential interrelated nature lacking in some instances the precision desired. However, some examples of applications of simulation models to manpower planning can be cited. For example, there are the Navy ADSTAP moaels for enlisted personnel developed by Silverman. ${ }^{10}$ There are the so-called entity simulation models of Groover ${ }^{11}$ for force planning at the Department of Defense level. Entity simulation models have also been applied by Bottenberg ${ }^{12}$ for enlisted personnel planning of the Air Force. Other cases in point, at the micro level of manpower planning where testing of behavioral science propositions is important, are the work of Bonini ${ }^{13}$ and that of Weber. ${ }^{14}$ Embedding these one-variable-at-a-time derived propositions within a total systems concept has, at least on occasion, produced surprising and even disconcerting results. ${ }^{15}$ These developments lead away from the focus of this report. It is concerned primarily with analytical manpower models for aggregate skill and force level planning.

Analytical models differ from Monte Carlo simulation models in that they attempt to abstract the essence of a problem to reveal the underlying structure. In many instances this results in a simultaneous treatment of all facets of the problem. Also, if mathematical programming techniques are employed, the optimizing function is included in the models. As far as manpower planning at the aggregate levels is concerned, analytical models have been developed which can be classified as (1) Markov process models, (2) mathematical programming

[^1]models, (3) activity analyses and input-output types of models, and (4) various combinations of these approaches. The multi-level are in the last category, where several of these techniques are brought together into one modeling system.

## Markov Models

There have been a variety of recent applications of stochastic models of the so-called Markov matrix type to manpower planning. These Markov models generally multiply a vector of personnel in various job categories by a matrix of transition rates. This allows one to obtain a projection of the current workforce based upon past trends. Probably the most well known applications are those of Bartholomew, ${ }^{1}$ of Vroom and Macrimmon, ${ }^{2}$ and of Merck. ${ }^{3}$ Among the others one could cite on the use of Markov models for manpower planning are Forbes, ${ }^{4}$ Butler, ${ }^{5}$ Rowland and Sovereign, ${ }^{6}$ and Marshall and Oliver. ${ }^{7}$ A form of the Markov models was also suggested by Kane ${ }^{8}$ to check out the "Peter Principle." All of this suggests that Markov models contain an essential element for developing inanpower projections. This turns out to be that the transition matrix allows one to interconnect the internal and external manpower flows across time periods. This leads to dynamic models of the Markov decision variety.

The method of embedding Markov models into a mathematical programming decision model (i.e., one that optimizes some set of decision criteria) was first reported in 1967 by Charnes, Cooper, and Niehaus. ${ }^{9}$ Before looking in somewhat more detail at these Markov decision models, some of the other applications of mathematical programming to manpower planning will be examined.

## Mathematical Programming Models

The first applications of linear programming to manpower planning (other than static assignment models) did not produce satisfactory results. Since they were generally cost minimizing models, they recommended hiring all low-cost personnel (such as janitors or privates) and firing all high-cost personnel (such as executives and generals). An early contribution is the work of Charnes, Cooper, and Ferguson. ${ }^{10}$ In a model they designed for the General Electric Company to assist in setting executive compensation, they developed the concept called "goal programming." Here, the idea is to try to hit a number of management targets "as closely as possible," subject to a set of underlying constraints. The management targets in this case were the salary levels of the executives. The constraints were the attributes possessed by the individuals involved.

The goal programming models are essentially an extension of the ideas of regression analyses. The models are non-linear in formulation, but are transformed to a linear equivalent for optimization. This feature is quite important, since access is immediately secured to existing linear programming computer codes. A critical part of the problem of implementation can then be overcome as far as computer software is concerned.

[^2]The applications software development then becomes one of providing the appropriate input data and of translating the linear programming outputs into management reports.

In addition to the goal programming models, there have been other manpower models which suggest the use of mathematical programming. Early theoretical work was accomplished by Kossack and Beckwith ${ }^{1}$ for the U. S. Air Force. More recently, a linear programming model was included in a mode by Kildebeck, Kipnis, and Mackey, ${ }^{2}$ aimed at the pilot training cycle of the Air Force. The Marine Corps as described by Marsh ${ }^{3}$ is using a linear programming model to assist in the planning of troop rotations. Similar models were suggested by Morgan ${ }^{4}$ for use by the Royal Air Force, and by Clough, Dudding, and Price ${ }^{5}$ for the Canadian Forces. Industrial manpower models utilizing mathematical programming include the work of Purkiss ${ }^{6}$ for the British Iron and Steel Institute and that of El Agizy ${ }^{7}$ for IBM. Most of these models have experienced implementation difficulties. In addition to the problem of management communication, their implementation has been slowed by the model consiructions themselves. Generally, they have not handled the problem of multiple period planning very well. In some, the resolution of this problem is attempted by using multiple objective functions. In others resolution is made by making the transition rates the decision variables of the resultant linear program. What they all indicate, however, is that the manpower planning problem, almost of necessity, is one which involves many variables and equations.

The Markov decision models developed by Charnes, Cooper, and Niehaus ${ }^{8}$ combine the strengths of the Markov models with that of the goal programming models. The goal programming mathematics with embedded Markov processes allow a dynamic evaluation of manpower requirements in relation to the manpower inventory. It makes possible the ability to plan probabilistically for a sequence of planning intervals. It also enables one to deal with the various goals of manpower planning in the natural setting of existing policies and practices. This can be done without insisting upon any preordained consistency between the various manpower goals. Finally, it makes it possible to extend the models to accommodate budgetary (financial) planning with manpower planning, as twin aspects of a simultaneous decision process.

## Activity Analyses and Input-Output Models

Another type of analytical model which has been employed in conjunction with manpower planning is the input-output and activity analyses type. The activity analysis model differs from the input-output model in that it allows for a choice between alternatives. Also, activity analysis models allow for categorizations that do not fit easily into the standard input-output format. On the other hand, these activity analysis models require categories and constructions that can sometimes make the resulting models unwieldly and difficult to use in particular circumstances. Another difficulty which has been pointed out by Miernyk ${ }^{9}$ and others in that these models do not adequately deal with the dynamic interrelationships involved in multi-period planning. The point to bear in mind is that both input-output and activity analysis models were originally designed by

[^3]Leontief ${ }^{1}$ and Koopmans ${ }^{2}$ to conform closely with the rubrics and requirements of general equilibrium analysis in formal economics. These models are also related to the process analysis models discussed by Manne and Markowitz. ${ }^{3}$ Manpower models utilizing process analysis have been suggested by Blanding, DeHayes, and Taylor. ${ }^{4}$ However, these model constructions appear to have had implementation problems due to some of the difficulties discussed above. This is not to say that these modeling efforts are unimportant. With modification, there is strong likelihood that they could be quite useful in the area of manpower and personnel planning.

An example of an input-output model which is being successfully implemented is the Navy Requirements Model (NARM). This model is being developed by Augusta 5 of the Center for Naval Analyses for the General Planning and Programming Division of the Chief of Naval Operations. The NARM model is being used for study of cost allocations in the Navy. It is worth noting that this model is being used to assist in the preparations of a significant portion of the Fiscal Year 1974 budget. A limitation of this model is the fact that it provides static rather than dynamic projections. It is an aggregate planning tool and does not directly tie back to the skills planning process.

Input-output models for manpower planning are part of the work of Kovacs ${ }^{6}$ in Hungary. This model is being used to assist in the planning of enrollment in the universities in Hungary.

## Multi-Level Models

Turning to the possible extension of these input-output approaches to dynamic models with additional constraints and alternatives, as discussed by Charnes, Cooper, Niehaus, and Sholtz, ${ }^{7}$ the possibility of a true multi-level model is realized. Their work includes the joining of an input-output model for resource planning with a career management model for manpower planning. Goal programming features are included to make it possible to handle inconsistencies in resource availabilities and other requirements. This-model has been arranged so that resources allocation is accorded greater weight in the objective than career management. The result is a model which is multi-level in the sense that two different levels of decision making are considered simultaneously in the same model.

Another multi-level model for manpower planning is the one proposed by Kildebeck, Kipnis, and Mackey. ${ }^{8}$ This model is actually a multi-stage model in that the results of the computations at the top level of decision making are used to constrain the subsequent computations at the next more detailed level of decision making. Here, a Monte Carlo simulation model is suggested for the resource allocation decisions followed by a linear programming model for the manpower planning decisions. This modeling system has not been implemented beyond initial prototype computations and to the knowledge of the researcher is not being pursued further.

Other multi-stage and multi-model systems have been proposed to assist in the manpower planning process. Among them is the system suggested by Williams and Ozkapìan: ${ }^{9}$ These ideas are still in the very early conceptual stage without explicit model structures or numerical prototypes to demonstrate fully their feasibility. All of this and the preceding discussion indicate that to the researcher's knowledge there are no working

[^4]examples of analytic multi-level manpower planning models beyond that reported by Charnes, Cooper, Niehaus, and Sholtz. ${ }^{1}$

Most of the manpower modeling in the Federal Government has been conducted by the Department of Defense. With the exception of the work sponsored by the Navy's Office of Civilian Manpower Management, little attention has been paid to modeling Civil Service manpower. This point has been substantiated by Clark ${ }^{2}$ of the U.S. Civil Service Commission. 1 similar conclusion was reached by the U.S. Government Inter-Agency Task Force on Personnel and Computers in Decision-making. ${ }^{3}$ This is to be contrasted to the British Civil Service Department which, as reported by Smith, ${ }^{4}$ has had a strong manpower modeling research effort for several years.

## Model Implementation

Paralleling or following the development of the model structures have been the efforts to develop the daia systems to support the models. It is how this effort is organized and developed that spells the ultimate success or failure of a particular modeling system. Highly sophisticated systems involving large amounts of financial support have failed due to faulty management of the implementation process. Some were replaced with less complex systems, since the organization was not ready or capable of using the new capability. Others failed because the developers attempted to accelerate the implementation before the technology was adequately tested. The point here is that most manpower modeling systems have a tricky initial inertial problem to c.ercome.

With many manpower systems, the initial inertial problem is due in a large part to the model structures themselves. The models may contain the basic technological improvement to warrant further implementation. However, most likely there are many minor structural deficiencies, which need correction. It is these minor problems, which tend to generate the need for considerable unplanned computer software, that stifle the overall development process. It is during this part of the process that the systems also need to be generalized to handle the anticipated variety of data demands. All of this contributes to the large amounts of computer software needed to move the models to an operational environment.

The most critical period in the modeling system's life is the time between successful demonstration of the small prototypes and the completion of the first version of the operational system. Interest has already reached its first peak, and the system may not be able to deliver for some time to come. At this point the system may lose some of its chief followers and patrons. Part or all of the implementation resources may also be withdrawn due to the criticisms which are likely to appear. This may result in one or more of the key people leaving or being transferred to other projects. The system then languishes and dies as new technology replaces the edge the system once had. This points to the need for the long term continuation of the team of key people, if the system is to survive. It also emphasizes the need for continually introducing new technology to the system as it is being implemented.

There are many tactical considerations which need to be taken into account during the implementation process. First, there is the need for the development of a few useful outputs very early in the system's life. These should be the outputs of one or more of the critical sub-systems. In this way a two-way dialogue can be established between the system's developers and the system's users. Then, as the more complicated outputs become available, there will be a much quicker acceptance of their potentials. It also gives the non-technical evaluators some background with which to judge the system. Another tactical consideration is the development of protorypes. There is a very good likelihood that the results will not be accepted by the organization.

[^5]However, they provide the information for needed improvements. They also switch the critics from arguing techniques to arguing data. Assuming the techniques will provide a supericr improvement, good administrative practices can be implemented to improve the data quality. The important point here is that the prototypes allow the investment to be kept within reason while all of these implementation problems are being solved.

## CHAPTER II <br> DESCRIPTION OF A MULTI-LEVEL MODEL

The purpose of this chapter is to provide a concise description of a multi-level model. This will be done by discussing first the career management portion of the model. Included will be a numerical example using Navy data. This will be followed by a discussion of the complete structure of the multi-level model. This chapter will conclude with a review of the numerical example presented by Charnes, Cooper, Niehaus, and Sholtz ${ }^{1}$ at the NATO Conference "Manpower Planning Models."

The design of the multi-level manpower planning model implies an integrated approach to career management and resource planning. A case in point is the OCMM multi-level model. It was designed explicitly to bring career management into contact with the program planning or PPB systems in being or under development within the Navy. The importance of this work can be brouitht into prominence by observing that resource planning is actually the driving force behind the manpower alloca'ion and career management process.

The OCMM multi-level model consists of a coupling of a generalized network model for manpower planning ${ }^{2}$ with an input-output model for resource planning. Tr,e generalized network model with appropriate goal equations has been named the OCMM career management model. This model can either stand alone or be linked with an input-output model to form the multi-level model.

## Career Managerrent Model

A description of the career management model is given in Figure 1. The objective of the model is to minimize discrepancies from manpower requirements by job category and to favor on-board manpower and new hires over excess personnel or Reduction in Force (RIF's). This objective is accomplished by a scheme of relative weighting factors. These weights are set so that a penalty is paid whenever the manpower requirement (goal for each job category) is not met. A penalty is also paid for hiring or firing. Additionally, the penalty for excess personnel is greater than that for new hires. However, the cost of maintaining the personnel already on-board is set equal to zero These weighting factors allow the model to favor on-board manpower over new hires and (even to a greater extent) over RIF's. Note, that a given set of manpower requirements need only be met "as closely as possible" and that an increasing penalty is paid as one moves away from the goals. The scheme of relative weights can be set so that RIF's have a higher penalty than goal deviations or vice versa. This provides the option to the model user of examining either the policy of "RIF's as a last resort" or the policy of the strict adherence to a given set of manpower requirements. Further, these strategies can be mixed so that some of the manpower requirements will be met much more closely than others. For example, a certain number of executives may be required in all cases.

The objective of the model is subjected to a number of constraints. First, the number on-board in each job category at the start is set equal to a constant. This ensures that the base period population will be completely accounted for in the model solution. The base period population is then submitted to a matrix of movement or uransition rates which distinguishes probabilistically between those staying in a particular job category, those being promoted, and those leaving the organization.

[^6]

OBJECTIVE: (a) MINIMIZE DISCREPANCIES FROM CIVILIAN MANPOWER REQUIREMENTS RY JOB CATEGORY
(b) FAVOR ON-BOARD MANPOWER AND NEW HIRES OVER REDUCTIONS-IN-FORCE (RIF's) SUBJECT TO:

| NUMBER ON BOARD <br> IN EACH JOB CATEGORY <br> IN EACH PERIOD | - POSSIBLE + AMOUNT OVER | - MANPOWER REQUIREMENTS BY JOB CATEGORY |
| :---: | :---: | :---: |
| NUMBER ON BOARD IN EACH JOB CATEGORY AT BASE PERIOD |  | - INITIAL POPULATION |
|  |  |  |
| SUM OF $\left(\begin{array}{l}\text { NUMBER ON B } \\ \text { IN EACH JOB } \\ \text { CATEGORY }\end{array}\right.$ | ARD   <br>  $X$  <br>    | $\begin{aligned} & \text { TOTAL } \\ & \leq \text { SALARY } \\ & \text { BUDGET } \end{aligned}$ |
| SUM OF NUMBER ON BOARD $\leq$ TOTAL MANPOWER <br> IN EACH JOB CATEGORY AVAILABLE |  |  |

Figure 1. OCMM CAREER MANAGEMENT MODEL

Another constraint used in the model concerns the total manpower limitation or ceiling. Here, the condition is set that the sum of the number in each job category in a given period must be less than or equal to the total manpower limitation for that period. Budgetary constraints can also explicitly be included. This is done by equations which require that the sum of the number in each job category multiplied by the mean salary of the job category must be less than or equal to the total salary budget.

The career management model can be understood better through a numerical example. The data for this example were obtained from the Five Year Navy Civilian Manpower Plan (FYNCLMP) system. ${ }^{1}$ It should be noted that this is the first publication of numerical results using this particular model structure. Earlier published data used models designed prior to the generalized model which was proposed in 1970.2

The numerical example to be illustrated involves the major occupation groups (i.e., Professional and Technical, Managerial and Administrative, etc.) of the Navy's white collar work force. These data are further subdivided into grade level groupings (i.e., GS $1-4,5.8$, etc.). Data on the initial population and the five year manpower requirements for this example are given in Table 1. These data should be regarded as experimental.

The transition data shown in Table 2 were developed from the Navy's data files on civilian personmel. They are developed by a series of computer programs for comparing the data files at two points in time. For example, these data show that of the 14,395 personnel in the 30120 job category (i.e., Professional and Technical GS 5.8), 67 percent remained in that category, 16.3 percent transferred to the 30130 category and so on. Research is under way by the Navy to provide means of adjusting these rates to correspond more closely to probable future trends.

Transition data for the June, 1970-June, 1971 period were used in the model to compute the internal movements of on-board personnel over time. This includes for the later periods all of the personnel projected

[^7]TABLE 1

## MAJOR OCCUPATION GROUP PROJECTED REQUIREMENTS GENERAL SCHEDULE PERSONNEL

| Major Occupation Group and Grade Level | $\begin{gathered} \text { On-Board } \\ 30 \text { June } \\ 1971 \end{gathered}$ | $\begin{gathered} 30 \text { June } \\ 1972 \end{gathered}$ | $\begin{gathered} 30 \text { June } \\ 1973 \end{gathered}$ | $\begin{gathered} 30 \text { June } \\ 1974 \end{gathered}$ | $\begin{gathered} 30 \text { June } \\ 1975 \end{gathered}$ | $\begin{gathered} 30 \text { June } \\ 1976 \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Professional and Technical |  |  |  |  |  |  |
| GS 1-4 | 2,884 | 2,873 | 2,913 | 2,940 | 2,886 | 2,859 |
| 5-8 | 14,507 | 14,450 | 14,653 | 14,791 | 14,514 | 14,383 |
| 9-12 | 45,995 | 45,820 | 46,469 | 46,904 | 46,033 | 45,610 |
| 13-15 | 16,635 | 16,572 | 16,803 | 16,962 | 16,648 | 16,496 |
| 16-18 | 304 | 304 | 304 | 304 | 304 | 304 |
| Managerial and Administrative |  |  |  |  |  |  |
| GS 1.4 | 63 | 63 | 62 | 62 | 59 | 58 |
| $5 \cdot 8$ | 3,768 | 3,726 | 3,685 | 3,653 | 3,532 | 3,460 |
| 9.12 | 9,162 | 9,090 | 8,989 | 8,914 | 8,617 | 8,443 |
| 13.15 | 2,421 | 2,395 | 2,372 | 2,348 | 2,270 | 2,224 |
| 16.18 | 28 | 28 | 28 | 28 | 28 | 28 |
| Clerical |  |  |  |  |  |  |
| GS 1-4 | 37,283 | 36,105 | 35,958 | 35,595 | 34,597 | 34,079 |
| $5-8$ | 21,425 | 20,749 | 20,658 | 20,455 | 13,881 | 19,585 |
| 9.12 | 1,865 | 1,806 | 1,799 | 1,78 | 1,731 | 1,705 |
| Service |  |  |  |  |  |  |
| GS 1-4 | 6,037 | 5,846 | 5,789 | 5,930 | 5,732 | 5,617 |
| 5-8 | 3,271 | 3,168 | 3,137 | 3,214 | 3,107 | ¢,044 |
| 9.12 | 237 | 231 | 229 | 234 | 227 | 222 |

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as new hires in the earlier periods. The transition data for the years 1972 and 1973 were adjusted to reflect lower exit rates from the Navy due to the lessened job opportunities on the outside. For the years 1974 through 1976, the June, 1970-June, 1971 transition data were used on the assumption that the labor market would again allow more freedom of movement.

The model input data were then arranged into the format of the linear programming matrix shown in Figure 2. No budgetary data were included in this particular example. A solution to the linear programming problem was then obtained. The results are shown in Table 3.1

These projections are the first of a kind for this level of aggregation. The data were provided on a tentative basis to the General Plans and Programming Division of The Chief of Naval Operations. They were

[^8]

|  | $\begin{aligned} & \text { POSITIVE } \\ & \text { GOAL } \\ & \text { DISCREP } \\ & \hline \end{aligned}$ | $\begin{aligned} & \text { NEGATIVE } \\ & \text { GOAL } \\ & \text { DISCREP } \end{aligned}$ | ON-BOARD MANPOWER | NEW HIRE MANPOWER |  | 2 0 0 | RHS |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| relative PRIORITIES | $\infty$ | $\infty$ |  | $\beta$ | $\beta$ |  |  |
| MANPOWER GOALS | $-1$ | $1$ | 11 |  |  | $=$ $=$ | $\begin{aligned} & \text { MANPOWER } \\ & \text { REQUIREMENTS } \end{aligned}$ |
| MANPOWER ATTRITION |  |  | $\begin{array}{cc} 1 & \\ \cdot M & 1 \\ & \cdot M \end{array}$ | $-1$ | 1 | $=$ $=$ $=$ | $\begin{aligned} & \text { WITLAL POP } \\ & 0 \\ & 0 \end{aligned}$ |
| TOTAL MANPOWER CONSTRANTS |  |  | 1171 <br> 171 |  |  | $\leq$ | TOTAL MANPOWER AVAILABLE |
| SALARYBUDGET CONSTRANTS |  |  | $\begin{gathered} \hline(8 / \mathrm{m}) 1 \\ (8 / \mathrm{m}) 2 \end{gathered}$ |  |  | $\leq$ $\leq$ | TOTAL SALARY BUDGET |

Figure 2. CAREER MANAGEMENT MODEL LINEAR PROGRAMMING MATRIX
the best data available for use in a five year forecast of total civilian and military manpower. In the results there have been goal deviations in some of the categories. This is a result of the fact that some of the goals had been set below the employment levels required to maintain the policy of reductions by attrition alone. Some other tentative conclusions are:

1. Within the parameters of this study, it appears that recruitment needs will be greatest in FY 1973 and FY 1974. This will be especially true in the professional and technical occupations.
2. The hiring pattern among grades in the clerical occupations will not change much over the next five years.
3. Year-to-year variations in intake by grade grouping will in many cases be substantial. For example, annual recruiting requirements for GS 9.12 Professional and Technical workers will jump by more than 2,900 from 1972 to 1973 and drop by 1,300 from 1974 to 1975.
4. Changes in total employment have more impact on recruiting requirements in professionaltechnical and managerial-administrative groups. This might be expected in view of the much lower loss rates in these areas.

## Multi-Level Model

The OCMM multi-level model incorporates the career management model as one of its major submodels. The version of the multi-level model presented at the NATO Conference at Cambridge does not have the goal programming features for the manpower categories. In that version, goal programming was used only in the resource planning or input-output model. The remainder of this chapter will be a review of the example using hypothetical data which was presented at the NATO Conference. In a later chapter, a state-of-the-art extension of this model will be presented. This extension involves the inclusion of goal programming features in both the resources planning and career management sub-models.

It was felt by Charnes, Cooper, Niehaus, and Sholtz ${ }^{1}$ that the multi-level models should reflect the program planning and budgeting systems of the Navy. The development of PPB systems beyond the methodology

[^9]of allocating civilians is not the direct responsibility of OCMM. An investigation was made, therefore, of current and proposec methodologies in the Office of the Secretary of Defense as well as within the Navy. This led to the Navy Requirement Model (NARM) of Augusta et. al ${ }^{1}$ of the Center for Naval Analysis. As mentioned in the previous chapter, this model uses the concepts of input-output analyses.

A study was made of the NARM model, including discussions with its designers. These studies indicated that there was a close enough relationship between the CNA and OCMM models to proceed with further develepments which offered possible greater liaison between the two approaches. As a start in these deveropments, it was observed that the Markov matrices embedded in the OCMM model and the resource transfer rates of an input-output model such as the NARM model share the socalled Minkowski-Leontief property in common. Eich element of the input-output table is non-negative and each row sums to one in the same manner as a Mark. •i...isix. Also, from a practical viewpoint, these input-ourput elements can be computed from relatively easity intained historical data. The goal progamming model which Charnes, Cooper, Niehaus and Sholtz presented iniorporated these strengths of the NARM model.

In the OCMM multi-level model the input-output transfer rates provica the ability to examine simultaneously relationships between resource producers (e.g., the naval shore establishment) and final resource users (e.g., the fleet). The model also uses the generalized network structure of the OCMM career management model for depicting the dynamic interactions between manpower "inventories" and manpower "requirements." These systems are joined together by a series of "coupling conditions" so that imbalances in one of the systeris will be reflected in the other. The goal programming aspects also supply the flexibility for examining the effects on final user demands of changes in resource inputs as well as changes in manpower requirements. ${ }^{2}$ The OCMM multi-level model was extended by Charnes, Cooper, N : thaus, and Sholtz ${ }^{3}$ to include probabilistic or risk-related considerations. This was done by the use of chance-constrained programming to deal with risis variations in the right hand sides of the resultant linear programs.

Data availability was a major consideration in the construction of the OCMM multitevel model. The model baüght together two very large scale systems and the data necessarily had to come from existing or planned automated information systems. These again pointed to the CNA models which use the Navy Cost Information System (NCIS) data tapes reflecting the Navy's portion of the Five Year Defense Program (FYDP). Additionally, the multi-ievel model was designed to rely upon already developed computer programs to obtain the manpower requirements and transition rates of OCMM's Navy Automated Civilian Manpower Information System (NACMIS).

For computational reasons the multi-level model was also designed to use linear programming for solution purposes. Note that even though this goal programming model is stochratic and non-linear, it is possible to convert it to a linear equivalent for optimization purposes. This feature was preserved even in the extensions utilizing chance-constrained programming to accommodate risk-related considerations. This use of linear programming provides immediate iccess to the solution routines and sensitivity checks available with the software generally provided with medium and large scale computers.

A description of the model structure as presented at the NATO meeting is given in Figure 3. In the multi-level model the objective is to minimize the weighted deviations from the final user requirements so that in goal programming form these are to be met "as closely as possible." In this case the deviations are accorded relative weights which reflect priorities associated with being over or under each of the final user requirements. These relative weights, which replace the dollar cost normally associated with conventional linear programming models, can be considered a "priority cost" of each of the final user requirements where the highest relative cost is astrociated with the most critical requirement.

[^10]TABLE 3
MANOR OCCUPATION GROUP RECRUITING REQUIREMENT PROJECTIONS GENERAL SCHIEDULE PERSONNEL

| Major rccupational Group and Grade Level | On-board June 30, 1971 | June 30. 1972 |  |  | Jure 30, 1973 |  |  | June 30, 1974 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Goal | Projected On-bourd | Recruitisg Requirement | Gonl | Projected Onboard | Recruiting Requirement | Goal | Projected On-board | Recruitin Requisem |
| Profestional and Technical |  |  |  |  |  |  |  |  |  |  |
| GS 14 | 2,884 | 2,873 | 2,729 | 1,277 | 2,913 | 2,902 | 1,358 | 2,946 | 2,940 | 1,313 |
| 58 | 14,507 | 14,450 | 11,450 | 2,814 | 14,053 | 14,653 | 3,5\%9 | i4,791 | 14,791 | 3,563 |
| 9.12 | 45,995 | 45,820 | 45,820 | 729 | 46,469 | 46,469 | 3,651 | 46,904 | 46,904 | 3,499 |
| 13.15 | 16,635 | 16,572 | 17,047 | 0 | 16,803 | 16,803 | 100 | 16,962 | 16,959 | 464 |
| 16.18 | 304 | 304 | 304 | 10 | +304 | 304 | 30 | 16,94 304 | 16,939 304 | 464 20 |
| Managerial and Administrative |  |  |  |  |  |  |  |  |  |  |
| CS :4 | 63 | 63 | 63 | 24 | 62 |  |  | 52 |  |  |
| 58 | 3,768 | 3,726 | 3,726 | 468 | 3,685 | 3,685 | 591 | 3,653 | 3,653 | 590 |
| 9.12 | 9,192 | 9,090 | 9,090 | 54 | 8,989 | 8,989 | 527 | 8,914 | 8,914 | 542 |
| 13.15 | 2,421 | 2,395 | 2,455 | 0 | 2,372 | 2,372 | 7 | 2,348 | 2,348 | 71 |
| 16-18 | 28 | 28 | 28 | 0 | ${ }_{2} 28$ | 2,72 28 | 7 | 2,348 28 | 2348 28 | 0 |
| Clerical |  |  |  |  |  |  |  |  |  |  |
| GS 14 | 37,283 | 36,105 | 35,436 | 10,591 | 35,958 | 35,953 | 10.834 | 35,595 | 35,595 |  |
| 58 | 21,425 | 20,749 | 20,943 | O | 20,658 | 20,658 | 836 | 20,455 | 20,455 | 828 |
| 9-12 | 1,865 | 1,806 | 1,806 | 0 | 1,799 | 1:310 | 0 | 1,781 | 1,781 | 44 |
| Service |  |  |  |  |  |  |  |  |  |  |
| GS 14 | 6,037 | 5,846 | 5,846 | 1,343 | 5,789 | 5,789 | 1,244 | 5,930 | 5,930 |  |
| 58 | 3,271 | 3.168 | 3,246 | 0 | 3,137 | 3,137 | 0 | 3,214 | 3,206 | 166 |
| 9-12 | 23. | 231 | 237 |  | 229 | 229 | 0 | 3,214 | - 234 | 13 |

TABLE 3

## MAIOR OCCUPATION GROUP RECRUITING REQUIREMENTS

PROJECTIONS GENERA' SCHEDT'TE PERSONNEL


> OBJECTIVE: MINIMIZE COST (MEASURED BY RELATIVE PRIORITIES) OF BEING OVER/UNDER FINAL USER SUPPORT REQUIREMENTS AND OF RECRUITING/REDUCTIONS OF CIVILIAN MANPOWER

SUBJECT TO CONSTRAINTS OF:


TOTAL OUTPUT OF EACH PRODUCER $\leqslant$ BUDGET OF EACH PRODUCER

$$
\text { SUM OF }\left(\begin{array}{lc}
\text { CIVILIAN MANPOWER } & \text { TOTAL OUTPUT } \\
\text { REQUIRED FOR EACH } X & \text { OF EACH } \\
\text { UNIT OF SUPPORT } & \text { PRODUCER }
\end{array}\right) \text { - MANPOWER PROVIDED CIVILIAN }
$$

## REQUIRED CIVILIAN MANPOWER PROVIDED BY ON-BOARD MANPOWER <br> TOTAL CIVILIAN MANPOWER AVAILABLE

CIVILIAN MANPOWER ON-BOARD AT START $=$ INITIAL POPULATION

| REQUIRED CIVILIAN MANPOWER PROVIDED ${ }^{-}$BY ON-BOARD MANPOWER ${ }^{+}$ FROM PREVIOUS PERIODS | CIVILIAN <br> MANPOWER ON-BOARD AT PRESENT PERIOD | REQUIRED CIVILIAN <br> - MANPOWER PROVIDED BY NEW HIRES | $+\begin{gathered} \text { EXCESS CIVILIAN } \\ \text { MANPOWER } \end{gathered}=0$ |
| :---: | :---: | :---: | :---: |

Figure 3. DYNAMIC MULTI-LEVEL MODEL STRUCTURE

The remainder of the model structure is concerned with the various goal requirements and resource constraints which must be considered while trying to minimize goal discrepancies. The first group of conditions is concerned with setting the goals. This is accomplished by setting up an equation for each final user for each time period. This equation states that the total amount of support furnished each user less the amount over plus the amount under will be equal to the total requirement, or goal. In any solution one will obtain for each equation the level of output associated with the goal and either the overage or underage (or zero deviation if the goal is met right on). This stems from the fact that one cannot be both over and under a goal at the same time. It should be noted at this point that all outputs are expressed in their dollar equivalents so that one can be consistent in adding the outputs for each of the producers.

The next set of conditions ensures that the distribution of output from each of the producers is in the right proportion to the requirements of the final users. One can simultaneously calculate the support-onsupport requirements, or alternatively, as is done here, a second stage allocation process may be used by means of the definitional relations. The latter is accomplished by using data from an input-output table which indicate for each producer the proportion of output required to support the final users. This ensures that the final users
will be supported at the level required in the model solution and at the same time obtain the total amount of each output which should be produced. These relationships are built into the model by specifying an equation for each final user. This equation states that the sum of the output of each producer multiplied by the proportion consumed by each final user minus the total amount each final user consumes from all producers will equal zero. This forces all the individual pieces of output from each type of support to be in the right proportion to the total.

The next section of the model bounds the amount of each kind of output to be produced. An equation is assigned to each producer for each time period which prescribes a limit to the amount that can be produced. This ensures that no producer will exceed its budget in trying to meet the overall goal. At the same time if an excess budget has been allocated to the producer it will show up in a non-zero value for the corresponding slack variable.

The remainder of the model consists of a modified version of the OCMM career management model. In this particular model structure no provision is made for the manpower goals. Thus, the manpower levels are not guided to conform with predetermined manpower requirements. The input-output and career management sub-models are coupled by means of equations which relate the amount of manpower required by each producer for a given level of final user demand.

In the numerical example four producers and two final users were included. Table 4 contains the base data for this example. The first four rows expressed in millions of dollars indicate the amount of output servives each of the using sectors consumes. (For example, Producer 1 provides 95 million dollars of service to itself, 120 million dollars to Producer 2, etc.) The last row contains the amount of manpower required by each of the producers (e.g., Producer 1 requires 60,000 men, and so on). Neither Final User 1 nor Final User 2 has any manpower associated with it since this model is oriented towards obtaining support establishment requirements to meet final user demand.

The next step is to convert these base data into utilization rates for use in the input-output formulation. As far as the different types of output are concerned, this is done for each user including producers (to obtain support-on-support requirements later) by dividing the amount consumed by each user by the total amount produced. For example, Producer 1 consumes $95 / 920$ or 10.33 percent of its own output, Producer 2 consumed $120 / 920$ or 13.04 percent of Producer l's output, etc. The full array of these output usage rates is contained in Table 5. The manpower usage rates are obtained by dividing the total manpower of a producer by the total amount produced. Thus, in this example, dividing the 60,000 men of Producer 1 by 920 million dollars yields 65.22 men per million dollars.

Three alternatives will be developed to show the reaction of the model to changing data conditions. In all these examples the final user requirements will be assumed to be constant. However, it will be assumed that there will be 5 percent inflation in wage and related manpower costs in Period 1 and 4 percent in Period 2. The inflation rate is included by decreasing the manpower usage rates by the appropriate factor. In this way less manpower per million dollars of output is received. One should also be sure to increase the amount of final user demand in dollars to compensate for the fact that less output per dollar expended is obtained.

The non-constant input data for the three alternatives are given in Table 6. The goals and budgetary levels of the producers are not in strict proportion to the historical distribution of outputs. The goals in the second period are both lower and in a different proportion to the first period goals. Considering this, and the effecis of inflation, one would expect not only that the producer budget levels will decline but also that the required manpower will decrease at an even greater rate.

The data in Table 7 are given on two categories of manpower-White Collar and Blue Collar. The manpower rates for each of the producers per million dollars of output are given and include the inflation factors previously mentioned. Additionally, a transition matrix is given which describes the internal movement and attrition from the work force.


Source: Charnes, Cooper, Nichaus, and Sholtz, "Multi-Level Models," p. 10.

TABLE 6

## DYNAMIC MULTT-LEVEL MODEL alternative input data

Final User Requirements Assumed Constant for all Alternatives; 5\% Inflation in Period 1, 4\% Inflation in Period 2

ALTERNATIVE 1: Heavy Budget Cuts
ALTERNATIVE 2: No Budget Increases
ALTERNATIVE 3: Substantial Budget Increases


Source: Charnes, Cooper, Niehaus, and Sholtz, "Multi-Level Models," p. 14.

The data were arranged in the linear programming matrix given in Figure 4. The relative priorities on the final user goal discrepancies were set to equal one. A second set of relative priorities was included for the new hire and excess manpower columns of the model. These were needed to ensure that the model will first choose on-board manpower before hiring or releasing manpower. These relative priorities were set to a value of two.

The solution data are given in Table 8 through Table 10. In all of the alternatives, the model is sensitive to the manpower data. This is due to the weighting in the model objective to favor retention of on-board manpower. The most interesting example is the third alternative. Here, the model has not only balanced the manpower in each period but also has balanced the manpower over the two periods. Because of this fact, the total manpower and total budget for the overall system solution is less than the second

TABLE 7
DYNAMIC MULTI-LEVEL MODEL MANPOWER DATA

| BASE PERIOD ON-BOARD |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | Producer 1 | Producer 2 | Producer 3 | Producer 4 |
| White | 40,000 | 10,000 | 18,000 | 60,000 |
| Blue | 20,000 | 2,000 | 5,000 | 140,000 |
| Total | 60,000 | 12,000 | 23,000 | 200,000 |
| MANPOWER PER MILLION DOLLARS OUTPUT |  |  |  |  |
|  | Producer 1 | Producer 2 | Producer 3 | Producer 4 |
| White | 43.48 | 2.41 | 8.89 | 11.01 |
| Blue | 21.74 | 0.48 | 2.47 | 25.67 |
| 5\% Inflation One Period Later |  |  |  |  |
| White | 41.48 | 2.29 | 8.44 | 10.46 |
| Blue | 20.40 | 0.46 | 2.35 | 24.41 |
| 5\% Inflation One Period Later; 4\% Inflation Two Periods Later |  |  |  |  |
| White | 39.82 | 2.20 | 8.10 | 10.04 |
| Blue | 19.58 | 0.44 | 2.26 | 23.43 |
| TRANSITION KATES (Read Down) |  |  |  |  |
| White Blue |  |  |  |  |
| White . 90 . 05 |  |  |  |  |
| Blue 80 |  |  |  |  |

Source: Charnes, Cooper, Niehaus, and Sholtz, "Multi-Level Models," p. 15.
alternative. This is particularly true of the manpower, where the total strength is 11,000 less in both the first and second periods when compared with the second alternative solution. Since the final aser demands are the same in both the second and third alternative, this is a very satisfying result.

Table 9 gives the detailed manpower data for the three alternatives. It should be remembered that the transition rates are hypothetical. For example, excess White Collar manpower is obtained in all cases from Producer 4. This is the result of the large on-board complement of Blue Collar manpower in Producer 4. Since a five percent transfer rate of Blue Collar into White Collar was assumed, this results in 5,000 to 6,000 transferring each period. Because of this fact, the model in considering all of the constraints must generate excess White Collar personnel. In the real situation one would expect a lower transition rate of Blue Collar manpower into White Collar. These detailed manpower solution data nevertheless clearly demonstrate that the transition rates operate at least qualitatively in a manner which corresponds to what such a model design should produce.

|  | POSITIVE GOAL DISCREP. | negative GOAL DISCREP. | $\begin{array}{\|l\|} \text { FINAL } \\ \text { USER } \\ \text { SUPPORT } \end{array}$ | jPRODUCER OUTPUT | ON-BOARD MANPOWER |  | EXCESS MAN POWER | 2 | RHS |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| RELATIVE PRIORITIES | $\cdots$ | $\cdots$ |  |  |  | $F$ | $\beta$ |  |  |
| $\begin{aligned} & \text { FINAL USER } \\ & \text { GOALS } \end{aligned}$ | $-1$ <br> $-1$ |  | 1 |  |  |  |  | $=$ | FINAL USER SUPPORT REOUIREMENTS |
| SUPPORT USAGE RATES |  |  | -I <br> $-1$ | I-O RATES <br> I-ORATES |  | . |  | $=$ $=$ | $0$ $0$ |
| PRODUCTION LMMITS |  |  |  | I |  |  |  | $\leq$ $\leq$ | PRODUCER BUDGETARY LIMITS |
| PRODUCER OUTPUT/ MANPOWER RATES |  |  |  | $(\mathrm{m} / \mathrm{s})_{1}$ $(\mathrm{m} / \mathrm{s})_{2}$ | $-1$ |  |  | $=$ $=$ | $0$ |
| TOTAL MANPOWER CONSTRANTS |  |  |  |  | $1111$ $1111$ |  |  | $\leq$ $\leq$ | TOTAL MANPOWER AVAMABLE |
| MANPOWER ATTRTIION |  |  |  |  | $\begin{array}{\|ccc} 1 & & \\ -M & 1 & \\ & -M & 1 \end{array}$ | $-1$ | 1 | $=$ $=$ $=$ | MII. POP. 0 0 |

Figure 4. DYNAMIC MULTI-LEVEL MODEL

TABLE 8
DYNAMIC MULTI-LEVEL MODEL SOLUTION DATA.

|  | Alternative 1 |  |  | Alternative 2 |  |  | Altemative 3 |  |  |
| :--- | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | REQ. | ACT. | DIFF. | REQ. | ACT. | DIFF. | REQ. | ACT. | DIFF. |
|  |  |  |  |  |  |  |  |  |  |
| F.U. 1 | 3,375 | 3,206 | -169 | 3,375 | 3,375 |  | 3,375 | 3,375 |  |
| F.U. 2 | 2,700 | 2,565 | -135 | 2,700 | 2,700 |  | 2,700 | 2,700 |  |
|  |  |  |  |  |  |  |  |  |  |
| Period 2 |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| F.U. 1 | 3,200 | 3,045 | -155 | 3,200 | $3,20 r$ |  | 3,200 | 3,200 |  |
| F.U. 2 | 2,600 | 2,436 | -164 | 2,600 | $2,6 C 0$ |  | 2,600 | 2,600 |  |

SUPPORT ELEMENTS
PRODUCER BUDGETARY AND MANPOWER RESOURCES

|  | Alternative 1 |  |  | Alternative 2 |  |  | Alternative 3 |  |  |
| :--- | :---: | ---: | :---: | ---: | ---: | ---: | ---: | ---: | ---: |
|  | Available | Used | Unused | Available | Used | Unused | Available | Used | Unused |
| Period 1 |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| Producer 1 | 875 | 875 |  | 920 | 920 |  | 1,200 | 892 | 308 |
| Producer 2 | 3,940 | 3,940 |  | 4,150 | 4,150 |  | 4,500 | 4,500 |  |
| Producer 3 | 1,925 | 1,925 |  | 2,025 | 2,025 |  | 2,500 | 1,876 | 624 |
| Producer 4 | 5,175 | 5,175 |  | 5,450 | 5,450 |  | 6,000 | 5,200 | 800 |
| Manpower | 295 | 264 | 31 | 295 | 278 | 17 | 295 | 267 | 28 |
|  |  |  |  |  |  |  |  |  |  |
| Period 1 |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| Producer 1 | 830 | 830 |  | 920 | 886 | 34 | 1,200 | 859 | 341 |
| Producer 2 | 3,740 | 3,740 |  | 4,150 | 4,150 |  | 4,500 | 4,500 |  |
| Producer 3 | 1,830 | 1,830 |  | 2,025 | 1,751 | 274 | 2,500 | 1,601 | 899 |
| Producer 4 | 4,920 | 4,920 |  | 5,450 | 5,258 | 192 | 6,000 | 5,007 | 993 |
| Manpower | 295 | 241 | 54. | 295 | 256 | 39 | 292 | 260 | 50 |

Source: Charnes, Cooper, Niehaus, and Sholtz, "Multi-Level Models," p. 23.

Support-on-support requirements as shown in Table 10 can easily be generated multiplying the resultant budget levels by the appropriate rows of the input-output matrix. For example, in Alternative 2, the resultant budget levels of 920 for Producer 1 in Period 1 is multiplied by 0.1304 to obtain the 120 million dollars of support which Producer 1 must provide to Producer 2.

Some of the potential management uses of the multi-level model are:

1. Ways for evaluating the impact on manpower and other resource requirements of additions to or deletions from final user support requirements.

TABLE 9
DYNAMIC MULTI-LEVEL MODEL SOLUTION DATA
MANPOWER DATA

|  |  | Alternative 1 |  |  | Alternative 2 |  |  | Alternative 3 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | On-Board | New <br> Hire | Excess | On-Board | New <br> Hire | Excess | On-Board | New <br> Hire | Excess |
| Period 1 <br> Producer 1 | White | 36.3 |  | 0.7 | 38.2 | 1.2 |  | 37.1 |  |  |
|  | Blue | 17.9 | 1.9 |  | 18.8 | 2.8 |  | 18.2 | 2.2 |  |
|  | White | 9.0 |  | 0.1 | 9.5 | 0.4 |  | 10.3 | 1.2 |  |
| Producer 2 | Blue <br> White | 1.8 16.2 | 0.2 |  | 1.9 17.1 | 0.3 |  | 2.1 158 | 0.5 |  |
|  | White | 16.2 |  | 0.2 | 17.1 | 0.6 |  | 15.8 |  | 0.6 |
| Producer 3 | Blue | 2.2 |  | 1.8 | 2.3 |  | 1.7 | 2.1 |  | 1.9 |
|  | White | 54.1 |  | 6.9 | 57.0 |  | 4.0 | 54.4 |  | 6.6 |
| Producer 4 <br> Period 2 | Blue | 126.3 | 14.3 |  | 133.0 | 21.0 |  | 126.9 | 14.9 |  |
|  | White | 33.1 |  | 0.5 | 35.2 |  |  | 34.2 |  |  |
| Producer 1 | Blue | 16.3 | 2.0 |  | 17.3 | 2.3 |  | 16.8 | 2.3 |  |
|  | White | 8.2 |  |  | 19.1 | 0.5 |  | 9.9 | 0.5 |  |
| Producer 2 | Blue | 1.6 | 0.2 | - | 1.8 | 0.3 |  | 2.0 | 0.3 |  |
|  | White | 14.8 | 0.1 |  | 14.2 |  |  | 13.0 |  | 1.4 |
| Producer 3 | Blue | 1.9 | 0.2 |  | 1.9 | 0.1 |  | 1.7 |  |  |
|  | White | 49.4 |  | 5.6 | 52.8 |  | 5.2 | 50.3 |  | 5.0 |
| Producer 4 | Blue | 115.3 | 14.2 |  | 123.2 | 16.8 |  | 117.3 | 15.8 |  |

Source: Charnes, Cooper, Nichaus, and Sholtz, "Multi-Level Models," p. 24.
2. The provision of an explicitly delineated structure for making rescurce allocation decisions and observing potential discrepancies.
3. Systematically supplied ways for evaluating inennsistencies between manpower and budgetary allocation decisions.
4. Systematic ways for evaluating effects of inflation or other such changes in operating force support requirements and manpower requirements.
5. Determination and depiction of the effects of attrition and internal manpower transfers on both short and long run decisions.
6. The integration of career management, training, recruitment, and advancement planning with budgetary and strategic decisions.

TABLE 10

## DYNAMIC MULTI-LEVEL MODEL

SUPPORT-ONSUPPPORT REQUIREMENTS

| Alternative 1 |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Producer | Period | Producer 1 | Producer 2 | Producer 3 | Producer 4 |
| 1 | 1 | 90 | 114 | 76 | 190 |
| 2 | 1 | 380 | 902 | 304 | 76 |
| 3 | 1 | 95 | 143 | 71 | 238 |
| 4 | 1 | 950 | 238 | 380 | 1,899 |
| 1 | 2 | 86 | 108 | 72 | 180 |
| 2 | 2 | 361 | 856 | 288 | 72 |
| 3 | 2 | 90 | 136 | 68 | 226 |
| 4 | 2 | 903 | 226 | 361 | 1,658 |
| Alternative 2 |  |  |  |  |  |
| Producer | Period | Producer 1 | Producer 2 | Producer 3 | Producer 4 |
| 1 | 1 | 95 | 120 | 80 | 200 |
| 2 | 1 | 400 | 950 | 320 | 80 |
| 3 | 1 | 100 | 150 | 75 | 250 |
| 4 | 1 | 1,000 | 250 | 400 | 2,000 |
| 1 | 2 | 92 | 116 | 77 | 193 |
| 2 | 2 | +10 | 950 | 320 | 80 |
| 3 | 2 | 86 | 130 | 65 | 216 |
| 4 | 2 | 965 | 241 | 386 | 1,929 |
| Alternative 3 |  |  |  |  |  |
| Producer | Period | Producer 1 | Producer 2 | Producer 3 | Producer 4 |
| 1 | 1 | 92 | 116 | 78 | 194 |
| 2 | 1 | 434 | 1,030 | 347 | 87 |
| 3 | 1 | 93 | 139 | 69 | 232 |
| 4 | 1 | 954 | 239 | 382 | 1,908 |
| 1 | 2 | 89 | 112 | 75 | 187 |
| 2 | 2 | 434 | 1,030 | 347 | 87 |
| 3 | 2 | 70 | 119 | 59 | 198 |
| 4 | 2 | 919 | 230 | 368 | 1,837 |

Source: Charnes, Cooper, Nichaus, and Sholtz, "Multi-Level Models," p. 25.

## CHAPTER III SOFTWARE SYSTEMS DESIGN

The purpose of this chapter is to provide the strategic and tactical considerations involved in the implementation of multi-level model applications software. This will be done through an in-depth discussion of past and current OCMM manpower models applications software designs. This software system has been named the Five Year Navy Civilian Manpower Plan (FYNCIMP) system. It is part of the Navy Automated Civilian Manpower Information System (NACMIS).

The FYNCIMP system has been developed from its very beginning through the use of a research oriented point of view. Thus, as it has progressed, large portions of the experimental prutotypes have been transferred to an operational status. The two largest of the currently operational subsystems include the Transition Rate subsystem used to calculate personnel movements data and the Expected Retirement subsystem used to develop projected data on retirement.

Experimental portions of the FYNCIMP system include a specialized linear programming matrix generator and report writer for manpower planning. This capability, which is still under development, has been designed to provide the ability to generate a wide variety of outputs of a nature that can be easily understood by non-mathematical professionals. An exploratory development effort supported by the Office of Naval Research is also under way to isvestigate the conversational use of the models by means of remote computer terminals. The purpose of this research is to explore and test a variety of ways in which managers can be led to perceptions that will enable them to take advantage of the OCMM models and the computer arrangements they provide.

## Transition Rate Subsystem

One of the eariy strategic design decisions was the development of the Transition Rate subsysten. This decision was reached even before the first models were fully developed. The need for personnel movements data became apparent in the early model development sessions. One of the ideas which was felt worth pursuing was the extension of Markov models into a dynamic framework. Based upon the numerical examples published by Vroom and MacCrimmon, ${ }^{1}$ it was decided to develop a small operational prototype. This prototype consisted of one computer program utilizing OCMM's Personnel Automated Data System (PADS). ${ }^{2}$ The test was restricted to the inter-grade movement of GS. 830 Mechanical Engineers. This test population was small enough to be processed easily and large enough to ensure statistically significant results. Figure 5 is an example of the output from this initial prototype. The results from this research gave an indication that it was possible to produce meaningful data upon which to build a modeling framework.

For sake of clarity and compactness, a hypothetical example will now be given of the basic data processing steps used to develop the transition data. For purposes of this illustration the following job categories will be used:

[^11] Figue 5. markov chain program, June 1967

InPut nemaining

AT Tound
rigure s-cenisions

 Figuse 5-Continued
Figure 5-Continued

| Category | Code |
| :--- | :--- |
| Management | MGT |
| General Administration | GEN |
| Skilled Worker | SW |
| Unskilled Worker | UW |

The initial data collection procedure consists of putting together on one magnetic tape an employee's personnel record from two points in time. This will later provide the ability of essentially taking a "snapshot" of the manpower population between two time periods. The input data file is similar to that shown in Figure 6.

| EMPLOYEE NUMBER | JOB CATEGORY |  |
| :---: | :---: | :---: |
|  | JUNE 1970 | JUNE 1971 |
| 3024 | MGT | MGT |
| 3025 | SW |  |
| 3047 | GEN | MGT |
| 3072 |  | UW |

Figure 6. DATA COLLECTION PROCEDURE

The transition rate computer program is used to develop a comparison of the two time periods on one report. In the numerical example as shown in Figure 7 it can be noted that of the 50 employees in the Management category in June, 1970, only 40 remained in that category by June, 1971. Five of the 50 had transferred to the General Administrative category and five had left the population. By totaling the columns, the on-board total for June, 1971 can be obtained. To obtain the rates of movement, the number in each category of a given row is divided by the row total. These rates are given in Figure 8.

| Job Category | Totals <br> June 1970 | MGT | GEN | UW | SW | EXITS |
| :--- | :---: | :---: | :---: | :---: | :---: | ---: |
| MGT | 50 | 40 | 5 |  |  | 5 |
| GEN | 300 | 10 | 210 |  |  | 80 |
| UW | 600 |  |  | 360 | 60 | 180 |
| SW | 500 | 5 | 110 | 300 | 450 | 50 |
| ENTRIES |  | 55 | 325 | 660 | 510 |  |
| Totals |  |  |  |  |  |  |
| June 1971 |  |  |  |  |  |  |

Figure 7. HISTORICAL TRANSITION STATISTICS

|  | MGT | GEN | UW | SW | EXITS |
| :--- | :---: | :---: | :---: | :---: | :---: |
| MGT | .80 | .10 |  |  | .10 |
| GEN | .03 | .70 |  |  | .27 |
| UW |  |  | .60 | .10 | .30 |
| SW |  |  |  | .90 | .10 |

Figure 8. TRANSITION RATES

The success of the small prototype invited the development of a more generalized capability. ${ }^{1}$ Specifications were developed which included the requirements for matrices which displayed the following movements:

1. between grade levels
2. between occupational groups
3. between individual occupations
4. between activities or installations.
5. between geographic areas

The computer system was further generalized by the provision of an extract capability to limit the population to be considered. Additionally, a research capability was provided to assist in capturing the relevant population to be studied. The flow diagram for the Transition Rate subsystem is given in Figure 9.

In addition to the extract capability, the Transition Rate subsystem includes the option to limit the population under consideration within the computer programs themselves. The variables upon which the limits could be applied in the original version included: sex, birthdate, service computation data, bureau or major command, activity or installation, occupation, and grade or level. In the current version data can also be produced with limits on: minority group, geographic area, Program Element of the Five Year Defense Program, Major Appropriation, and various occupation-grade level aggregations. Examples of outputs might include the inter-occupation transitions of women within a given major command. Similarly, grade transitions of personnel born since 1935 and within a given occupation could be developed.

Both a matrix and a listing output are available with the Transition Rate program. The matrix output is limited to 30 cr less categories. The listing output can accommodate up to 500 categories. The listing output includes considerable English text to facilitate understanding of the data. Examples of these outputs are shown as Figures 10 and 11.

The transition matrices can be used initially to derive an accurate quantified idea of the actual personnel movements. At the same time as the matrix is produced, a list of entries to and losses from the population can be produced. These provide a trail from which further researches can be made. These entry and loss lists are divided into intra-Navy and extra-Navy reports. Examples of these lists are $\boldsymbol{g}$ on in Figures 12 through 15.

It was decided to program the generalized transition rate system in COBOL. The need for efficient file handling and management report writing far outweighed the mathematical processing requirements. Since the original version of the system was programmed, computer programming tecinniques have been devised to speed up the processing of matrix algebra operations.

The development of the Transition Rate subsystem illustrates some of the strategic and tactical considerations of computer software development to support models. The initial commitment was to a small prototype. Data from this small prototype was used to determine what capabilities should be included in the more generalized system. The generalized system then went through a series of major and minor modifications. Currently, there have been three major versions of the system which have incorporated over twenty minor changes. The major changes were preceded by the need to incorporate the Transition Rate subsystem into a larger data system to support the models. These major changes also included ideas from extensive data studies accomplished by major users of the system outputs.

## Initial Model Prototypes

Paralleling the development of the Transition Rate subsystem was the initial and continuing construction of the mathematical models. The initial goal programming model mathematics provided for the

[^12]

Figure 9. TRANSITION RATE SUBSYSTEM
specification of an "optimum" set of net manpower requirements. ${ }^{1}$ These net requirements were used then in an algorithm to develop the number of personnel needed to be recruited in each period of tro forecast. Constraints on the net manpower goals included the transition rates, mean salary of each job category, funding available to hire additional personnel, and the relative priority of each job category.

[^13]


OF THE 756 E:IPLOYEES IM OCCUPATION O:150 AT JU: 70:

85 OR 11.2 2 LEFT THE NAVY.

410 IN 01101

2,240 IN 01102 $\begin{array}{r}108 \text { IN } 01103 \\ 675 \text { IN } 01150 \\ \hline\end{array}$

Figure 10. TRANSITION RATE SUBSYSTEM, LISTING REPORT


Figure 11. TRANSItIon rate subsystem, matrix report


 Figure 15. TRANSITION RATE SUBSYSTEM, EXTRA-NAVY LOSS LIST


As a first step in moving the goal programming model mathematics toward implementation, a "toy" problem using hyprsthetical data was constructed. ${ }^{1}$ This example consisted of the solution of a linear program covering four job rategories for two periods. It contained only fourteen equations and was solved in seconds of computer time. This small size is emphasized to point out that large problems and long computer runs are not always needed to test model concepts. The small size also facilitates checkout since the influence of a given variable is obvious for a given set of data.

The results of the toy problem provided an insight into the system design for a larger prototype. The system design concept shown in Figure 16 was the first step in this extension. The idea was to have four main subsystems: (1) the Transition Rate subsystem, (2) a linear program data assembler or matrix generator, (3) commercially available linear programming software, and (4) a management reports writer. The system would give technical reports to those responsible for the operation of the model and would give management reports to the user: of the model.

As stated earlier, this version of the goal programming model requires net manpower requirements as 2 data input. In this case, net requirements are defined as the difference between overall or gross manpower requirements and the residual population on-board from some base point in time. Through the use of the transition rates it is possible to obtain a projection of the original population in future time periods. This can be shown by continuing with the hypothetical example used to illustrate the development of the transition rates. To obtain the residual population remaining one year later, the starting population is multiplied by the transition rates as shown in Figure 17. The projected totals for each category are obtained by adding up the columns for each category. These new totals can then be used to make the projection for the next year. This process of "rolling the totals" through the transition rates is continued until the required number of years has been projected. These data can then be subtracted from the set of gross requirements data to obtain the net requirements.

The method of obtaining net requirements as outlined above was incorporated into a small scale prototype. It was felt that this small scale prototype was needed since a full scale system required a large commitment of resources. Also, it :. as felt that many computer programming problems would most likely appear. Thus, the operational test had to be large enough to ferret out the computer software problems but small enough to keep the associated data handling manageable. Further, this study had to allow a focus on the management information to be developed as well as the computer software concepts to be tested. With these ideas in mind, it was derided that the prototype study would encompass a population of approximately 3,000 General Schedule personnel by occupational-grade level grouping categories. ${ }^{2}$

At this point interest in the research was expressed by the Programming Division of the Naval Facilities Engineering Command. With their cooperation in providing the gross requirements data, the computer software was programmed and the net requirements data obtained. This test required approximately three man-months of programming and testing. As a result, the needed design information for the software improvements required for a large-scale up:rational system was obtained. More importantly, the management implications of the data became apparent. Some of these included: ${ }^{3}$

- Net requirements can provide a basis for planning the input of personnel to command-wide professional training programs.
- The fact that excess people are projected for some of the categories is indicated by negative num. bers. Probably a management decision must be made either to change the gross requirements or

[^14]

Figure 16. MANPOWER PLANNING MODEL SYSTEM flow CHART

|  | June 1972 |  |  |  |
| :--- | :---: | :---: | :---: | :---: |
|  | MGT | GEN | UW | SW |
| MGT | 44 | 6 |  |  |
| GEN | 10 | 228 |  | 396 |
| UW |  |  | 36 |  |
| SW |  |  | 396 |  |
| Totals | 54 | 234 | 596 |  |

Figure 17. PROJECTION OF PRESENT POPULATION
shift personnel from the categories indicated. Re-examination should also be maje of the historical movement rates used to make the projections.

- The data can also be used to study ways to shift personnel in order to obtain the right balance by occupational categories and grade levels. This most likely would require additional techniques and tests.


## Integration of Research with Implementation

Other research continued while the prototype computer software was being programmed and tested. This included a number of large-scale tests of the Transition Rate subsystem. Included were studies involving Navywide, command, geographic area, and individual installation movement data. As a result, this capability was beginning to be used for supporting operational data requirements. Additionally, the mathematical research was concentrated on the development of a suitable algorithm for projecting retirements. This was important since many Navy civilians were close to becoming eligible for retirement.

The idea which was used for projecting the number expected to retire rests on the assumption that those within five years of retirement eligibility will not change job categories. Using historical data one can compute the rates at which those who are eligible will actually retire. These rates are then multiplied by those eligible in the first year of the forecast. This results in a projection of (a) those who will retire, and (b) those who will remain in the organization. For the second year the process is repeated using those who are first eligible in the second year plus those remaining from those first eligible in the first year. These calculations can be repeated in a similar manner for each of the years used in the overall projection.

Modification of the goal programming model mathematics was made based upon the differences in the net requirements as a result of the retirement projection. An algorithm was also developed to obtain recruiting requirements from the set of "optimum" net requirements provided by the model solutions. This was necessary as the original model did not provide the number of personnel to be recruited year by year. These revised mathematics along with the results from the prototype test with Naval Facilities Command data were used to develop the specifications for the first comprehensive version of the Five Year Navy Civilian Manpower Plan (FYNCIMP) system. The revised mathematics, including a "live" numerical example, were summarized in a paper by Charnes, Cooper, Niehaus, and Sholtz. ${ }^{1}$ This paper was presented at the NATO Conference "Mathematical Models for the Management of Manpower Systems," on September 1.5, 1969 at Porto, Portugal.

An important issue which was addressed in the implementation process was the system for coding the job categories. Current computer processing limitations dictated that no more than 500 job categories be included. In addition to these technical limitations, there is a need for a coding system which is consistent with management practices within the Navy and data available on the labor supplies, outside the Navy. The Civil Service Commission occupational coding system was not suitable since it was designed primarily for position classification rather than manpower planning purposes. Based upon these considerations, Treires ${ }^{2}$ of the Office of Civilian Manpower Management devised a new and improved occupational coding system.

The chief feature of the FYNCIMP coding system is that it has been designe it to be consistent to the greatest extent possible with the U.S. Census occupational groups. As a result it provides the capability (not yet used) of relating the Navy internal labor deniand with the external national supply. To the knowledge of the researcher, this is the only occupational coding system for internal use within a government agency which includes this feature. The coding system aggregates the approximately 425 U. S. Civil Service Commussion General Schedule (White Collar) occupation codes and 18 grades into 100 occupation groups and 5 grade groupings. Similarly, the approximately 800 ungraded (Blue Collar) occupations and 50 or so levels hive been aggreated into 100 occupation groups and 5 level g. supings.

[^15]Continued research for new ideas is one of the strategic considerations to ensure an improved modeling system. This research must be directed in such a way, however, that it can reinforce the already implemerted portions of the system. It is very easy to do research continually and never to provide much of the improved capability to potertial users. In order to ensure that the OCMM modeling system maintained a strong research base and also began to deliver usable data products to users, a three-pronged attack was initiated in 1970. This included: (1) research into the integration of resource allocation models with the manpower models; (2) research into the computability of very large manpower models using $\cdots n 1$ programming; and (3) continuation of the implementation and testing of the FYNCIMP system.

Focus on the possible integration of the resource allocation models with the manpower models was started by means of a multi-stage sysiems concept. This concept is shown in Figure 18. It also includes the possible integration of assignment models for shorter term operational planning. This design contains three models which are staged such that the results of one stage are used to provide the constraints for the succeeding stagu(s). The models are coupled by means of deterministic algorithms io provide additional data not directly prnvided in the model solutions. This multi-stage concept has given way to the multi-level concept explained in the previous chapter. Additionally, very recent research in the area of assignment models may provide a different approach to interrelating the various levels of manpower decision making. ${ }^{1}$

In 1970 mathematical rescarch by Charnes, Cooper, and Nichaus ${ }^{2}$ was initiated to include training possibilities in the model structures. This included dividing the workforce population into three groups: (1) those in the organization during the period who received training, (2) those in the organization who did not receive training, and (3) those recruited from the outside during the period. These data were put together by means of generalized network techniques. Other information which is considered is the kind and cost of the training for each of the periods under consideration. All of these data are then used in a goal programming model to obtain the best mix of training and recruiting to support the accomrlishment of a given set of tasks. After comments were received at the Institute of Management Sciences meeting in London, the model was extended to include the ideas of chance-constrained programming. ${ }^{3}$

The interrelationships of the model mathematics and the testing with small prototypes can be illustrated with the generalized network model. One problem winich was not found until the testing had been attempted was that the time phasing was out of synchronization. Some of the data were introduced as happening at the end of a period. Other cata were introduced at the beginning of a period. The correction involved
more care in describing wh," shown up earlier during is resolved by the additios. tapes. If the subroutine c.. is terminated with an error mesoia

The toy problems for the generalized network model also demonstrated the need for some basic structural changes in the model mathematics. It was found that the workforce population should have been divided into four and not three groups. There is a need to take account of those on-board in a succeeding period but not required. That is, one must take into account firing requirements as well as recruiting requirements. Once discovered, this was easy to repair since it involved setting up an additional set of catugories for those who would have to be fired. Relative priorities had to be assigned in the objective function of the model for these new categories, as one normally would consider such action only as a last resort. It is interesting to note that the need for these changes was not caught either by the people at the London TIMS meeting or by the referees prior to publication of the mo el mathematics. This does not mean that the basic mathematical development

[^16]- particular points in time. Similar svnchronization problems had

NCIMP computer programs with various data files. These were
$\checkmark$ check a time period indicator which was placed on all the data rroded with a time period other than the one required, processing


Figure 18. AN INTEGRATED MANPOWER FLANNING AND CAREER ASSIGNMENT DATA SYSTEM
process should be faulted, for it was pointed out in the technical report that the next step was the construction of numerical examples. ${ }^{1}$

A stace-of-the-art improvement which in : neralized network node! provided is that it operates entirely with grosi or total manpower requirements sua. Studies made wit! the models which optimized a set of net requirements indicated that these net numbers have a tendency toward randomness except for large manpower populations. Thus, in a small manpower population (i.e., $1000-5000$ ! wopie) the ner. requirements model are very difficult to use. This fact and the availability of the generalized model ded to a major revision of the FYNCIMP system.

$$
\text { A } \theta_{1} i d .
$$

The small cell size problem was also addressed for the portions of the FYNCIMP system which generated ne expected retirements data. Empirical research indicated that actual retirement rates are not markedly different for different occupations within a major occupation group as defined by the Bureau of Labor Statistics (i.e., Professional and Technical, Managerial and Administrative, etc.). This led to a FYNCIMP design change in which the retirement .tes are first developed for each of the major occupation groups. These rates are then used for all of the occupations within the appropriate major occupation group. Here, it was the computer processing techniques rather than the mathematical algorithm which was :hanged.

The multi-level model structure was developed through a series of experiments using toy problems. The objective of these experiments was to examine the possible combinations of the Center for Naval Analyses NARM model ${ }^{1}$ and the OCMM models In this case the various model constructions were revised many times until the right combination was obtained. Eventually, the model structure discussed in the previous chapter was developed. This method of development illustrates that one need not start with the theoretical mathematics to obtain new extensions. This effort again points to the desirability of using small problems in the early model development phase.

In addition to research into new model constructions, attention was paid to the computability of large models (i.e., several thousand equations with several thousand variables). A research study was established which included the participation of J. Stutz at the University of Texas. ${ }^{2}$ In this study the linear programming input data was developed at OCMM and transferred to the University of Texas for solution. The first two problems involved the ungraded population of one of the shipyards. The first problem was a two year projection and included 800 equations and 1,500 variables. It was solved in less than one minute on the CDC 6600 computer using the OPHELIE II linear programming code. The second problem was a five year projection and included 1,500 equations and 2,500 variables. It was solved in five minutes on the CDC 6600 . The final problem involved a five year projection of the Navy's White Collar civilian workforce. This problem included 3,200 equations and 5,200 variables. It was solved in sixteen minutes on the CDC 6600 . These results very conclusively indicate that it is practical to conside: the implementation of such large-scale manpower planning models.

## Five Year Navy Civilian Manpower Plan System

This chapter will be concluded with a gerıral description of the current version of the Five Year Navy Civilian Manpower Plan (FYNCIMP) system. This verion of the system includes the cumulative results of all of the design considerations which have been discussed. The FYNCIMP system has four main sections which are very much interrelated. The first section deals mainly with input data preparation, the second with retirement forecasting, the third with gross $m \cdot:$ power requirements and transition rates generation, and the fourth with linear programming. As data flow through the system, intermediate results are printed as they have a management use in their own right. The system flow is given in Figure 19.

In the input data preparation section, data from OCMM's Personnel Automated Data System (PADS) and from the Navy Comptroller's Navy Cost Information System (NCIS) are merged to form the FYNCIMP combined population file. PADS is a file of approximately 340,000 records on the civilian employees of the Navy updated weekly via AUTODIN which is the Department of Defense worldwide data communications network. NCIS is the Navy's system for maintaining Five Year Defense Program (FYDP) data. In building the FYNCIMP combined population file two periods of PADS data along with identification data concerning the FYDP, organizational and geographical location data are combined with a new data element called "FYNCIMP state" for each employee. A state is that combination of data elements which will be used in making the personnel movement or transition calculations. The purpose of this is to code all the employee records with a systematic numerical code so that matrix computations can be made.

[^17]

Figure 19. FIVE YEAR NAVY CIVILIAN MANPOWER PLAN (FYNCIMP)

The next section of the FYNCIMP system consists of retirement forecasting. The records of the FYNCIMP combined population file and those on board at the first time period are placed on a separate tape. The FYNCIMP combined population file is also divided into those eligible to retire within the next five years, those that are not, and those on-board at the second time period. The next set of programs calculate attrition due to retirement using the data file of those eligible to retire within the next five years. The outputs of is set of programs consist of a report showing expected retirement rates, numbers expected to retire in each future time period, and a tape containing the number expected to remain in each future time period. A sample of the expected retirement report is shown in Figure 20.

The records of those employees on board at the second or most current time period along with FYDP projections of aggregate civilian manpower recuirements are used to obtain a proportioned forecast of gross requirements by state. At this point a report is printed for the manpower planner's use. If he feels that this mix of the work force is not the best, he can make any changes he wishes as long as he stays within the overall total in each future time period. A card-to-tape program then prepares the input used to replace any gross requirements records to be changed. A sample of the gross requirements report is shown as Figure 21.

Additional processing is necessary to obtain the transition rates to be used in the models. Here, the individual cmployee records of the retirements ineligibles are used in the transition rate program. The output


Figure 19-Continued
of this program consists of the transition rates and the number on board in each FYNCIMP state. The transition matrix can also be adjusted by means of a deck of cards to change the relevant rates. The next part of the process consists of adding the number remaining from the retirement eligibles to the transition matrix to obtain a modified transition matrix. The transition rate program can also be used independently as previously discussed.

The final section of the FYNCIMP system is directed toward the generation and solution of the goal programming models. The first program of this section uses a set of control cards plus data tapes containing the transition rates and gross requirements data to generate the input required for linear programming. A tape with the data converted into the standard linear programming format as developed by the LP-90 SHARE users group is obtained. The naming scheme used is given in Figure 22. This format allows the running of the models on most computers capable of using linear programming routines. Through the use of this capability, models have been run on the $\mathrm{H}-1200$, CDC 6600 , GE-635, and UNIVAC 1108 computers with little difficulty. Both the career management and multi-level models can be developed using the matrix generator.


## Gross Manpower Requirements and Transition Rates Generation

Figure 19-Continued

The linear programming input data are used in the linear programming routine to obtain the "optimum" results considering the constraints which are present. An example of the type of report obtained from the linear programming software is shown in Figure 23. These are the data from the career management model example shown in the previous chapter. In addition, these results can be produced on a tape, which can be appropriately formatted by a print program. Figure 24 is an example of the formatting of the results shown on Figure 23. In addition to hard-copy output, experimentation is under way with interactive techniques using CRT terminals. This project has just been initiated with the first results expected in the latter part of 1972.

The FYNCIMP system was originally programmed for the Honeywell H-1200 with 65K characters of memory. It is now being converted and revised to a third generation system for use on a UNIVAC 1108. The strategic choice of using COBOL rather than FORTRAN appears to be successful. This has allowed re!a. tive ease in terms of the large amounts of input/output processing required. As far as can be determined, this is one of the few large scale applications software systems with substantial amounts of matrix operations


Figure 19-Continued
mixed with high volume input/output processing which has completely and successfully been written in COBOL.

The report formats for the FYNCIMP system were arrived at through the normal interactive process used in computer systems analyses. The first report formats were prepared mainly by the researcher. This was done since the information to be presented was new to both the researcher and the managers. Several comprehensive data studies and systems tests were completed to obtain the reactions of potential users of the system. One of these involved the White Collar population of the naval laboratories. Another centered on the


The naming scheme for the columns and rows is as follows:
ITUSSL
where
I indicates the specific row or column type

## Columns

| A | Aboard | Q | Transition rates |
| :--- | :--- | :--- | :--- |
| B | Hires | R | Ceilings |
| C | RIFS | S | Salary constraints |
| D | Manpower positive discrepancies | T | Average grade |
| E | Manpower negative discrepancies | U | Manpower/Dollar |
| F | Final user support | V | I/O Rates |
| G | Prodacer output | W | User goals |
| H | Us $‘$ r positive discrepancies | X | Producer limits |
| J | User negative discrepancies |  |  |
| K | User positive slack |  |  |
| L | User negative slack | 2 | Manpower Bounds-lower |
| M | Right hand side | 3 | Manpower Bounds-upper |
| N | Priorities | 4 | User Bounds-lower |
| P | Manpower goals | 5 | User Bounds-upper |

T indicates the time period, and may have values from 0 to 9
U indicates the user or producer
SS indicates the job-type
$L$ indicates the level
For the RHS and Objective, $L$ indicates the cardinality of the column or row

Figure 22. MULTT-LEVEL MODEL LINEAR PROGRAMMING NAMING SCHEME

Blie Collar population of one of the shipyards. The report formats were revised and reprogramms . After experience had been gained through a number of data studies to meet on-going information requests, the report formats were revised again. The current version of the report formats incorporates the management reaction to over sixty different data studies. These studies range all the way from the Assistant Secretary of the Navy level to the local installation level.

It was found that the chief implementation problem was not the report formats but confidence in the underlying data. The early data studies were technically successful. However, their usefulness to managers was questioned. Later validity studies showed that the transition data were stable allowing projections of on-board manpcwer to be made with an accuracy of 5 to 10 percent. The importance of all these early studies is that they provided much of the information needed to make the FYNCIMP system workable. An example is the construction of suitable job categories for making the projections. The report formats as mentioned above were also redesigned to condense the length of the reports to a few pages. Many of the ideas learned from these experiments were used in the redesign of the FYNCIMP system for operation on the UNIVAC 1108.

An important factor in the implementation is the conversion of the model mathematics from the net requirements structure to the generalized network structure. This provided much data stability since
 PRIMAL OUTPUT

$$
439 \text { O9JECTIVE VALUE }-137.74 \text { 990 }
$$

OLUTiON


CCMM MI.OF OCCLPAIION ERCLF MOEEL

$$
\ddot{O}
$$

Figure 24. OCMM CAREER MANAGEMENT MODEL RECRUITING REQUIREMENTS REPORT
PAGE NO

$$
\begin{aligned}
& \text { 97s } \\
& \text { HINES RIFS }
\end{aligned}
$$

gross rather than net numbers are used to make the projections. Equally important is the fact that all the data in the new outputs are in the form familiar to non-mathematically trained users. They do not have to understand the significance of a quantity such as net requirements which were used earlier. The first outputs using the generalized network form of the model have not been circulated widely. All the operational examples have involved a substantial manual effort. It will not be until late 1972 that the model generation process will be mechanized substantially. The examples in the next chapter represent the sust published data of the generalized network form of the model. They are being used to acquaint users with tas monel results prior to the completion of the conversion to the UNIVAC 1108.

The FYNCMP system design has been discussed with other manpower organizations. This includes representatives from the U.S. Civil Service Commission responsible for the outputs of the Federal Personnel Management Information System (FPMIS). They indicated interest in the possibility of transferral of parts of the FYNCIMP software for Civil Service Commission use. Among the many other organizations which have shown interest include the British Civil Service Department and IBM France.

This chapter discussed the problems of implementing a multi-level model. A description of the first operational prototype of the OCMM Transition Rate subsystem was followed by the steps involved in implementing the complete Five Year Navy Civilian Manpower Plan (FYNCIMP) system. Some of the significant results reported include:

1. the methodology of checkout of large-scale models by "toy" problems and prototypes;
2. the steps undertaken in making the change from a net requirements manpower model to a generalized network manpower model;
3. results from experiments conducted to provide information on the computability of very large model prototypes.

This chapter was concluded with a description of the current version of the FYNCIMP applications software system.

## CHAPTER IV ANALYTICAL DATA STUDIES

si: examination of some of the potential capsbilities of using the OCMM career management and multi-level models will now be given. This will be done hy means of several data studies to illustrate the management capabilities of the models. The first study will consist of a versinn of the career management model to test various policies concerned with the reduction of average Generai 'xicedule grade. This study was prepared for the Director of the Manpower Planning Division of OCMM. The next study will cancem the projection of intaks requirements for one of the Navy's civilian career programs. The resul's of this study are being provided by $\triangle$ CMM to the Chief of Naval Material. The final example will be an experimental study which illustrates a state-of-the-art extension of the multi-level model.

The data input for the Major Occupation Group example in Chapter III and the numerical examples given in this chapter were prepared manually. The report formats were tailored to the management requirements of each of the studies. This manual preparation formed the basis for the design specifications of the matrix generator and report writer portions of the FYNCIMP system. With the exception of the extensions to the multi-level model, all of the numerical examples were used to satisfy top level management information requirements. These examples represent a case where research, deve'opment, and management practice ware served jointly from the same data studies.

The fata studies involving the career management model are the first numericai results to be repolied of operational uses of the model. These studies were performed for top-level Navy managers familiar with tie earlier OCMM modeling applications. These managers have used data produced by the Transition Rate sub. system for several years. They have working experience with the potentials and limita.tons of the manpower transition data which underlic the career management model. These data studies are helping to ensure an understanding of the models prior to the full implementaion of the FYNCIMP system. This is true for the model designers as well as for the model users.

## Average Grade Model

In August, 1971, the Office of Management and Budget (OMB) issued Bulletin No. $72-4$ establishing a program to reduce the average grade of General Schedule employees of the Federal Government. ${ }^{1}$ The purpose of the program was to reduce, Government-wide, the average grade of the General Schedule by one-tenth by the end of Fiscal Year 1972 and by two-tenths by the end of Fiscal Year 1973. In order to achieve the overall objective, the rate of reduction was set according to the amount the average grade had increased between June 30, 1968 and June 30, 1971. For the Navy this meant a reduction of 0.15 in FY 1972 and an additional 0.15 in FY 1973. A strong constraint on the objective was that the average grade ,duction had to be accomplished al light of voluntary attrition alone.

The question immediately arose as to the information support required to assist the Navy's managers in responding to this OMB policy. A NACMIS computer program which could be uied to provide data on General Schedule distributions was pressed into service. The Transition Rate subsystem of the FYNCIMP system was used to obtain historical data on inter-grade movements for the $1968-1971$ period. These data were computed both Navy -wide and by major bureau or command and provided to the pertinent users. Wurk

[^18]was also started on the modification of the career management model to accommodate the average grade constraints. Tius began the first "live" use of the OCMM career management model to test policies which affected the 165,000 General Schedule employees of the Navy. ${ }^{1}$

The career management model was modified as shown in Figure 25. The objective of this model is to minimize discrepancies from the manpower requirements by grade and to favor on-board manpower and new hires over Reductions in Force (RIF's). The average grade constraint is included in the model by requiring that the sum of the number in each grade be multiplied by the total projecte . $\quad$ 'llation on board. This constraint is made to hold for a given population by setting an additional constraint that the sum of the number in each grade must exactly equal the projected total on-board. Additional constraints of upper and lower bounds on the number in each grade are also set. These ensure against the naive solution of firing large numbers of high grade personnel and replacing them with large numbers of low grade personnel.

In order to use the model, an initial set of goals was developed manually to meet the grade reduction requirements. These were devised considering grade distribution configurations felt to be feasible in terms af past experience. For FY 1972 and FY 1973, these goals are shown in Table 11. These grade goals were initially tested using the following constraints:

1. A total of $\mathbf{1 6 0 , 0 0 0}$ graded employees each year.
2. FY 1972 average grade of 7.6570 .
3. FY 1973 average grade of 7.5070 .
4. FY 1971 promotion rates were applied for the first six months of FY 1972.
5. FY 1971 promotion rates were applied up.to and including GS-10 in both years.
6. No promotions to GS-11 and above for the last half of FY 1972 and all of FY 1973.
7. The number on-board in GS $16-18$ to remain constant.
8. A plus or minus deviation of ten people from the goals.

The nodel was applied with the results as shown in Table 12. These results were used to adjust the grade goals. All of the RIF's were added back to the goals with a corresponding reduction in the number of personnel in the lower grades. The upper and lower bounds were then set equal to the goals for all the grades except for GS 3-8. The model was then re-run allowing it to se? it own level for GS 3-8. This process was repeated several times until the solution in Table 13 was obtained. These results showed, using the constraints previousiy enumerated, that it was possible to achieve the average grade reduction without RIF's. The grade distribution produced by the model as compared with the initial goals as a percentage of actual 30 June 1971 employment is shown in Table 14.

It was learned after the above results were developed that there vas a marked difference in the attrition rates between the first quarter of FY 1971 and the first quarter of FY 1972. This information as shown in Table 15 was obtained through the use of the Transition Rate subsystem. These new rates were used in a one-period model using a manually developed set of goals to meet grade reductions of 0.0 (average grade 7.8071) in FY 1972 wth a total strength of 160,000 . The first solution as sh., wn in Table 16 was based upon an assumption that the promotion and attrition rates experienced in the September, 1970-September, 1971 period would continue to prevail. In this alternative the model was allowed to deviate only plus or minus ten people from the goal.

[^19]| OBJECTIVE: (a) MINIMIZE DISCREPANCIES FROM CIVILIAN MANPOWER REQUIREMENTS BY GRADE AND(b) FAVOR ON-BOARD MANPOWER AND NEW HIRES OVER RIF's. |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
| SUB! TO: |  |  |  |  |
|  | NUMBER ON BOARD IN EACH GRADE IN EACH PERIOD | - POSSIBLE AMOUNT OVER | $\begin{aligned} & + \text { POSSIBLE } \\ & \text { AMOUNT } \\ & \text { UNDER } \end{aligned}$ | - Grade requirements |
|  | NUMBER ON BOARD IN EACH GRADE AT BASE PERIOD |  |  | - Initilal Population |
|  | Number remaining in Each grade from Previous PERIOD | + NUMBER ON BOARD IN EACH GRADE AT PRESEN PERIOD | $-\underset{\substack{\text { NHRW } \\ \text { HIRS }}}{+ \text { RIF's }}$ | - 0 |


| SUM OF | $\left(\begin{array}{l}\text { NuMbER ON BOARD } \\ \text { IN EACH GRADE }\end{array} \mathrm{X}\right.$ GRADE $)$ |  | ${ }_{\text {average }}^{\text {GRADE }} \times$ | TOTAL MANPOWER AVAILABL |
| :---: | :---: | :---: | :---: | :---: |
| Sum 0 O | $\begin{aligned} & \hline \text { NUMBER ON BOARD } \\ & \text { INEACH GRADE } \end{aligned}$ | - total manpower AVAILABLE |  |  |

Figure 25. NAVY AVERAGE GRADE POLICY TESTING MODEL

TABLE 11
NAVY GENERAL SCHEDULE CIVILIAN PERSONNEL
Grade Goals For Initial Run of Average Grade Model

| GS | FY 1972 | FY 1973 |
| :---: | ---: | ---: |
| 1 | 523 | 523 |
| 2 | 3,414 | 4,214 |
| 3 | 16,736 | 17,696 |
| 4 | 24,884 | 25,365 |
| 5 | 19,960 | 20,440 |
| 6 | 7,741 | 7,741 |
| 7 | 12,274 | 12,433 |
| 8 | 2,682 | 2,682 |
| 9 | 17,413 | 17,013 |
| 10 | 2,035 | 1,875 |
| 11 | 18,541 | 17,821 |
| 12 | 15,746 | 15,106 |
| 13 | 11,026 | 10,546 |
| 14 | 4,613 | 4,293 |
| 15 | 2,094 | 1,934 |
| 16 | 280 | 280 |
| 17 | 30 | 30 |
| 18 | 8 | 8 |

TABLE 12
NAVY GENERAL SCHEDULE CIVILIAN PERSONNEL AVERAGE GRADE MODEL
(Constraints as Noted in Text)

| FY 1972 |  |  |  | FY 1973 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| GS | $\begin{gathered} \text { TOTAL } \\ \text { ON-BOARD } \end{gathered}$ | NEW HIRES | EXCESSES | GS | $\begin{gathered} \text { TOTAL } \\ \text { ON-BOARD } \end{gathered}$ | NEW HIRES | EXCESSES |
| 1 | 524 | 469 |  | 1 | 525 | 390 |  |
| 2 | 3,414 | 2,389 |  | 2 | 4,214 | 3,002 |  |
| 3 | 16,736 | 7,218 |  | 3 | 17,696 | 7,721 |  |
| 4 | 24,884 | 4,145 |  | 4 | 25,365 | 4,836 |  |
| 5 | 19,960 | 1,752 |  | 5 | 20,440 | 2,427 |  |
| 6 | 7,741 | 31 |  | 6 | 7,741 | 249 |  |
| 7 | 12,274 | 1,991 |  | 7 | 12,433 | 2,466 |  |
| 8 | 2,682 | 134 |  | 8 | 2,682 | 219 |  |
| 9 | 17,413 |  | 21 | 9 | 17,013 |  | 1,133 |
| 10 | 2,035 |  | 229 | 10 | 1,375 |  | 213 |
| 11 | 18,541 | 14 |  | 11 | 17,821 | 1,060. |  |
| 12 | 15,746 |  | 344 | 12 | 15,106 | 667 |  |
| 13 | 11,036 |  | 367 | 13 | 10,546 | 448 |  |
| 14 | 4,612 |  | 137 | 14 | 4,293 | 27 |  |
| 15 | 2,084 |  | 72 | 15 | 1,932 | 21 |  |
| 16 | 280 | 13 |  | 16 | 280 | 30 |  |
| 17 | 30 | 1 |  | 17 | 30 | 5 |  |
| 18 | 8 |  |  | 18 | 8 |  |  |
| Average Grade |  | 7.6570 |  |  |  | 7.5070 |  |

TABLE 13

## NAVY GENERAL SCHEDULE CIVILIAN PERSONNEL average grade model

(Constraints as Noted in Text)

| FY 1972 |  |  |  | FY 1973 |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| GS | GOAL | $\begin{gathered} \text { TOTAL } \\ \text { ON-BOARD } \end{gathered}$ | NEW HIRES | GS | GOAL | $\begin{aligned} & \text { TOTAL } \\ & \text { ON-BOARD } \end{aligned}$ | $\begin{aligned} & \text { NEW } \\ & \text { HIRES } \end{aligned}$ |
| 1 | 524 | 524 | 470 | 1 | 525 | 525 | 390 |
| 2 | 3,414 | 3,414 | 2,389 | 2 | 4,214 | 4,214 | 3,002 |
| 3 | 17,863 | 17,683 | 8,345 | 3 | 18,796 | 18,796 | 8,216 |
| 4 | 24,685 | 24,685 | 4,091 | 4 | 24,992 | 25,455 | 4,746 |
| 5 | 19,762 | 19,762 | 1,544 | 5 | 20,067 | 20,067 | 2,186 |
|  | 7,741 | 7,741 | 31 | 6 | 7,741 | 7,741 | 265 |
| 7 | 11,019 | 11,019 | 591 | 7 | 10,855 | 10,392 | 1,332 |
| 8 | 2,548 | 2,548 |  | 8 | 2,414 | 2,414 | 110 |
| 9 | 17,434 | 17,434 |  |  | 17,920 | 17,920 | 273 |
| 10 | 2,035 | 2,035 |  | 10 | 2,315 | 2,315 |  |
| 11 | 18,541 | 18,541 |  | 11 | 17,821 | 17,821 | 1,060 |
| 12 | 15,808 | 15,808 |  | 12 | 15,106 | 15,106 | 610 |
| 13 | 11,403 | 11,403 |  | 13 | 10,546 | 10,546 | 112 |
| 14 | 4,749 | 4,749 |  | 14 | 4,393 | 4,393 |  |
| 15 | 2,156 | 2,156 |  | 15 | 1,977 | 1,977 |  |
| 16 | 280 | 280 | 13 | 16 | 280 | 280 | 30 |
| 17 | 30 | 30 | , | 17 | 30 | 30 | 5 |
| 18 | 8 | 8 |  | 18 | 8 | 8 |  |
| Average Grade |  | 7.6570 |  |  |  | 7.5070 |  |

Using the same goals again, the model was re-run suppressing promotions to GS-11 and above for the last half of FY 1972. These results are shown in Table 17. These goals were adjusted to eliminate RIF's since a major objective of the study was to find a grade distribution which attained a reduction in both average grade and total employment without RIF's. This new configuration was tested using an average grade constraint of 7.8071. However, it was not possible to obtain a feasible solution within that average grade constraint.

The model was re-run again. This time it was allowed to seek its own average grade level with an upper limit of 7.9000 . In this alternative, the lower and upper bounds were set at a deviation of plus or minus ten people from the goals in all grades except for the following:
$\begin{array}{lrl}\text { 1. } 6 S-1 & -0 & \text {-lower boundary } \\ & +50 & \text {-upper boundary }\end{array}$
2. GS-2-5 $\pm 5 \%$ deviation on lower and upper boundaries
3. GS-16-18 lower boundary $=$ upper boundary $=$ goal .

The revised goals and resulting solution under these conditions is shown in Table 18. The average grade of this configuration if 7.8873 . In order to determine if this average grade could be further reduced, a subsequent series of tests were run using average grade constraints of $7.825,7,850,7.860$ and 7.870 . None of these

TABLE 14
NAVY AVERAGE GRADE MODEL COMPARISON OF FINAL MODEL DATA AND INITIAL GOALS AS A PERCENT OF 30 JUNE 1971 EMPLOYMENT
(June 1970-June 1971 Transition Data)

| GRADE | June 30, 1971 Actual | FY 1972 |  | FY 1973 |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Initial Goals \% | Model Output \% | Initial Goals \% | Model Output \% |
| 1 | 211 | 247.9 | 248.3 | 247.9 | 248.8 |
| 2 | 3,036 | 112.5 | 112.5 | 138.8 | 138.8 |
| 3 | 16,154 | 103.6 | 110.6 | 109.5 | 116.4 |
| 4 | 25,377 | 98.1 | 97.8 | 100.0 | 100.3 |
| 5 | 20,151 | 99.1 | 98.1 | 101.4 | 99.6 |
| 6 | 8,007 | 96.7 | 96.7 | 96.7 | 96.7 |
| 7 | 12,696 | 96.7 | 85.6 | 97.9 | 81.9 |
| 8 | 2,774 | 96.7 | 91.6 | 96.7 | 87.0 |
| 9 | 18,237 | 95.0 | 95.1 | 92.8 | 97.8 |
| 10 | 2,188 | 93.0 | 93.0 | 85.7 | 105.8 |
| 11 | 19,974 | 92.8 | 92.8 | 89.2 | 89.2 |
| 12 | 17,032 | 92.4 | 92.8 | 88.7 | 88.7 |
| 13 | 12,018 | 91.8 | 94.9 | 87.8 | 87.8 |
| 14 | 4,971 | 92.8 | 95.5 | 86.4 | 88.4 |
| 15 | 2,266 | 92.4 | 95.1 | 85.3 | 87..' |
| 16 | 289 | 96.9 | 96.9 | 96.9 | 96.9 |
| 17 | 31 | 96.8 | 96.8 | 96.8 | 96.8 |
| 18 | 8 | 100.0 | 100.0 | 100.0 | 100.0 |

TARLE 15
NAVY GENERAL SCHEDULE CIVILIAN PERSONNEL
ANNUAL ATTRITION RATES

| GS | 30 June 1970-30 June 1971 <br> Percent of 30 June 1970 Population | 30 September 1970-30 September 1971 <br> Percent of 30 September 1970 Population |
| :---: | :---: | :---: |
| 1 | 39.5 | 35.6 |
| 2 | 36.4 | 38.6 |
| 3 | 25.2 | 22.6 |
| 4 | 17.6 | 16.4 |
| 5 | 14.2 | 11.2 |
| 6 | 11.0 | 8.6 |
| 7 | 12.7 | 10.5 |
| 8 | 9.8 | 6.7 |
| 9 | 10.7 | 5.6 |
| 10 | 8.4 | 6.4 |
| 11 | 9.6 | 5.3 |
| 12 | 8.4 | 4.0 |
| 13 | 8.5 | 4.6 |
| 14 | 7.4 | 3.2 |
| 15 | 8.3 | 4.0 |
| 16 | $: 0.7$ | 6.6 |
| 17 | 16.0 | 11.1 |
| 18 | 0.0 | 0.0 |

TABLE 16
NAVY GENERAL SCHEDULE CIVILIAN PERSONNEL AVERAGE GRADE MODEL
(30 September 1970-30 September 1971 Transition Rates, Other Constraints as Noted in Text)
FY 1972

| GS | GOALS | PROJECTED <br> ON-BOARD | NEW HIRES | EXCESSES |
| :---: | ---: | ---: | :---: | :---: |
| 1 | 203 | 203 | 143 |  |
| 2 | 2,934 | 2,934 | 1,997 |  |
| 3 | 15,616 | 15,616 | 5,789 |  |
| 4 | 24,532 | 24,532 | 3,430 |  |
| 5 | 19,480 | 19,480 |  | 215 |
| 6 | 7,741 | 7,751 | 1,662 |  |
| 7 | 12,274 | 12,274 | 19 |  |
| 8 | 2,682 | 2,682 | 955 | 36 |
| 9 | 17,717 | 17,707 |  | 523 |
| 10 | 2,115 | 2,115 |  | 653 |
| 11 | 19,309 | 19,302 |  | 319 |
| 12 | 16,466 | 16,466 |  | 136 |
| 13 | 11,618 | 11,618 |  | 4 |
| 14 | 4,805 | 2,99 |  | 2 |
| 15 | 2,190 | 280 |  |  |
| 16 | 280 | 30 |  |  |
| 17 | 30 | 8 |  |  |
| 18 | 8 |  |  |  |

TABLE 17
NAVY GENERAL SCHEDULE CIVILIAN PERSONNEL AVERAGE GRADE MODEL
(30 September 1970-30 September 1971 Transition Data, Other Constraints as Discussed in Text)
FY 1972

| GS | GOALS | PROJECTED <br> ON-BOARD | NEW HIRES | EXCESSES |
| :---: | ---: | :---: | :---: | :---: |
| 1 | 203 | 203 | 143 |  |
| 2 | 2,934 | 2,934 | 1,997 |  |
| 3 | 15,616 | 15,616 | 5,789 |  |
| 4 | 24,532 | 24,532 | 3,429 |  |
| 5 | 19,480 | 19,480 |  |  |
| 6 | 7,741 | 7,751 | 1,652 | 215 |
| 7 | 12,274 | 12,264 | 9 |  |
| 8 | 2,682 | 2,672 |  | 446 |
| 9 | 17,717 | 17,717 |  | 233 |
| 10 | 2,115 | 2,115 |  | 64 |
| 11 | 19,309 | 19,309 |  | 349 |
| 12 | 16,466 | 16,476 |  | 168 |
| 13 | 11,618 | 11,628 |  | 76 |
| 14 | 4,805 | 2,795 |  |  |
| 15 | 2,190 | 280 | 3 |  |
| 16 | 280 | 30 | 8 |  |
| 17 | 8 |  |  |  |
| 18 | 8 |  |  |  |

TABLE 18

## NAVY GENERAL SCHEDULE CIVILIAN PERSONNEL AVERAGE GRADE MODEL

(30 September 1970-30 September 1971 Transition Data, Other Constraints as Noted in Text)
FY 1972

| GS | GOALS | PROJECTED <br> ON-BOARD | NEW HIRES | EXCESSES |
| :---: | ---: | :---: | :---: | :---: |
| 1 | 203 | 203 | 143 | NONE |
| 2 | 2,653 | 2,653 | 1,716 |  |
| 3 | 14,799 | 14,799 | 4,972 |  |
| 4 | 24,050 | 24,050 | 537 |  |
| 5 | 19,480 | 19,480 |  |  |
| 6 | 7,966 | 7,966 | 1,420 |  |
| 7 | 12,032 | 12,032 |  |  |
| 8 | 2,672 | 2,672 |  |  |
| 9 | 18,163 | 18,163 |  |  |
| 10 | 2,348 | 19,348 |  |  |
| 11 | 19,383 | 16,825 |  |  |
| 12 | 16,825 | 11,889 |  |  |
| 13 | 11,889 | 4,963 |  |  |
| 14 | 4,963 | 2,256 |  |  |
| 15 | 2,256 | 280 |  |  |
| 16 | 280 | 30 |  |  |
| 17 | 8 | 8 |  |  |
| 18 | 8 |  |  |  |

were able to satisfy both the constraints of lowering the graded civilian employment level to 160,000 and a condition of no RIF's.

## Career Management Mudel

The next example concerns the civilian intake requirements for the Navy's procurement career program. ${ }^{1}$ The purpose of this example is to illustrate a use of the career management model with smaller size manpower categories. Experience has shown that the manpower categories should in most cases contain at least fifty or more people. The transition data are shown in Table 19. These data were computed by first using the occupation code change capability of the FYNCIMP system. This capability is used by reading into the computer a dictionary of the desired codes as they relate to the Civil Service Commission occupation codes. Provision has been made for any combination of occupational and grade/level grouping aggregations as long as there are 100 or fewer occupation groups and 5 or fewer grade/level groupings. In this case the standard FYNCIMP grade groupings (i GS 1-4, 5-8, 9-12, 13-15, 16-18) were used with the following codes:


[^20] Management of the Logistics Work Force," The Journal of Navy Civilian Manpower Management, Vol. Hil, No. 3, Fall, 1969.
TABLE 19


RELATIVE FREQUENCY OF MOVEMENT INTER-STATE
NAVY CIVILIAN PROCUREMENT MANAGEMENT CAREER PROGRAM
IL6I GNAS OL OL6I GNOS WOXA $\frac{\text { SFRVICE CUMPUTAIIUN UATL }}{000} \frac{\text { IAJUR CLABAm.T_ }}{\text { TO }}$


NAVY CIVILIAN PROM JUNE 1970 TO JUNE 1971 AREER PROGRAM

Forecasted manpower goals are shown in Table 20. This forecast was made using proportioned estimates from a Navy-wide forecast by major occupation group. Thus, the data for the procurement career program are consistent with the Navy civilian strength projections included in the Five Year Defense Program.

TABLE 20
NAVY CIVILIAN PROCUREMENT MANAGEMENT CAREER PROGRAM

|  | On-Board |  |  | Projected Requirements |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Job <br> Category | $\begin{gathered} 30 \text { June } \\ 1971 \end{gathered}$ | $\begin{gathered} 30 \text { June } \\ 1972 \end{gathered}$ | $\begin{gathered} 30 \text { June } \\ 1973 \end{gathered}$ | $\begin{gathered} 30 \text { June } \\ 1974 \end{gathered}$ | $\begin{gathered} 30 \text { June } \\ 1975 \end{gathered}$ | $\begin{gathered} 30 \text { June } \\ 1976 \end{gathered}$ |
| GS-1101 | 5-8 | 75 | 74 | 76 | 76 | 75 | 74 |
| General Busines: | 9-12 | 247 | 244 | 252 | 251 | 247 | 245 |
|  | 13-15 | 86 | 85 | 88 | 88 | 86 | 85 |
| GS-1102 | 5-8 | 288 | 286 | 295 | 294 | 289 | 286 |
| Contract \& | 9-12 | 1,356 | 1,343 | 1,387 | 1,382 | 1,357 | 1,345 |
| Procurement | 13-15 | 586 | 581 | 600 | 598 | 587 | 581 |
| GS-1103 | 5-8 | 12 | 12 | 12 | 12 | 12 | 12 |
| Industrial Property Management | 9-12 | 96 | 95 | 99 | 98 | 96 | 96 |
| GS-1150 | 5-8 | 10 | 10 | 10 | 10 | 10 | 10 |
| Inciustrial | 9.12 | 465 | 461 | 476 | 474 | 465 | 461 |
| Specialist | 13-15 | 200 | 198 | 205 | 204 | 200 | 198 |

The results of the model solution are given in Table 21. These data are being used as preliminary projections of trainee intake requirements by the administrator of the career program. These are the first results of the use of the generalized network form of the model to support career planning. Application of the model is being extended to other career prograals.

## Multi-Level Model With Final User and Manpower Goals

The remainder of this chapter concerns an example of the multi-lev, model. This example involves a model structure with goal programming features for both final user and manpower requirements. In addition to this new structural change, this test of the model incorporates actual Navy data where possible. Thus, this numerical example represents the next step from the toy problem presented at the NATO Conference at Cambridge. It is an improvement of the state-of-the-art in terms of: (a) model structural development, and (b) testing of computability with data which approximate that presently available.

The first step in moving the toy problem towards implementation is to use live data sources to approximate all the parameters and coefficients used in the model. The purpose of such a step is to prove the computability of the model with live data. For this reason old data were used which have been overtaken by events. Also, in the case of projected data, rather bland assumptions were made which have little connection with actual forecasts. Some of the historical data have been adjusted and the names of the various users and producers of the input-output submodel have been replaced by codes. The resource relationships are stated in terms of "resource units" rather than dollars. Thus, all these steps have been taken to assure that projected Navy data would not be compromised. The point to be remembered is that all of the data used in this example could be obtained from existing, often-used data files. The: is important since the crux of implementing most operations research techniques rests on the obtainability and reliability of the model coefficients.
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Figure 26 shows the new multi-level model structure which includes the additional manpower goal conditions. Another set of priority weights nas been included. There are priority weights on final user goal discrepancies, new hires, RIF's, and on manpower goal discrepancies. The model can now be used simultaneously to consider each of these sets of variables relative to the value of the corresponding priority weight. In the example which follows, the relative priorities are set such that: (a) the meeting of the final wer goals is the most important, (b) it is more desirable not to RIF personnel than to meet the manpower vacancies, and (c) on-board personnel will be considered before any hiring takes place.

The resource related historical data used in the example were obtained from early test runs of the Chief of Naval Operations NARM mudel. ${ }^{1}$ The manpower related data were developed using the Transition Rate subsystem of the Five Year Navy Civilian Manpower Plan (FYNCIMP) system. All of these data should be regarded as experimental.

The resource related data are shown in Table 22. Only one final user was included in order to keep the example to a reasonable size. Table 22 also includes the final user-producer input-output rates and the manpower/resource unit rates. The support-on-support rates are given in Table 23.

The manpower transition data are given in Table 24. These are actual June, 1970-June, 1971 data for the major occupation groups. In succeeding prototype tests these occupation groups will be expanded to eight categories. Feedback from potential users indicates that it would be better tc break the Professional and Technical group into Scientists and Engineers, Sub-Professional Technicians, and Other Professionals. The Blue Collar category will also be expanded to craftsman and Operatives, and to Gardeners and Laborers.

The remaining starting conditions for the numerical example were all hypothetical. This included setting the Final User requirements to a constant 21,000 resource units and the manpower ceilings to a constant 295,000 billets. The hypothetical resource constraints on the Producers is given in Table 25 and the hypothetical manpower requirements are given in Table 26.

The data were then put into the linear programming matrix shown in Figure 27. In order to incorporate the weighting scheme discussed earlier, the following relative prorities were used:

| Variable | Relative Weight |
| :--- | :---: |
| Final User Goal Discrepancy | 100 |
| RIF's | 3 |
| Manpower Goal Discrepancy | 2 |
| New Hires | . |
| On-Board Manpower | $\cdot$ |

The solution to this model is given in Tables 27 through 30. If desired, additional alternatives could now be run to test various management policies. The importance of these results is that they show that it is computationally possible with existing data sources to use this extended form of the multi-level model. In all, five sub-models were solved as well as the overall system solution.

The three numerical examples given in this chapter conclude the technical portion of this report. These examples provide the first published results of (a) initial operational experience with the OCMM career management model and (b) methods employed to develop a new extension of the multi-level model. The next and final chapter will provide a summary of conclusions of the research.

[^21]
## OBJECTIVE: MINIMIZE COST (MEASURED BY RELATIVE PRIORITIES)

 OF BEING OVER/UNDER FINAL USER SUPPORT REQUIREMENTS AND OF RECRUITING/ REDUCTIONS OF CIVILIAN MANPOWER AND COST (measured by secono set of relative prioritiesiof being OVER/UNDER MANPOWER REQUIREMENTS.SUBJECT TO CONSTRAINTS OF:

| TOTAL AMOUNT EACH - POSSIBLE FINAL USER SUPPORTED AMOUNT OVER | $\begin{aligned} & + \text { POSSIBLE }=\text { EA } \\ & R \\ & \text { AMOUNT UNDER } \end{aligned}$ | EACH FINAL USER SUPPORT REQUIREMENT |
| :---: | :---: | :---: |
| - TOTAL AMOUNT EACH + SUM OF FINAL USER SUPPORTED | PROPORTION OF OUTPUT EACH PRODUCER PROVIDES TO EACH FINAL USER | $\begin{array}{ll}  & \text { TOTAL OUTPUT } \\ \times & \text { OF EACH } \\ \text { PRODUCER } \end{array}$ |



| NUMBER ON-BOARD IN EACH JOB CATEGORY IN EACH PERIOD | - POSSIBLE AMOUNT OVER | + POSSIBL AMOUNT UNDER | = MANPOWER REQUIREMENTS BY JOB CATEGORY |
| :---: | :---: | :---: | :---: |
|  | REQUIRED CIVILIAN M.ANPOWER PROVIDED BY ON-BOARD MANPOWER |  | TOTAL CIVILIAN MANPOWER AVAILABLE |


| CIVILIAN MANPOWER |  |  | $=$ INITIAL |
| :--- | :--- | :--- | :--- |
| ON-BOARD AT START |  |  | POPULATION |
| - REQURED CIIILAN | + CIVILIAN | REQUIRED | $\div$ EXCESS |
| MANPOWER PROVIDED | MANPOWER | CIVILIAN | CIVILIAN |
| BYON-BOARD MANPOWER | ON-BOARD | MANPOWER | MANPOWER |
| FROMPREVIOUS | AT PRESENT | PROVIDED |  |
| PERIODS | PERIOD | BY NEW |  |
|  |  | HIRES |  |

TABLE 22
MULTT-LEVEL MODEL TEST USING CNA AND OCMM DATA IIISTORICAL RESOURCE USAGE DATA
(In Resource Units)

|  | PRODUCER 1 | PRODUCER 2 | PRODUCER 3 | PRODUCER 4 | FINAL USER | TOTALS | FINAL USER/PRODUCER 1-0 RATE |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| PRODUCER 1 | 87.87 | 117.89 | 71.85 | 203.88 | 512.54 | 993.94 | 0.515574 |
| PRODUCER 2 | 39.95 | 92.84 | 32.29 | 7.75 | 302.10 | 474.93 | 0.630941 |
| PRODUCER 3 | 99.01 | 158.00 | 74.62 | 254.19 | 1380.03 | 1965.85 | 0.702017 |
| PRODUCER 4 | 47.92 | 25.05 | 39.56 | 196.13 | 210.35 | 518.98 | 0.405314 |
| CIVILIAN MANPOWER | 57,235 | 11366 | 23,952 | 206,881 |  |  |  |
| MANPOWER/ RESOURCE UNIT | 57.5839 | 23\|6562 | 12.8404 | 398.6300 |  |  |  |

## TABLE 23

MULIL-EEVEL NODEL TEST USING CNA AND OCMM DATA

|  | PRODUCER 1 | PRODUCER 2 | PRODUCER 3 | PRODUCER 4 |
| :---: | :---: | :---: | :---: | :---: |
| PRODUCER 1 | 0.088405 | 0.118609 | 0.072288 | 0.205123 |
| PRODUCER 2 | 0.084118 | 0.332681 | 0.067989 | 0.016382 |
| PRODUCER 3 | 0.053650 | 0.080372 | 0.037958 | 0.129303 |
| PRODUCER 4 | 0.092335 | 0.048268 | 0.076226 | 0.377914 |

TABLE 24

MULT1-LEVEL MODEL TEST USING CNA AND OCMM DATA MANPOWER TRANSITION RATES

JUNE 1970-JUNE 1971

|  | PROF \& TECH | MGR \& ADM | CLERICAL | SERVICE | $\begin{gathered} \text { BLUE } \\ \text { COLiAAR } \end{gathered}$ | EXIST |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Prof \& Tech | . 897 | . 004 | . 006 |  |  | . 093 |
| Mgr \& Adm | . 016 | . 910 | . 018 |  |  | . 056 |
| Clerical | . 020 | . 009 | .78. | . 001 |  | . 184 |
| Service | . 002 |  | . 007 | . 842 |  | . 149 |
| Blue Collar |  |  |  |  | 245 | . 155 |

TABLE 25

MULTI-LEVEL MODEL TEST USING CNA AND OCMM DATA HYPOTHETICAL PRODUCER RESOURCE LINIII:
(In Resource Units)

|  | BASE <br> PERIOD | PERIOD 1 | PERIOD 2 | YERIOD 3 | PERIOD 4 | PERIOD 5 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| PRODUCFR 1 | 993.94 | 1000.00 | 1000.00 | 1000.00 | 1000.00 | 1000.00 |
| PRODUCER 2 | 474.93 | 500.00 | $500.0 C$ | 500.00 | $5 C 0.00$ | 500.00 |
| PRODUCER 3 | 1965.85 | 1900.00 | 1900.00 | 1900.00 | 1900.00 | 1900.00 |
| PRODUCER 4 | 518.98 | 500.00 | 500.00 | 500.00 | 500.00 | 500.00 |

TABLE 26

|  | MULTI-LEVEL MODEL TEST. USING CNA AND OCMM DATA HYPOTHETICAL MANPOWER REQUIREMENTS DATA |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | BASE PERIOD | PERIOD 1 | PERIOD 2 | PERIOD - | PERIOD 4 | PERIOD 5 |
| PRODUCER 1 |  |  |  |  |  |  |
| Prof \& Tech | 2,550 | 2,600 | 2,650 | 2,700 | 2,750 | 2,800 |
| Mgr \& Adm | 1,185 | 1,200 | 1,250 | 1,300 | 1,350 | 1,400 |
| Clerical | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 | 14,000 |
| Service | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Blue Collar | 35,000 | 34,000 | 33,000 | 32,000 | 31,000 | 30,000 |
| PRODUCER 2 |  |  |  |  |  |  |
| Prof \& Tech | 1,000 | 1,100 | 1,150 | 1,200 | 1,250 | 1,300 |
| Mgr \& Adm | 4.30 | 500 | 550 | 600 | 650 | 700 |
| Clerical | 5,600 | 5,500 | 5,400 | 5,300 | 5,200 | 5,100 |
| Service | 1,000 | 1,000 | 1,10n | 1,200 | 1,500 | 1,500 |
| Blue Collar | 3,306 | 3,000 | 3,000 | 3,000 | 3,000 | 3,000 |
| PRODUCER 3 |  |  |  |  |  |  |
| Prof \& Tech | 8,452 | 8,000 | 7,500 | 7,500 | 7,500 | 7,500 |
| Mgr \& Adm | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Clerical | 8,000 | 8,000 | 7,500 | 7,500 | 7,500 | 7,500 |
| Service ${ }^{\text {P }}$ - | 500 | 500, | 500 | 500 | 500 | 500 |
| Blue Collar | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 |
| PRODUCER 4 |  |  |  |  |  |  |
| Prof \& Tech | 52,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Mgr \& Adm | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Clerical | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| Service | 3,000 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Blue Collar | 126,881 | 120,000 | 120,000 | 120,000 | 120,000 | 120,000 |
| TOTALS | 309,8;4 | 298,900 | 297,100 | 296,300 | 295,700 | 294,800 |

TABLE 27
MULTI-LEVEL MODEL TEST USING CNA AND OCMM DATA
FINAL USER SOLUTION DATA
(In Resources Units)

|  | REQUIRED | ACTUAL | DIFFERENCE |  |
| :--- | :--- | :---: | :---: | :---: |
| FINAL USER 1 | PERIOD 1 | 2,100 | 2,100 |  |
| FINAL USER 1 | PERIOD 2 | 2,100 | 2,100 |  |
| FINAL USER 1 | PERIOD 3 | 2,100 | 2,100 |  |
| FINAL USER I | PERIOD 4 | 2,100 | 2,100 |  |
| FINAL USER 1 | PERIOD 5 | 2,100 | 2,100 |  |


Figure 27. DYNAMIC MULTI-LEVEL MODEL WITH BOTH FINAL USER AND MANPOWER GOALS LINEAR PROGRAMMING MATRIX

TABLE 28
MULTI-LEVEL MODEL TEST USING CNA AND OCMM DATA PRODUCER BUDGETARY RESOURCES SOLUTION DATA
(In Resource Units)

|  | AVAILABLE | USED | UNUSED |
| :---: | :---: | :---: | :---: |
| PERIOD 1 |  |  |  |
| PRODUCER 1 | 1,000 | 987 | 13 |
| PRODUCER 2 | 500 | 410 | 90 |
| PRODUCER 3 | 1,900 | 1,610 | 290 |
| PRODUCER 4 | 500 | 500 |  |
| PERIOD 2 |  |  |  |
| PRODUCER 1 | 1,000 | 971 | 29 |
| PRODUCER 2 | 500 | 473 | 27 |
| PRODUCER 3 | 1,900 | 1,564 | 336 |
| PRODUCER 4 | 500 | 500 |  |
| PERIOD 3 |  |  |  |
| PRODUCER 1 | 1,000 | 955 | 45 |
| PRODUCER 2 | 500 | 478 | 22 |
| PRODUCER 3 | 1,900 | 1,572 | 328 |
| PRODUCER 4 | 500 | 500 |  |
| PERIOD 4 |  |  |  |
| PRODUCER 1 | 1,000 | 940 | 60 |
| PRODUCER 2 | 500 | 490 | 10 |
| PRODUCER 3 | 1,900 | 1,572 | 328 |
| PRODUCER 4 | 500 | 500 |  |
| PERIOD 5 |  |  |  |
| PRODUCER 1 | 1,000 | 924 | 76 |
| PRODUCER 2 | 500 | 490 | 10 |
| PRODUCER 3 | 1,900 | 1,583 | 317 |
| PRODUCER 4 | 500 | 500 |  |

TABLE 29
MULTI-LEVEL MODEL TEST USING CNA AND OCMM DATA
MANPOWER SOLUTION DATA

|  |  | ABOARD | HIRES | EXCESS | GOAL | DISCREPANCY |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Period 1 |  |  |  |  |  |  |
| PRODUCER 1 | P\&T | 2,600 | 4 |  | 2,600 |  |
|  | M\&A | 1,215 |  |  | 1,200 | +15 |
|  | CL | 14,000 | 2,924 |  | 14,000 |  |
|  | SE | 5,000 | 776 |  | 5,000 |  |
|  | BC | 34,000 | 4,425 |  | 34,000 |  |
| PRODUCER 2 | P\&T | 1,100 | 83 |  | 1,100 |  |
|  | M\&A | 500 | 82 |  | 1,100 |  |
|  | CL | 4,422 |  |  | 5,500 | -1078 |
|  | SE | 883 |  |  | 1,000 | -117 |
|  | BC | 2,794 | 36 |  | 3,000 | -206 |
| PRODUCER 3 | P\&T | 7,758 |  |  | 8,000 | -242 |
|  | M\&A | 1,000 |  |  | 1,000 | 24 |
|  | CL | 6,360 |  | 16 | 8,000 | -1640 |
|  | SE | 421 |  |  | 500 | -79 |
|  | BC | 5,070 |  |  | 6,000 | -930 |
| PRODUCER 4 | P\&T | 50,000 | 2,690 |  | 50,000 |  |
|  | M\&A | 9,533 |  |  | 10,000 | -467 |
|  | CL | 20,151 |  |  | 25,000 | -4849 |
|  | SE | 2,551 117,080 |  |  | 2,500 | +51 |
|  | BC | 117,080 | 9,866 |  | 120,000 | -2920 |
| Period 2 |  |  |  |  |  |  |
| PRODUCER 1 | P\&T | 2,642 |  |  | 2,650 | -8 |
|  | M\&A | 1,250 | 8 |  | 1,250 |  |
|  | CL | 14,000 | 2,923 |  | 14,000 |  |
|  | SE | 5,000 | 776 |  | 5,000 |  |
|  | BC | 33,000 | 4,270 |  | 33,000 |  |
| PRODUCER 2 | P\&T | 1,150 | 65 |  | 1,150 |  |
|  | M\&A | 550 | 51 |  | 550 |  |
|  | CL | 5,400 | 1,903 |  | 5,400 |  |
|  | SE | 1,100 | 352 |  | 1,100 |  |
|  | BC | 3,000 | . 639 |  | 3,000 |  |
| PRODUCER 3 | P\&T | 7,500 | 397 | : | 7,500 |  |
|  | M\&A | 1,000 | 2 |  | 1,000 |  |
|  | CL | 5,067 |  |  | 7,500 | -2433 |
|  | SE | 500 | 139 |  | 500 |  |
|  | BC | 5,963 | 1,679 |  | 6,000 | . 37 |

TABLE 29-Continued

|  |  | ABOARD | HIRES | EXCESS | GOAL | DISCREPANCY |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Period 2-Continued |  |  |  |  |  |  |
| PRODUCER 4 | ${ }^{3} \mathrm{CT}$ | 50,000 | 4,589 |  | 50,000 |  |
|  | M\&A | 10,608 |  | 81 | 10,000 | +608 |
|  | CL | 16,328 |  |  | 25,000 | -8672 |
|  | SE | 2,500 | 331 |  | 2,500 |  |
|  | BC | 119,879 | 20,947 |  | 120,000 | -121 |
| Period 3 |  |  |  |  |  |  |
| PRODUCER 1 | P\&T | 2,680 |  |  | 2,700 | -20 |
|  | M\&A | 1,300 | 26 |  | 1,300 |  |
|  | CL | 14,000 | 2,923 |  | 14,000 |  |
|  | SE | 5,000 | 776 |  | 5,000 |  |
|  | BC | 32,000 | 4,115 |  | 32,000 |  |
| PRODUCER 2 | P\&T | 1,200 | 49 |  | 1,200 |  |
|  | M\&A | 600 | 46 |  | 600 |  |
|  | CL | 5,300 | 1,031 |  | 5,300 |  |
|  | SE | 1,200 | 268 |  | 1,200 |  |
|  | BC | 3,000 | 465 |  | 3,000 |  |
| PRODUCER 3 | P\&T | 7,500 | 654 |  | 7,400 |  |
|  | M\&A | 1,000 | 14 |  | 1,000 |  |
|  | CL | 5,130 | 1,081 |  | 7,500 | -2370 |
|  | SE | 500 | 74 |  | 500 |  |
|  | BC | 6,000 | 96 |  | 6,000 |  |
| PRODUCER 4 | P\&T | 50,000 | 4,649 |  | 50,000 |  |
|  | M\&A | 10,000 |  |  | 10,000 |  |
|  | CL | 16,815 | 3,473 |  | 3,000 | -8185 |
|  | SE | 2,500 | 379 |  | 2,500 |  |
|  | BC | 120,000 | 18,702 |  | 120,000 |  |
| Period 4 |  |  |  |  |  |  |
| PRODUCER 1 | P\&T | 2,774 |  | 30 | 2,750 | +24 |
|  | M\&A | 1,350 | 30 |  | 1,350 |  |
|  | CL | 14,000 | 2,922 |  | 14,000 |  |
|  | SE | 5,000 | 776 |  | 5,000 |  |
|  | BC | 31,000 | 3,960 |  | 31,000 |  |
| PRODUCER 2 | P\&T | 1,250 | 56 |  | 1,250 |  |
|  | M\&A | 650 | 52 |  | 650 |  |
|  | CL | 5,200 | 1,008 |  | 5,200 |  |
|  | SE | 1,500 | 484 |  | 1,500 |  |
|  | BC | 3,000 | 465 |  | 3,000 |  |

TABLE 29-Continued

|  |  | ABOARD | HIRES | EXCESS | GOAL | DISCREPANCY |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Peric : 4-Continued |  |  |  |  |  |  |
| PRODUCER 3 | P\&T | 7,500 | 664 |  | 7,500 |  |
|  | M\&A | 1,000 | 14 |  | 1,000 |  |
|  | CL | 5,124 | 1,025 |  | 7,500 | -2376 |
|  | SE | 500 | 74 |  | 500 |  |
|  | BC | 6,000 | 930 |  | 6,000 |  |
| PRODUCER 4 | P\&T | 50,000 | 4,649 |  | 50,000 |  |
|  | M\&A | 10,000 | 549 |  | 10,000 |  |
|  | CL | 16,815 | 3,101 |  | 25,000 | -8185 |
|  | SE | 2,500 | 378 |  | 2,500 |  |
|  | BC | 120,000 | 18,600 |  | 120,000 |  |
| Period 5 |  |  |  |  |  |  |
| PRODUCER 1 | P\&T | 2,800 |  |  | 2,800 |  |
|  | M\&A | 1,400 | 34 |  | 1,400 |  |
|  | CL | 14,000 | 2,920 |  | 14,000 |  |
|  | SE | 5,000 | 776 |  | 5,000 |  |
|  | BC | 30,000 | 3,805 |  | 30,000 |  |
| PRODUCER 2 | P\&T | 1,300 | 61 |  | 1,300 |  |
|  | M\&A | 700 | 57 |  | 700 |  |
|  | CL | 5,100 | 983 |  | 5,100 |  |
|  | SE | 1,500 | 231 |  | 1,500 |  |
|  | BC | 3,000 | 465 |  | 3,000 |  |
| PRODUCER $3^{-}$ | P\&T | 6,847 |  |  | 7,500 | ; |
|  | M\&A | 1,000 | 14 |  | 1,000 |  |
|  | CL | 6,002 | 1,908 |  | 7,500 | -1498 |
|  | SE | 426 |  |  | 500 | . 73 |
|  | BC | 6,000 | 930 |  | 6,000 |  |
| PRODUCER 4 | P\&T | 45,352 |  |  | 50,000 | -4649 |
|  | M\&A | 10,000 | 549 |  | 10,000 |  |
|  | CL | 25,000 | 11,286 |  | 25,000 |  |
|  | SE | 2,500 | 378 |  | 2,500 | - |
|  | BC | 116,464 | 15,064 |  | 120,000 | -3536 |

TABLE 30
MULTT-LEVEL MODEL TEST USING CNA AND OCMM DATA SUPPORT-ON-SIPPORT DAFA

|  | PRODUCER 1 | PRODUCER 2 | PRODUCER 3 | PRODUCER 4 |
| :---: | :---: | :---: | :---: | :---: |
| PERIOD 1 |  |  |  |  |
| PRODUCER 1 | 87 | - 117 | 71 | 202 |
| PRODUCER 2 | 34 | 136 | 28 | 7 |
| PRODUCER 3 | 86 | 125. | 61 | 208 |
| PRODUCER 4 | 46 | 24 | 38 | 189 |
| PERIOD 2 |  |  |  |  |
| PRODUCER 1 | 86 | 115 | 70 | 199 |
| PRODUCER 2 | 40 | 159 | 32 | 8 |
| PRODUCER 3 | 84 | 126 | 59 | 202 |
| PRODUCER 4 | 46 | 24 | 38 | 189 |
| PERIOD 3 |  |  |  |  |
| PRODUCER 1 | 84 | 113 | 69 | 196 |
| PRODUCER 2 | 40 | 159 | 32 | 8 |
| PRODUCER 3 | 84 | 126 | 60 | 203 |
| PRODUCER 4 | 46 | 24 | 38 | 189 |
| PERICD 4 |  |  |  |  |
| PRODUCER 1 | 83 | 111 | 68 | 193 |
| PRODUCER 2 | 41 | 163 | 33 | 8 |
| PRODUCEK 3 | 84 | 126 | 60 | 203 |
| PRODUCER 4 | 46 | 24. | 38 | 189 |
| PERIOD 5 |  |  |  |  |
| PRODUCER 1 | 82 | 110 | 67 | 190 |
| PRODUCER 2 | 41 | 163 | 33 | 8 |
| PRODUCER 3 | 85 | 127 | 60 | 205 |
| PRODUCER 4 | 46 | 24 | 38 | 189 |

## CHAPTER V

## CONCLUSIONS AND FUTURE RESEARCH

The research described in is report contributes to the state-of-the-art of developing large-scale management information systems. An in-depth study has been reported describing the implementation of multi-level models for manpower planning. The report began with a review of the current status of such models in the Federal Government. This was followed by a detailed explanation of the strategic and tactical design considerations for the supporting applications software. Then, several numerical examples were given to show the comprehensiveness and management usefulness of the models.

The management outputs set the requirements for the supporting applications software designs of the multi-level model. Management ousputs needed from the resource allocation submodel include reports to show: (a) differences between final user requirements and aciual fulfillments and (b) producer resource availabilities in relation to the amount of resources which would be consumed. Reports needed from the manpower submodel include: (a) recruiting requirements data and (b) analysis of differences between the manpower requirements and the projected on-board population. In addition to the above, there is a need for reports to show the various input data which were used. Technical reports are also required for use by those who design and maintain the applications software.

The designs for the multi-level model applications software must take into account the variety of outputs which may be requested. There is a need for a considerable amount of generalized software such as was described in Chapter III. The generality of the FYNCIMP system has been carefully preserved by the use of tables and dictionaries. This allows the system to be used to process sequential sets of numbers rather than variable schemes which have been embedded in the computer programs themselves.

This research documents the way changes in the multi-level model applications software can be made in an on-going operational environment. It shows that the software designs must be modular to ensure that possible changes in the model mathematics can be incorporated without disrupting the operation of the system. This modularity is one of the features of the FYNCIMP system software design.

The applications software design which was presented in Chapter III includes a generalized model matrix generatcr and management reports writer. The generation of models is governed by a set of control carde and the data tapes containing the manpower transition rates and the manpower requirements data. The report writer uses a set of control cards to provide the English titles used on the management outputs. Some of the model types which can be generated include: (a) career management models with manpower and/or budgetary constraints, (b) average grade policy testing models, (c) multi-level models without manpower goals, and (d) multi-level models with manpower goals.

One of the underlying design provisions for the FYNCIMP system was to allow as much flexibility as possible until overcome by computer or administrative processing constraints. An example of this is the Transition Rate subsystem where data studies can be tailored by: (a) control procedures within the computer programs themseives, (b) extract programs to delimit the population to be processed, and (c) the possible use of several different formats of the input files. Flexibility is also obtained by the possible use of the occupationalgade level state dictionaries. These allow any combination of occupation and grades that fit into 100 occupation groups and five grade/level groupings.

Both the Transition Rate and Expected Retirement subsystem can be used to provide a set of historical data for management evaluation purposes. Data files are being maintained on a quarterly basis boginning with 30 June 1967 data. Several of the operational data studies which have been completed were for the specific purpose of making comparisons of changes in transition and retirement rates. These historical rates have also been used in various combinations to reflect better a future period which was being projected. This use of the transition rates was included as part of all three of the examples of the career management model which have been cited tr:'s report. A new feature of the Transition Rate subsystem will include the ability to obtain personnel $\downarrow$ ovements data by minonty group. Studies comparing the promotion rates of women with the gereral population cov* . also be made.

Research studies have been made to examine the stability of the transition rates and of the retirement rates. A study of this type was the basis for the design change p.oviding for the use of the retirement rate of a major occupation group for all members of that group. Similar studies have yielded the fact that there is considerable stability in the transition rates when categories with fifty or more people are used. This stability increases as the sample size increases.

Variety of usage has ulso been provided in the FYNCIMP system through the use of data change programs in appropriate points in the system. For example, the gross requiremens data can be changed to include judgmental as well as algorithmic inputs. A change program is provided so that any coefficient in the transition matrix may be changed to reflect the underlying personnel novements of a particular policy alternative under study. There are also two points at which the linear programming matrix can be changed. This can be done either by the linear programmir $\hat{\varepsilon}$ matrix generator change program or by use of the revision procedures in the linear programming software itself. Thus, all of the coefficients of the muiti-level models can be changed at the point most efficient for computer processing. This is also done in such a manner as to ensure reasonable computer turnaround times.

The FYNCIMP system was designed with the user in mind. This includes an extensive management report generation capability. All of the data which have been encoded into alphanumeric code combinations for mathematical processing are decoded where possible back into English. The report formats are designed to pack most of the relevant information on as few pages as possible. This was done while at the same time trying to make the reports pleasing to the eye.

Many extensions are possible to the multi-level models. These include changes in the mathematical structures, appiications software designs, dat analysis techniques, and management practices suggested by these resource-manpower planning models. Many of the mathematical possibilities have already been conceptually enumerated. In addition, explicit model stractural changes have been posited in the form of the chanceconstrained extensions.

Another fundamental research area is the combination of these models with behavioral science techniques. The transiition rate matrix elements have important management consequences when included in a model structure. The understanding of such consequences would best be done by behavioral scientists using the multi-level model as a research tool. Experiments could be established to obtain the insight that is needed to guide the organizational altematives that are possible in changing the relative attractiveness of the different occupations. The model could be us $\perp$ to cost and eyaluate these possible changes for potential managerial use. At the same time these beharioral science experiments could include the evaluation of career prospects for both potential and incumbent employees. Little research has been done with these and other possible behavioral science extensions to models of this kind.

Many experiments could be accomplished using the multi-level model applications software. One of these which is already underway is the conversational use of the models by means of remote computer terminals. These studies are being conducted by ' studies is not to demonstrate the feasibility question is the monitoring of user reactions tc . ion of Carnegie-Mellon University. The purpose of these 'vursational computing. The important methodological e what procedures to use to overcome the natural use resistance to new managerial techniques suc as w.e 1. .ulti-level models. This means more than fitting the models into already existing perceptions of mavagement. It also means altering in an experimental environment the management practices themselves.

Additional research possibilities include the development of more efficient model algorithms. For example, examination could be made of the possibilities of using smaller "driver" models to map out the basic management policies involved. This would then be followed up by the solution of a full-scale model -hi takes advantage of the advance start provided by the solution of the smaller driver problem. Examination cond also be made of the use the multi-level rodel in a computer which has parallel central processors. Here, each of the sub-models could be solved in a separate parallel processor and then the results put together to obtain the overall system solution. Computer science research of this kind could be initiated in parallel with the continuing checkout of the models with operational data.

Implementation research such as described in this report should be continued and extended. It has to be remembered that the payoff of the research is the implementation and use of the multi-level models for management decisions by resource planners and manpower managers. This is best done through use of the applications software to support operational studies. In this way the peculiarities of on-going problems can be used to evaluate, shape, and extend the underlying multi-level models.

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## PART II

## AGGREGATIVE PLANNING MODELS

# A GOAL PROGRAMMING MODEL FOR MANPOWER PLANNING 

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## Abstract

A goal programming model is formulated for guiding and controlling manpower planning at the level of the Office of Civilian Manpower Management of the U. S. Navy. Markov elements are used to trace through the effects of initial and subsequent personal commitments and budgeting constraints, personnel ceilings, etc., form parts of the total (Multi-dimensional) goals considered. Further extensions will include training, environmental factors, etc., after clarification is secured concerning the pertinence of such a line of development.

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## 1. Introduction

This report should be regarded as the first in a series of technical reports directed toward the erection of manpower planning and control models for the Office of Civilian Manpower Management (OCMM) in the U. S. Navy. It should also be borne in mind that this is only one part of a three-pronged program that involves: (i) Preparation of a conceptual paper which will provide (a) a statement of the manpower-management problem at OCMM and (b) a statement of objectives, as well as (ii) Development of a systems blueprint which will tie the elements of the problem together with the information requirements and decision possibilities and (iii) Provision for a continuing research effort pointed toward a synthesis of suitable models for implementing the latter (i.e., system) results in the light of the stated problems and objectives. ${ }^{1}$

It was recognized that there need not be any delay in carrying out any part of this program pending completion of the other portions. Prs ided contact and coordination could be maintained between the persons who were involved, something might be gained, in fact, by utilizing developments in each phase so that they could interact with and clarify issues in the other two plisses.

This, then, is an objective of the present report. More precisely, we propose to introduce a series of technical (mathematical) developments which will help to clarify some of the possibilities that are now present. This should be regarded, however, as only a beginning for such possibilities. It does not represent a final commitment.

In addition to the opportunity that this presents for exploring the possibilities for modeling, we have tried to present this report so that it will help to clarify issues for the proposed systems blueprint as well. For instance, we have provided a numerical illustration in order to help focus on issues like data availability, forecasting and estimation requirements, etc. We have not undertaken the further mathematical research that would be needed for the development of solution procedures, or even more compact (and elegant) representations. ${ }^{2}$ As of the moment, it seems better to focus on other issues which are best served, we believe, by restricting attention to modelling possibilities and systems synthesis at OCMM.

Although the numerical illustration is grossly oversimplified, we should probably also make clear that the proposed model already differs in some respects from others which are now available. To be sure, it incorporates Markovian elements, as do many other models, but these are only part of a total model of goalprogramming variety ${ }^{3}$ which lends itself to multiple-objective and multiple-criteria possibilities such as need to be considered when dealing with the multi-faceted complexities that are likely to be involved in personnel planning. As a planning model, this one is designed to provide a choice among all possible alternatives in filling vacancies from within, from training, and from outside sources in accordance with staged goals.

These and other features of the model can best be exhibited, howeves, by proceeding toward a mathematical development such as will now be undertaken in the immediately following sections.

## 2. Development of the Constraints

We shall normally be concerned with a sequence of periods, which can be indexed by $t=0,1,2, \ldots$, so that we can represent, say,

$$
\begin{equation*}
x_{i j}(t)=\text { number of personnel assigned to "job type } i \text { " from " } j t \text { th source" for period } t . \tag{1}
\end{equation*}
$$

[^23]The terms in quotation marks may be singled out for clarification by observing that different "job types" can refer to the same job classification when the latter requires further distinction by "claimant" or "activity." Similarly, "sources" can also be subdivided and identified with different indexes arranged according to geographic or other characteristics when desired. ${ }^{1}$ Thus, to accommodate such distinctions we introduce the set of indices defined by

$$
J_{0 \alpha} \equiv\{j: \text { from "outside source" } \alpha\}
$$

and

$$
\begin{equation*}
J_{0} \equiv \sum_{\alpha} J_{0 \alpha} \tag{2.1}
\end{equation*}
$$

For instance, we might associate blue collar sources with $\alpha=1, \ldots, \alpha_{1}$ and white collar sources with $\alpha=\alpha_{1}+1, \ldots, \alpha_{2}$. Similarly we might define more generally

$$
\begin{equation*}
J_{s \alpha} \equiv\{\mathrm{j}: \text { from sh category of source } \alpha\} . \tag{2.2}
\end{equation*}
$$

For instance $s=0$, as in (2.1) denotes "outside sources" while other values assigned to $s$ might be associated with retraining or other such source possibilities.

Now we introduce the following additional symbols and definitions,

$$
\begin{align*}
\mathrm{c}_{\mathrm{i}}(\mathrm{t}) & =\text { salary for } \mathrm{i}^{\text {th }} \text { job type in period } \mathrm{t} \\
\mathrm{f}_{\mathrm{k}}(\mathrm{t}) & =\mathrm{k}^{\text {th }} \text { manpower ceiling in period } \mathrm{t}  \tag{3}\\
\mathrm{I}_{\mathrm{k}} & =\left\{\text { jobs } \mathrm{i} \text { under the } \mathrm{k}^{\text {th }} \text { manpower ceiling }\right\},
\end{align*}
$$

where we observe that $I_{k}$ refers to the set of jobs, as indicated. Note that the $c_{i}(t)$ and $i_{k}(t)$ are prescribed values, as distinguished from the $\mathrm{x}_{\mathrm{ij}}(\mathrm{t})$ which are to be chosen in order to optimize the planning objectives. Initially at least, these $c_{i}(t)$ and $f_{k}(t)$ values may be obtained by means of estimates or forecasts as well as from stipulated policies or rezulations. However, the model to be erected will allow for evaluating the consequences of varying these $f_{k}(t)$ and $c_{i}(t)$ so that guidance for manpower planning may be secured from this quarter as well.

We can explicitly exhibit the relation between the $x_{i j}(t)$ and $f_{k}(t)$ by means of the following expression for the discrepancy between scheduled manpower attainments and the manpower ceilings,

$$
\begin{equation*}
\sum_{j} \sum_{i \in I_{k}} x_{i j}(t) \cdot f_{k}(t) \equiv E_{k}(t) . \tag{4}
\end{equation*}
$$

Clearly, $\mathrm{E}_{\mathrm{k}}(\mathrm{t})$ may be positive, negative or zero. That is, we permit some violation of this $\mathrm{f}_{\mathrm{k}}(\mathrm{t})$ ceiling, which we can control further, if desired, by prescribing further constrants on the permitted limits for these discrepancies. ${ }^{2}$

In the future we may also need some reiinement of the variables $\mathrm{x}_{\mathrm{ij}}(\mathrm{t})$ in order to designate their applicability to particular programs. Suppose, for instance, that procram $r$ in period $t$ nee is at least $p_{i r}(t)$ men in job i. Then we shall need to write

$$
\begin{equation*}
x_{i j}(t)=\underset{r}{\sum} x_{i j}^{\mathrm{I}}(t) \tag{5}
\end{equation*}
$$

[^24]where $x_{i j}^{f}(t)$ designates that part of $x_{i j}(t)$ all atid to proiram r. This manpower reqciremant for program $r$ could then be written
\[

$$
\begin{equation*}
\sum_{j} i_{i j}^{\tau}(t) \geqslant p_{i r}(t) . \tag{6}
\end{equation*}
$$

\]

Similarly, we may require a $b_{\mathbf{r}}(t)$ to designate the dollar budget which is applicabic:0 program $r$ in periad $t$. Anii we may need variables $w_{i r}(t)$ to designate the chosen manpower reduction in job i of program r .

In tidis initial model we shail restrict ourselves to consideraition. of manpower planning in which our mar.power sources are twofold: (1) from within ti.e erganization and (2) from outtide sources. ${ }^{l}$ Let us suppose that the changes and attrition from wae job to another within the orgasization are given by the Markoff matrix $M$ with element $M_{i \Omega}$ where $M_{i \Omega}$ represents the proportion of those in $j c b S$ in the previous period who will go to job i in the current period. In this Markoff representation, attrition or ioss of manpower is represented by

$$
\begin{equation*}
\underset{i}{\sum} M_{i R}<1, \tag{7}
\end{equation*}
$$

i.e., some of the persors in job $\&$ are not retained in any job i .

If

$$
\begin{equation*}
a_{i} \equiv \text { number of persons in job i initially (i.e., at } t=0 \text { ) } \tag{8}
\end{equation*}
$$

then

$$
\begin{equation*}
\sum_{\ell} M_{i R_{\ell}^{2}}=\text { number of persc. } . s \text { in job } i \text { in period } 1 \text { from withit. } \tag{9}
\end{equation*}
$$

The total in job $i$ in period 1 is then given by

$$
\begin{equation*}
\sum_{\ell}^{\sum} M_{i k Q Q}+\sum_{j \in J_{0}} x_{i p}(l) \tag{10}
\end{equation*}
$$

where, as before, $\mathrm{J}_{0}=\{\mathrm{j}$ : from outside sources $\}$. The number in job i in period 2 frum within is given by

$$
\begin{equation*}
\left.\underset{p}{\sum} M_{i p} \underset{\ell}{\left(\sum M_{i R^{2}} q^{2}\right.}+\underset{j \in J_{0}}{\Sigma} x_{p j}(1)\right) \tag{11}
\end{equation*}
$$

At this point it is convenient to convert to matrix notation and so we introduce the following definitions:

$$
\begin{align*}
& \left.x^{j}(t)=\left(\begin{array}{c}
x_{i j}(t) \\
\vdots \\
x_{i j}(t) \\
\vdots \\
n_{n j}(t)
\end{array}\right) \quad \begin{array}{c}
a_{1} \\
\vdots \\
a_{n}
\end{array}\right]  \tag{12}\\
& (M)_{i}=\left(M_{i l}, \ldots, M_{i \mathbb{R}}, \ldots, M_{i L}\right. \text {, }
\end{align*}
$$

[^25]Hence, in matrix notation, the number in job $i$ in period 2 from within is

$$
\begin{equation*}
\left(M^{2}\right)_{i} a+\underset{j \in J_{o}}{\sum}(M)_{i} x^{j}(1) \tag{13}
\end{equation*}
$$

and the total in period 2 is

$$
\begin{equation*}
\left(M^{2}\right)_{i} a+\underset{j \in J_{0}}{\Sigma}(M)_{i} x^{j}(1)+\underset{j \in J_{o}}{\Sigma} x_{i j}(2) . \tag{14}
\end{equation*}
$$

Thus, in general, the total in job i in period t is

$$
\begin{equation*}
\left(M^{t}\right)_{i} a+\sum_{\tau=1}^{t} \sum_{j \in J_{0}}\left(M^{t-\tau}\right)_{i} x^{j}(\tau) . \tag{15}
\end{equation*}
$$

For this initial model we elect to stay within a total dollar budget that is stipulated for each period. Thus, if

$$
\begin{equation*}
B(t) \equiv \text { total } \$ \text { budget for personnel in period } t \tag{16}
\end{equation*}
$$

then we shall require the $\mathrm{x}_{\mathrm{ij}}(\mathrm{t})$ values to satisfy

$$
\sum_{i} \sum_{j} c_{i}(t) x_{i j}(t) \leqslant B(t) .
$$

Note that j here runs over $\mathrm{J}_{0}$ and also another index which corresponds to the source "within the organization."

## 3. Representation of Model and OLjectives

We shall here formulate an objective by supposing that we wish to minimize the discrepancies, as given in (4). I.e., we propose to minimize

$$
\begin{equation*}
\underset{k}{\sum \sum} \underset{t}{ } \sum \mu_{k t}\left|E_{k}(t)\right|, \tag{18}
\end{equation*}
$$

where the $\mu_{\mathrm{kf}}$ are weights associated with the $\mathbf{k}^{\mathbf{t h}}$ manpower ceiling and the vertical strokes denote absolute values.

This nonlinear objective function may be reduced to more tractable form by utilizing the theory and procedures that we have developed in connection with other personnel planning models. ${ }^{1}$ Thus we introduce the new variables $E_{k}^{+}(t), E_{k}^{-}(t) \geqslant 0$ and then represent

$$
\begin{equation*}
E_{k}(t)=E_{k}^{+}(t)-E_{k}^{-}(t) \tag{19}
\end{equation*}
$$

The objective in (18) can then be represented by

$$
\min _{k} \sum_{k} \sum_{k t}\left(E_{k}^{+}(t)+E_{k}^{-}(t)\right)
$$

with

$$
\underset{i \in I_{k}}{\sum}{\underset{\mu=1}{t}}_{\underset{j \in J_{0}}{\sum}\left(M^{t-\tau}\right)_{i} x^{j}(\tau)-E_{k}^{+}(t)+E_{k}(t)=g_{k}(t), ~(t)}
$$

${ }^{1}$ Cf. the discussion in Chapter $X$ of [3].
where

$$
g_{k}(t)=f_{k}(t)-\underset{i \in I_{k}}{\Sigma}\left(M^{t}\right)_{i} a
$$

In other words, $g_{k}(t)$ is the net $k^{\boldsymbol{t h}}$ manpower requirement which must be met, if at all, by outside recruitment.

In a similar manner, substituting for the $\mathrm{x}_{\mathrm{ij}}(\mathrm{t})$, the budget constraints become

$$
\begin{equation*}
\sum_{i}^{\sum} \sum_{\tau=1}^{t} \underset{j \in J_{0}}{\sum} c_{i}(t)\left(M^{t-\tau}\right)_{i} x^{j}(\tau) \leqslant B(t)-\sum_{i} c_{i}(t)\left(M^{t}\right)_{i} a \tag{21}
\end{equation*}
$$

with

$$
x^{\mathrm{j}}(\tau) \geqslant 0 .
$$

Thus the model may be represented

$$
\sum_{k} \sum_{t} \mu_{k t}\left[E_{k}^{+}(t)+E_{k}^{-}(t)\right]
$$

subject to

$$
\begin{gather*}
\underset{i \in I_{k}}{\sum} \underset{\tau=1}{i} \underset{j \in J_{0}}{\sum}\left(M^{t-\tau}\right)_{i} x^{j}(\tau)-E_{k}^{+}(t)+E_{k}^{-}(t)=g_{k}(t) \\
\underset{i}{\sum} \underset{\tau=1}{i} \underset{j \in J_{0}}{\sum} c_{i}(t)\left(M^{t-\tau}\right)_{i} x^{j}(\tau) \leqslant B(t)-c^{T}(t) M^{t} a  \tag{22}\\
x^{j}(\tau) \geqslant 0 \\
E_{k}^{+}(t), E_{k}^{-}(t) \geqslant 0
\end{gather*}
$$

where

$$
c^{T}(t) \equiv\left(c_{1}(t), \ldots, c_{n}(t)\right)
$$

## 4. Transformation and Reduction of the Model

The model could be calculated as represented above. We note, however, that it is possible to simplify it by making certain transformation of the variables since the basic variables $x^{j}(t)$ only enter in certain combinations. Thus, let

$$
\begin{align*}
& \xi(\tau)=\sum_{\mathrm{j} \in \mathrm{~J}_{0}} \mathrm{x}^{\mathrm{j}}(\tau) \\
& \eta(\mathrm{t})={\underset{\tau}{\boldsymbol{\Sigma}} \mathrm{I}}_{\mathrm{I}}^{\mathrm{M}} \mathrm{t} \boldsymbol{\tau} \boldsymbol{\xi}(\tau) . \tag{23}
\end{align*}
$$

Then

$$
\begin{align*}
& \text { t+1 } \\
& \eta(\mathrm{t}+1)=\underset{\tau=1}{\Sigma} \mathrm{M}^{\mathrm{t}+1 \cdot \tau} \xi(\tau) \\
& =M \underset{\tau=1}{\mathbf{t}} M^{t-\tau} \xi(\tau)+\xi(t+1)  \tag{24}\\
& =M \eta(t)+\xi(t+1) \text {. }
\end{align*}
$$

Note that since $\xi(t+1)$ are vectors of decision variables and are non-negative, we can replace them by the choice vectors $\eta(t)$ with the requirement

$$
\eta(t+1)-M \eta(t) \geqslant 0
$$

and

$$
\begin{equation*}
\eta(t) \geqslant 0 \tag{25}
\end{equation*}
$$

The model can now be represented

$$
\min \sum_{k} \sum_{t} \mu_{k t}\left[E_{k}^{+}(t)+E_{k}^{-(t)}\right]
$$

subject to:

$$
\begin{gathered}
\sum_{i \in I_{k}}^{\sum} \eta_{i}(t)-E_{k}^{+}(t)+E_{k}^{-(t)}=g_{k}(t) \\
\sum_{i}^{\Sigma} c_{i}(t) \eta_{i}(t) \leqslant B(t)-c^{T}(t) M^{t_{a}} \\
-(M)_{i} \eta(t)+\eta_{i}(t+1) \geqslant 0 \\
\eta_{i}(t), E_{k}^{+}(t), E_{k}-(t) \geqslant 0
\end{gathered}
$$

where $\eta_{i}(t)$ is the $i^{t h}$ component of $\eta(t)$.
Schematically, the non-zero coefficients may be arrayed as in Figure 1, below.


Figure I. ARRAY OF NON-ZERO COEFFICIENTS

## 5. Numerical Illustration

In order to make the preceding developments somewhat more concrete, we now proceed to a numerical illustration. This is the only purpose of the illustration, however, since the data are all purely hypothetical and contrived for a highly simplified two-period categorization. To emphasize this even further, we refrain from pushing on to a solution of the resulting model since this would be of no interest per se. Instead, we shall discuss some of the computation possibilities as well as the evaluation and other possibilities for an integrated personnel planning system-as these might be attended to by further research.

For illustrative job types we shall utilize the following:

| $\underline{i}$ | Description | Abbreviation |
| :---: | :--- | :---: |
|  | Personnel Analyst | PA |
| 2 | Mechanical Engineer | ME |
| 3 | Welder-West Coast | WC |
| 4 | Welder-East Coast | EG |

The transition probabilities and the related Markoff matrix, $M$, which we shall use in this illustration is arranged so that the transitions ${ }^{1}$ are from $\ell$ to $i$. Using blank cells to represent $M_{i \ell}=0$, we suppose $M$ to be

|  |  | $\begin{gathered} \text { PA } \\ 1 \end{gathered}$ | $\begin{gathered} \mathrm{ME} \\ 2 \end{gathered}$ | $\begin{gathered} \text { WC } \\ 3 \end{gathered}$ | $\begin{gathered} \text { EC } \\ 4 \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: | :---: |
| PA | 1 | . 8 | . 1 |  |  |
| ME | 2 | . 1 | . 7 |  |  |
| WC | 3 |  |  | . 6 |  |
| EC | 4 |  |  | . 1 | . 9 |

Restricting our illustration to only two periods, we represent the $g_{k}(t)$ values by ${ }^{2}$

|  | 1 | 2 | 3 | 4 |
| :---: | :---: | :---: | :---: | :---: |
| 1 | 30 | 200 | 600 | 500 |
| 2 | 70 | 300 | 450 | 500 |

Next, we hypothesize some representative salary values in which we suppose that $c_{i}(1)=c_{i}(2)$ for all $i$. Stating these hypothesized values in units of $\$ 1,000$ we have

| $c_{1}$ | $c_{2}$ | $c_{3}$ | $c_{4}$ |
| :---: | :---: | :---: | :---: |
| 15 | 13 | 8 | 7 |

[^26]Stipulated budget ceilings are also stated in units of $\$ 1,000$ for each period as

| $B(1)$ | $B(2)$ |
| :---: | :---: |
| 17,800 | 16,900 |

Initial $\mathrm{a}_{\mathrm{i}}$ values are components for the vector a of personnel already in position at the start are

| PA | ME | WC | WE |
| :---: | :---: | :---: | :---: |
| 25 | 220 | 550 | 450 |

Thus to obtain the value for $c^{T}(1) \mathrm{Ma}$ and $\mathrm{c}^{\mathrm{T}}(2) \mathrm{M}^{2} \mathrm{a}$ we obtain

$$
c^{T} M=(13.3,10.6,5.5,6.3)
$$

which can be multiplied by the corresponding components of a, and summed, to yield

$$
c^{T}(1) M a=c^{T} M A=8540
$$

and by a similar route we obtain

$$
c^{T}(2) M^{2} a=c^{T} M^{2} a=6930
$$

Referring back to the data for dollar budget ceilings we thus obtain

$$
\begin{aligned}
& \mathrm{B}(1) \cdot \mathrm{c}^{\mathrm{T}} \mathrm{M} \mathrm{a}=17,800 \cdot 8,540=\$ 9,260 \\
& \mathrm{~B}(2) \cdot \mathrm{c}^{\mathrm{T}} \mathrm{M}^{2} \mathrm{a}=16,900 \cdot 6,930=\$ 9,970 .
\end{aligned}
$$

Positioning these data in the form suggested by Figure 1, we obtain the concrete representation that is depicted in Figure 2.

It may be noted from the above figure that a method of "model approximation" may be used which is analogous to the one developed for the pipeliner example in association with the oil field development programming undertaken by ARAMCO. ${ }^{1}$ Thus, in Figure 1, if the first sets of unknowns ( $\eta^{\mathrm{T}}(1)$ then $\eta^{\mathrm{T}}(2)$ ) had values substituted for them, then these sets of equations would reduce to individual lower-bound inequalities on $\eta^{\mathbf{T}}(2)$ and $\eta^{\mathbf{T}}(3)$. The resulting structure by changes of scale and variables and multiplication of equations by suitable constants would be reduced to a very special form of the distribution (or transportation) model which could be immediately brought into contact with the highly efficient algorithms that are available for these classes of models. ${ }^{2}$. The same type of parametric procedure as in the pipeliner model could then be used to obtain an optimal exact solution.

Before work of the above type is undertaken, however, it is prudent to consider ways in which the model might itself be altered or extended. Training facilities and environmental factors have already been noted as candidates for explicit treatment and this does not exhaust the list. A strategy for staging such further developments might thus also form a part of the topics to be considered after the model presented above is reviewed in the context of the 3-pronged OCMM program which was discussed at the outset of this report.

[^27]| sни | \% | 8 |  | 8 | \% | \% |  | \% | \% |  | 8 | \% | - | - |  | - |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| \% |  |  |  |  |  |  |  |  |  |  |  | - |  |  |  |  |
| ${ }^{\text {ts }}$ |  |  |  |  |  | - |  |  |  |  |  |  |  |  |  |  |
| $\stackrel{\square}{5}$ |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | $\bigcirc$ |
| \% |  |  |  |  |  |  |  |  |  |  |  |  |  |  | - |  |
| ${ }_{s}$ |  |  |  |  |  |  |  |  |  |  |  |  |  | - |  |  |
| ${ }^{\text {a }}$ |  |  |  |  |  |  |  |  |  |  |  |  | $\bigcirc$ |  |  |  |
| (2) $\square_{3}$ |  |  |  |  |  |  |  |  |  |  | - |  |  |  |  |  |
| (2) ${ }^{\frac{8}{3}}$ |  |  |  |  |  |  |  |  | - |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  | - |  |  |  |  |  |  |  |  |
| (8)! 3 |  |  |  |  |  |  | - |  |  |  |  |  |  |  |  |  |
| (1)! ${ }^{\text {a }}$ |  |  |  |  | - |  |  |  |  |  |  |  |  |  |  |  |
| (1) $)^{\text {, }}$ |  |  | - | - |  |  |  |  |  |  |  |  |  |  |  |  |
| (1) ${ }^{\text {a }}$, ${ }^{\text {a }}$ |  | - |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (11) ${ }^{\text {¢ }}$ \% | - |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (2) \% $^{3}$ |  |  |  |  |  |  |  |  |  |  | - |  |  |  |  |  |
| (2), $\mathrm{S}_{3}$ |  |  |  |  |  |  |  |  | - |  |  |  |  |  |  |  |
| (2), $7^{\text {a }}$ |  |  |  |  |  |  |  | - |  |  |  |  |  |  |  |  |
| (2) 23 |  |  |  |  |  |  | - |  |  |  |  |  |  |  |  |  |
| (1) 2 ? 3 |  |  |  |  | - |  |  |  |  |  |  |  |  |  |  |  |
| (1) $)^{\text {¢ }}$ |  |  | - |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ${ }^{112,2_{3} 7^{3}}$ |  | - |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (1) 513 | $\because$ |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| (12) ${ }^{\text {m }}$ |  |  |  |  |  |  |  |  |  |  | - | - |  |  |  | - |
| (12) ${ }^{\varepsilon_{u}}$ |  |  |  |  |  |  |  |  | - |  |  | ${ }^{\circ}$ |  |  | - |  |
| (18) ${ }^{z_{4}}$ |  |  |  |  |  |  |  | - |  |  |  | $\because$ |  | - |  |  |
| (18) 14 |  |  |  |  |  |  | - |  |  |  |  | $\because$ |  |  |  |  |
| (11) ${ }^{\text {val }}$ |  |  |  |  | - | - |  |  |  |  |  |  |  |  |  | - |
| (11) ${ }^{\varepsilon_{4}}$ |  |  | - |  |  | ${ }^{\circ}$ |  |  |  |  |  |  |  |  |  |  |
| (11) ${ }^{z_{4}}$ |  | - |  |  |  | $\stackrel{-}{2}$ |  |  |  |  |  |  |  | $\cdots$ |  |  |
| (11) ${ }^{14}$ | - |  |  |  |  | $\because$ |  |  |  |  |  |  |  |  |  |  |

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34. Internal Working Memos:

### 34.1 Memo to Files from A. Charnes and W. W. Cooper

a. Memo of June 15, 1967 covering minutes of a conference with Mr. Robert Willey, Captain P. A. Gisvold, Mr. R. H. Rawdon, Mr. W. N. Price and Lt. R. J. Niehaus.
b. Memo of October 13, 1967, covering review of proposed model with Mr. Robert Willey, Captain P. A. Gisvold, Mr. P. Meyerson, Mr. R. H. Rawdon, Lt. R. J. Niehaus, Mr. W. Price and Mr. J. Treires. Note, this includes Memo of 10 October 1967 prepared by Lt. R. J. Niehaus and revised in association with A. Charnes and W. W. Cooper covering (i) June 15, 1967 meeting with Mr. Willey, (ii) development of a Markov model program and (iii) description of this plus the model developed in the meeting of Niehaus, Charnes and Cooper in Pittsburgh on 2 August 1967 as well as (iv) description of this and other research under way at that time.
c. Memo of December 4, 1967 covering meeting oî Lts. R. J. Niehaus and David Sholtz with Professors A. Charnes and W. W. Cooper in Pittsburgh on 12/4-12/5/67. Rough notes only, to cover redo of model in notes of $8 / 2 / 67$.
d. Memo of August 2, 1967 covering meeting of Lt. R. J. Niehaus and Professors A. Charnes and W. W. Cooper. Rough notes only, to record model details during meetings of 8/1-8/2/67.
e. Memo of 29 June 1967 covering meeting with W. N. Price, R. H. Rawdon, R. J. Niehaus and F. Weinstein. Review of relation between concept and systems work and modelling research. See also memo of 7 July 1967 prepared by R. J. Niehaus.
f. Memo of 16 May 1967 covering results of field trip to Portsmouth Shipyard on May 7, 8, 9, 1967 and discussions with Admiral Hushing and Donald Holster (and others) on WOWMANS scheduling by Lt. Niehaus in association with Professors A. Charnes and W. W. Cooper.
g. Memo of 3 March 1967 covering meetings of Washington on $2 / 27-2 / 28 / 67$ with Niehaus, Rawdon, Meyerson, Langley and others on Model objectives and strategy for obtaining necessary field background and experience. See also memo of 28 March 1967 by Lt. Niehaus.
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# A MODEL FOR CIVILIAN MANPOWER MANAGEMENT AND PLANNING ${ }^{\text {IN THE U. S. NAVY }}$ 

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Abstract

Previous developments of manpower planning models involving uses of goal programming with embedded Markoff pocesses are here extended in order to (a) explicitly comprehend truncational effectse.g., those due to retirement-and (b) allow for interperiod Markoff transition matrices which change over time. A prototype example is included to show a solution of the original goal programming model using "live" data.

Presented at the NATO Conference "Mathematical Models for the Management of Manpower Systems," Porto, Portugal, September 1-5, 1969. Published in Models of Manpower Systems, A. R. Smith, ed. (London English Universities Press, 1970).

## I. Introduction

This paper reports on some further developments in a research program being undertaken in cooperation with OCMM (Office of Civilian Manpower Management). This part of the OCMM effort looks toward improving the processes of manpower planning for the U.S. Navy by mean's of computer assisted mathematical models. See, e.g., [4]•[8] and [11] in the bibliography, which reference earlier papers that extended the "state of the art" for modelling manpower planning by (a) combining the ideas of "goal program. ming" and Markoff transition processes and (b) utilizing multiple objectives along with (c) other constraintssuch as budgetary limitations-so that these related considerations could also be simultaneously treated along with the personnel programs (and proposals) to which they might be related. ${ }^{1}$

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In this report, these previously developed models are further extended and refined to explicitly comprehend truncational effects (e.g., those associated with retirement) as well as the possibility of interperiod Markoff transition matrices which change over time. It is then also possible, as we shall soon see, to extend the transformational formulas that were found advantageous for simplifying and improving computations for the original model. Furthermore, although only one particular device for handling truncations is presented here, it will be seen that others can also be used in addition to the "locked-in" truncations that we shall depict in this report. (It is important to observe this kind of possibility especially in connection with the many byproduct uses that the extended model is designed to yield.)

All of the ahove research is specifically designed to tie in with the automated civilian manpower information systems that the U.S. Navy is developing. These models and their related developments are, as will also be seen, applicable in other contexts as well.

## II. Recapitulation of OCMM's Goal Programming Model for Manpower Planning

For ease of reference we recapitulate and summarize relevent details of from the already developed model which we have previously reported. See, e.g., [4] through [7]. Thus we write

$$
\min \sum \sum \mu_{k t}\left(E_{k}^{+}(t)+E_{k}^{\prime}(t)\right)
$$

k t
subject to

$$
\begin{equation*}
\underset{i \in I_{k}}{\sum} \sum_{\tau=1}^{t} \underset{j \in J_{0}}{\sum}\left(M^{t \cdot \tau}\right)_{i} x^{j}(\tau) \cdot E_{k}^{+}(t)+E_{k} \cdot(t)=g_{k}(t) \tag{1}
\end{equation*}
$$

where

$$
\begin{equation*}
g_{k}(t)=f_{k}(t)-\sum_{i \in I_{k}}^{\sum}\left(M^{t}\right)_{i} a \tag{1.1}
\end{equation*}
$$

and $f_{k}(t)$ is the ceiling prescribed for the $k^{t h}$ manpower category. The subtraction from $f_{k}(t)$ in (1.1) yields a $g_{k}(t)$ value that represents the net requirement for the $k^{t h}$ manpower category after allowance for the

[^28]available persons remaining in this category through the growth and attrition which occurred during the t previous periods, where
$$
a=\text { vector of initial inventory of personnel in all job types }
$$
\[

$$
\begin{equation*}
M=\text { Markoff transition matrix depicting the transfer probabilities between job types } \tag{2}
\end{equation*}
$$

\]

while $\left(M^{t}\right)_{i}=$ the $i^{\text {th }}$ row of $M^{t}$ and $M^{t}=M M \ldots M$ (t times). Thus

$$
\left[\sum_{i \in I_{k}}\left(M^{t}\right)_{i} a\right]
$$

represents the carry-forward of the initial states as they pertain to $\mathrm{k}^{\text {rh }}$ manpower category comprised of the collection $I_{k}$ of job types $\mathbf{i}$.

The above model does not contain budgetary or other constraints and hence we can look at it for purely manpower planning aspects in a model where the objective is to minimize a weighted sum of the deviations for each manpower category via
$E_{k}{ }^{+}(t), E_{k}(t)=$ positive or negative deviation, respectively, for $k^{t h}$ manpower category. $\mu_{k t}=$ the weight which is applicable to $k^{\text {rh }}$ manpower category in period $\mathbf{t}$.

Using $B(t)$ to represent an applicable budgetary ceiling for expenditures in period $t$ and

$$
c^{T}(t)=\left(c_{1}(t), \ldots, c_{i}(t), \ldots, c_{m}(t)\right)
$$

as a vector of salary rates, we can extend the model in (1) by adjoining constraining budgetary relations as follows:

$$
\min _{k} \sum_{k} \Sigma \mu_{k t}\left[E_{k}^{+}(t)+E_{k}(t)\right]
$$

subject to

$$
\begin{align*}
& \underset{i \in I_{k}}{\sum} \sum_{\tau=1}^{t} \underset{j \in J_{0}}{\sum}\left(M^{t-\tau}\right)_{i} x^{j}(\tau) \cdot E_{k}^{+}(t)+E_{k}-(t)=g_{k}(t) \\
& \underset{i}{ } \sum_{i=1}^{t} \sum_{j \in J_{0}} c_{i}(r)\left(M^{t-r}\right)_{i} x^{j}(t)<B(t)-c^{T}(t) M^{t} a
\end{align*}
$$

where $J_{0}$ refers to the collection of external manpower sources and $x^{j}(t) \geqslant 0$ refers to the vector of amounts secured from source $j \in J_{0}$ in period $t$.

As was noted in ! 4 ], the basic variables $x(\$)$ only enter in certain combinations. Thus it is possible to simplify the model in (4) by making certain transformations for which the following symbols (and related definitions) may be utilized:

$$
\begin{align*}
\xi(\tau) & =\sum_{j \in J_{0}} x^{j}(\tau) \\
\eta(t) & =\sum_{\tau=1}^{t} M^{t-\tau} \xi(\tau) \tag{5}
\end{align*}
$$

The pertinent parts of (4) can then become simplified via the expressions in (5)-viz.,

$$
\begin{equation*}
\underset{i \in I_{k}}{\sum} \underset{\tau=1}{t} \underset{j \in J_{0}}{\sum}\left(M^{t-\tau}\right)_{i} x^{j}(\tau)=\underset{i \in I_{k}}{\sum} \underset{\tau=1}{t}\left(M^{t-\tau}\right)_{i} \xi(\tau)=\underset{i \in I_{k}}{\sum}(\eta(t))_{i} . \tag{6}
\end{equation*}
$$

Furthermore, we can utilize the definition $M^{0} \equiv I$ (the identity matrix) to obtain

$$
\begin{equation*}
\sum_{I_{k}} \sum_{\tau=1}^{t+1}\left(M^{t+1 \cdot \tau}\right)_{i} \xi(\tau)=\sum_{i f}^{\sum} \sum_{\tau=1}^{t} M^{t+1 \cdot \tau} \xi(\tau)+M^{0} \xi(t+1)=\sum_{i \in I_{k}} M_{\tau=1}^{t} M^{t \cdot \tau} \xi(\tau)+\xi(t+1) . \tag{7}
\end{equation*}
$$

Hence, we also have

$$
\begin{equation*}
\eta(t+1)=M \eta(t)+\xi(t+1) . \tag{8}
\end{equation*}
$$

Since the $\xi(t+1)$ are vectors of decision variables and are non-negative, we can proceed as in [4] to replace them by the choice vectors $\eta(t)$ with the requirement

$$
\begin{equation*}
\eta(t+1) \cdot M \eta(t)>0 \tag{9}
\end{equation*}
$$

and

$$
\eta(t)>0 .
$$

Preparatory to the interpretations and elaborations undertaken in the next section, we can utilize these developments to replace the original model in (4) by the following transformed and reduced version-yiz..

$$
\min \Sigma \Sigma \mu_{k t}\left[E_{k}^{+}(t)+E_{k} \cdot(t)\right]
$$

k t
subject to:

$$
\begin{gather*}
\sum_{i \in I_{k}}^{\sum} \eta_{i}(t)-E_{k}^{+}(t)+E_{k}(t)=g_{k}(t) \\
\sum_{i} g_{i}(t) \eta_{i}(t)<B(t)-c^{T}(t) M^{t_{2}} \\
-(M)_{i} \eta(t)+\eta_{i}(t+1) \geqslant 0  \tag{10}\\
\eta_{i}(t), E_{k}^{+}(t), E_{k}(t) \geqslant 0 .
\end{gather*}
$$

## III. Interpretations and Further Development

To interpret what has been achieved above, note first that $\eta_{i}(t)$ is the $i^{\text {th }}$ component of $\eta(t)$ where

$$
\begin{equation*}
\eta(t) \equiv \text { Accumulated inventory from hiring to period } t . \tag{11}
\end{equation*}
$$

The vector $\eta(t)$ can be related to the recruitment that will be programmed by means of the vector $\xi(t)$ and other relations as follows. First, the amount to be recruited in period 1 is given by

$$
\eta(1)=\xi(1)
$$

where $\xi(\mathrm{I})$ is the amount to be recruited for period I. (See (5). For period 2, however,

$$
\eta(2)=M \xi(1)+\xi(2)
$$

where $\xi(2)$ is the amount to be recruited in period 2 and $M$ is the Markoff matrux which has as ite elements the probabilitics of movement into and out of the various jobs. Sec (2). Of course, (M) is the $i^{\text {th }}$ row of $M$ and

$$
(M)_{i}=\left(M_{i 1}, \ldots, M_{i 8}, \ldots, M_{i n}\right)
$$

relates this row to the clements $M_{i g}$ of $M$. The expression which relates the inventory of hirings in peried 3 to the hiring activities up through this period is

$$
\eta(3)=M^{2} \xi(1)+M \xi(2)+\xi(3),
$$

and so on.
This leads to a "triangular system" which may be developed ior convenient representation and solution by means of the following definitions

$$
\left[\begin{array}{cc}
1 & 0 \\
-M & 1
\end{array}\right]\left[\begin{array}{ll}
1 & 0 \\
M & 1
\end{array}\right]=\left[\begin{array}{cc}
1 & 0 \\
X+M & 1
\end{array}\right]
$$

where

$$
\begin{align*}
& I=\text { Identity matrix }  \tag{12}\\
& X=-M .
\end{align*}
$$

Thus, for the 2 period case:

$$
\left[\begin{array}{ll}
1 & 0 \\
M & 1
\end{array}\right]\left[\begin{array}{l}
\xi(1) \\
\xi(2)
\end{array}\right]=\left[\begin{array}{l}
\eta(1) \\
\eta(2)
\end{array}\right]
$$

and

$$
\begin{aligned}
{\left[\begin{array}{l}
\xi(1) \\
\xi(2)
\end{array}\right] } & =\left[\begin{array}{ll}
1 & 0 \\
M & 1
\end{array}\right]
\end{aligned} \begin{array}{ll}
\because-1 & {\left[\begin{array}{l}
\eta(1) \\
\eta(2)
\end{array}\right]} \\
& \equiv\left[\begin{array}{ll}
1 & 0 \\
M & 1
\end{array}\right]
\end{array}\left[\begin{array}{l}
\eta(1) \\
\eta(2)
\end{array}\right] .
$$

since-see (12) the indicated inverse exists.
Similarly for 3 periods


$$
\begin{aligned}
& \xi(1)=\eta(1) \\
& \xi(2)=\eta(2) \cdot \mathrm{M} \eta(1) \\
& \xi(3)=\eta(3)-M \eta(2),
\end{aligned}
$$

and so on.
More generally, we can write

$$
\begin{equation*}
\xi(t)=\eta(t) \cdot M \eta(t-1) . \tag{13}
\end{equation*}
$$

Pausing and reflecting on this structure we see that it can be significantly generalized to the situation where the Markoff matrices may differ from period to period. I sif $\eta(t)$ is accumulating through period $t$ we can write

$$
\begin{equation*}
\xi(t)=\eta(t)-M\binom{t-1}{t} ،(t-1) \tag{14}
\end{equation*}
$$

where $M\binom{t-1}{t}$ is the probability matrix applying to the transitions from period $t-1$ to 1 . (Note that the inversion is still straightforward m any case and requires no division operations, whether $M$ is non-singular or not.)

## IV. Adjustments for Variations in Proportions Eligible for Retirement

## Part One: Estimation and Adjustment Formulas

We now develop a procedure for further extending the OCMM goal programming model-or any other such model-and its application by developing certain formulas which make better allowance for potential retirements. The nature of the approach to be suggested will be sufficiently clear, we think, if we proceed by reference to a five-period example by means of which we can provide more specific and concrete interpretations.

Those who are, or will be, eligible to retire in the next five years are represented by the vector $b$,

$$
b=b^{5}+b^{4}+b^{3}+b^{2}+b^{1}+b^{0}
$$

where
$\mathrm{b}^{5}=$ those first eligible to retire in period 5
$\mathrm{~b}^{4}=$ those first eligible to retire in period 4
$\mathrm{~b}^{3}=$ those first eligiole to retire in period 3
$\mathrm{~b}^{2}=$ those first eligible to retire in period 2
$\mathrm{~b}^{1}=$ those furst eligible to retire in period 1
$\mathrm{~b}^{0}=$ those eligible to retire in period 0, but did not do so.

Next, let $\mathbf{a}=\bar{a}+b$ where $a=$ total "on board" at $\mathbf{t}=0, \overline{\mathrm{a}}=$ those on board not eligible to retire in the next five years and $b=$ those on board who are eligible to retire in the next five years.

Now we introduce the following expressions and definitions:

$$
\alpha \equiv C_{0} / B_{0}, \bar{\alpha}=\left(1-C_{0} / B_{0}\right)
$$

where

$$
\begin{align*}
& C_{0}=\text { Personnel remaining from those eligible to retire in some base period } \\
& \mathrm{B}_{\mathrm{o}}=\text { Total eligible to retire in some base period. } \tag{16}
\end{align*}
$$

For those who are eligible to retire in the next five periods, we shall assume-that either they will retire or that they will remain in the same job. Then we develop our formulas for what we shall call a five-period "stretch." This is done by period, as follows, where the formula for estimating those who will not retire is shown first in each of the five periods:

## Period 1:

$$
\begin{aligned}
& \bar{\alpha}\left(b^{1}+b^{0}\right) \\
& \alpha\left(b^{1}+b^{0}\right)
\end{aligned}
$$

Period 2:

$$
\begin{aligned}
& \bar{\alpha} b^{2}+\bar{\alpha}^{2}\left(b^{1}+b\right) \\
& \alpha b^{2}+a \bar{\alpha}\left(b^{1}+b^{0}\right)
\end{aligned}
$$

Period 3:

$$
\begin{align*}
& \bar{\alpha} b^{3}+\bar{\alpha}\left[\bar{\alpha} b^{2}+\bar{\alpha}^{2}\left(b^{1}+b^{0}\right)\right]  \tag{17}\\
& \alpha b^{3}+\alpha\left[\bar{\alpha} b^{2}+\bar{\alpha}^{2}\left(b^{1}+b^{0}\right)\right]
\end{align*}
$$

Period 4:

$$
\begin{aligned}
& \bar{\alpha} b^{4}+\bar{\alpha}\left[\bar{\alpha} b^{3}+\bar{\alpha}^{2} b^{2}+\bar{\alpha}^{3}\left(b^{1}+b^{0}\right)\right] \\
& \alpha b^{4}+\alpha\left[\bar{\alpha} b^{3}+\bar{\alpha}^{2} b^{2}+\bar{\alpha}^{3}\left(b^{1}+b^{0}\right)\right]
\end{aligned}
$$

Period 5:

$$
\begin{aligned}
& \bar{\alpha} b^{5}+\bar{\alpha}\left[\bar{\alpha} b^{4}+\bar{\alpha}^{2} b^{3}+\bar{\alpha}^{3} b^{2}+\bar{\alpha}^{4}\left(b^{1}+b^{0}\right)\right] \\
& \alpha b^{5}+\alpha\left[\bar{\alpha} b^{4}+\bar{\alpha}^{2} b^{3}+\bar{\alpha}^{3} b^{2}+\bar{\alpha}^{4}\left(b^{1}+b^{0}\right)\right]
\end{aligned}
$$

Finally, it also seems to be fair to assume that those who are recruited during this five-period stretch will not be eligible to retire during this stretch.

## Part Two: Goal Adjustments

An extended model may be secured from (10) by using the preceding developments and assumptions to adjust for the indicated retirements. These "retirement adjustment" corrections will be reflected, of course, in the budget constraints as well as in the goals and objectives.

As was observed in Section III, the original model utilized the matrix, $M$, to project all of the initial manpower plus manpower hired during the "stretch." We now propose to utilize our preceding development, however, to encompass the situations involving retirement projections. Thus, if we use $\hat{\eta}(t)$ to represent the cumulative manpower vector through period $t$, then we can represent as a sum of two vectors-viz.,

$$
\begin{equation*}
\hat{\eta}(\mathrm{t})=\eta^{1}(\mathrm{t})+\eta^{2}(\mathrm{t}) \tag{18}
\end{equation*}
$$

where $\eta^{1}(t)$ represents the manpower cumulation not affected by retirement and $\eta^{2}(t)$ represents the cumulation affected by retirement. Furthermore, by an evident extension of (13) joined to the development in Part One of this section,

$$
\begin{align*}
& \eta^{1}(t)=M \eta^{1}(t-1)+\xi(t) \\
& \eta^{2}(t)=\bar{a} \eta^{2}(t-1)+\bar{a} b^{t} . \tag{19}
\end{align*}
$$

Specifically,

$$
\begin{align*}
\eta^{2}(1) & =\bar{\alpha}\left(b^{1}+b^{0}\right) \\
\eta^{2}(2) & =\bar{\alpha} b^{2}+\bar{a} \eta^{2}(1)  \tag{19.1}\\
& =\bar{\alpha} b^{2}+\bar{\alpha}^{2}\left(b^{1}+b^{0}\right)
\end{align*}
$$

as required for period 2-see (17)-and so on.

## Now we let

$$
\begin{equation*}
a_{i}=\text { those in job i initially }(a t t=0) \tag{20}
\end{equation*}
$$

and

$$
\begin{equation*}
a_{i}=\bar{a}_{i}+b_{i} \tag{21}
\end{equation*}
$$

so that, as in the development which immediately follows (15), we have $\overline{\mathrm{a}}_{\mathrm{i}}$ representing those not eligible for retirement in the five-period stretch covered by ${ }^{2}$

$$
\begin{equation*}
b=b^{0}+b^{1}+\ldots+b^{5} \tag{22}
\end{equation*}
$$

The vector of personnel in period 1 coming from within is

$$
\begin{equation*}
M \bar{a}+\bar{a}\left(b^{0}+b^{1}\right)=M \bar{a}+\eta^{2}(1) \tag{23}
\end{equation*}
$$

via the first expression in (19.1). Similarly, the vector of personnel in period 2 coming from within is

$$
\begin{equation*}
M^{2} \bar{a}+\bar{a} b^{2}+\bar{a}^{2}\left(b^{0}+b^{1}\right)=M^{2} \bar{a}+\eta^{2}(2) \tag{24}
\end{equation*}
$$

via the second expression in (19.1).
Now the total on board in period 1 equals

$$
\begin{equation*}
M \bar{a}+\eta^{1}(1)+\eta^{2}(1)+\xi(1) \tag{25}
\end{equation*}
$$

[^29]where $\xi(1)$ represents hiring from outside while $M \bar{a}$ provides the transitions from the state given by $\bar{a}$, the remnant from $t=0$. The vector of personnel from within at period 2 is
\[

$$
\begin{equation*}
M^{2} \bar{a}+M \xi(1)+\eta^{2}(2) \tag{26.1}
\end{equation*}
$$

\]

which, in turn, forms a part of the total period 2 personnel

$$
\begin{equation*}
M^{2} \bar{a}+M \xi(1)+\eta^{2}(2)+\xi(2) \tag{26.2}
\end{equation*}
$$

By an evident extension we can now write

$$
\begin{equation*}
\mathrm{M}^{\mathrm{t}} \overline{\mathrm{a}}+\sum_{\tau=1}^{\mathrm{t}} \mathrm{M}^{\mathrm{t}-\tau} \xi(\tau)+\eta^{2}(\mathrm{t}) \tag{27}
\end{equation*}
$$

as the expression for the vector of total personnel in period $t$. By virtue of the definition of $\eta^{1}(t)$ in (18),

$$
\begin{equation*}
\eta^{1}(\mathrm{t})=\sum_{\tau=1}^{\mathrm{t}} \mathrm{M}^{\mathrm{t}-\tau} \xi(\tau) \equiv \xi(\mathrm{t})+\sum_{\tau=1}^{\mathrm{t}-1} \mathrm{M}^{\mathrm{t}-\tau} \xi(\tau) \tag{28}
\end{equation*}
$$

But,

$$
\begin{equation*}
\sum_{\tau=1}^{\mathrm{t}-1} \mathrm{M}^{\mathrm{t}-\tau} \xi(\tau)=\mathrm{M} \underset{\tau=1}{\mathrm{t}-1} \mathrm{M}^{(\mathrm{t}-1)-\tau} \xi(\tau) \equiv \eta^{1}(\mathrm{t}-1) . \tag{29}
\end{equation*}
$$

Thus, via (28) and (29),

$$
\begin{equation*}
\eta^{1}(1)=\xi(t)+\eta^{1}(t-1) \tag{30}
\end{equation*}
$$

## V. Adjustment and Extension of the Model

Now turning to the model (10), the objective function we wish to minimize is

$$
\underset{k}{\sum} \sum_{t} \mu_{k t}\left(E_{k}^{+}(t)+E_{k}-(t)\right)
$$

subject to goal (e.g., manpower ceilings) and budget constraints, where

$$
\begin{aligned}
\mu_{\mathrm{kt}} & =\text { weights associated with the } \mathrm{k}^{t h} \text { manpower ceiling in period } \mathrm{t} \\
\mathrm{E}_{\mathrm{k}}^{+}(\mathrm{t}) & =\text { excess above } \mathrm{k}^{t h} \text { goal in period } \mathrm{t} \\
\mathrm{E}_{\mathrm{k}}^{-}(\mathrm{t}) & =\text { deficiency below } \mathrm{k}^{t h} \text { goal in period } \mathrm{t} .
\end{aligned}
$$

Both $\mathrm{E}_{\mathrm{k}}{ }^{+}(\mathrm{t})$ and $\mathrm{E}_{\mathrm{k}}{ }^{-}(\mathrm{t})$ will not appear in the solution at the same time since a given goal discrepancy can only be in one direction al any given time (e.g., if $\mathrm{E}_{\mathrm{k}}^{+}(\mathrm{t})$ is in the solution then $\mathrm{E}_{\mathrm{k}}-(\mathrm{t})$ will equal zero).

Developing the goal constraints, in which there $\mathrm{E}_{\mathrm{k}}{ }^{+}(\mathrm{t})$ and $\mathrm{E}_{\mathrm{k}}{ }^{-}(\mathrm{t})$ variables appear, the $\mathrm{k}^{\text {th }}$ goal is defined as

$$
\underset{i \in I_{k}}{\sum}\left[\text { Total personnel in period } t_{i}\right] \cdot E_{k}^{+}(t)+E_{k}(t)=f_{k}(t)
$$

where

$$
\mathrm{f}_{\mathrm{k}}(\mathrm{t})=\mathrm{k}^{t h} \text { manpower goal (or ceiling) in period } \mathrm{t} \text {. }
$$

Substituting the expression for total personnel in period $\mathbf{t}$ we have

$$
\underset{\mathrm{i} \in \mathrm{I}_{\mathrm{k}}}{\sum}\left[\left(\mathrm{M}^{\mathrm{t}}\right)_{\mathrm{i}}+\eta_{\mathrm{i}}^{1}(\mathrm{t})+\eta_{\mathrm{i}}^{2}(\mathrm{t})\right]-\mathrm{E}_{\mathrm{k}}^{+}(\mathrm{t})+\mathrm{E}_{\mathrm{k}}^{-}(\mathrm{t})=\mathrm{f}_{\mathrm{k}}(\mathrm{t}) .
$$

Rearranging, the goal constraint is

$$
\underset{\mathrm{i} \in \mathrm{I}_{\mathrm{k}}}{\Sigma} \eta_{\mathrm{i}}^{1}(\mathrm{t}) \cdot \mathrm{E}_{\mathrm{k}}^{+}(\mathrm{t})+\mathrm{E}_{\mathrm{k}}^{-}(\mathrm{t})=\mathrm{f}_{\mathrm{k}}(\mathrm{t}) \cdot \underset{\mathrm{i} \in \mathrm{I}_{\mathrm{k}}}{\Sigma}\left(\mathrm{M}^{\mathrm{t}} \overline{\mathrm{a}}_{\mathrm{i}}-\underset{\mathrm{i} \in \mathrm{I}_{\mathrm{k}}}{\sum} \eta_{\mathrm{i}}^{2}(\mathrm{t})=\hat{\mathrm{g}}_{\mathrm{k}}(\mathrm{t})\right.
$$

where $\hat{g}_{k}(t)$ is the $\mathrm{k}^{\text {th }}$ manpower requirement obtained from the $\mathrm{k}^{\text {th }}$ goal, net after allowing for the available persons remaining in this category from the initial population.

The budget constraints are defined as
[Cost vector in period $t]^{T}$ [Total personnel vector in period $\left.t\right] \leqslant B(t)$
where

$$
\mathrm{B}(\mathrm{t})=\text { total dollar budget for personnel in period } \mathrm{t}
$$

and the T superscript stands for "transfers," as in (4). Substituting the expressions for the cost vector in period $t$ and for the total personnel vector in period $t$ we obtain

$$
\mathrm{c}^{\mathrm{T}}(\mathrm{t})\left[\mathrm{M}^{\mathrm{t}} \overline{\mathrm{a}}+\eta^{1}(\mathrm{t})+\eta^{2}(\mathrm{t})\right] \leqslant \mathrm{B}(\mathrm{t})
$$

where

$$
c^{T}(t) \equiv\left[c_{1}(t), \ldots, c_{n}(t)\right]
$$

Rearranging, we obtain the budget constraint

$$
c^{T}(t) \eta^{1}(t) \leqslant B(t)-c^{T}(t) M^{t} \bar{a}-c^{T}(t) \eta^{2}(t)
$$

Thus, in conclusion, the model (10) can now be replaced by

$$
\min _{k} \sum_{k} \sum_{t}\left(E_{k}^{+}(t)+E_{k}-(t)\right)
$$

subject to:

$$
\begin{gather*}
\underset{\mathrm{i} \in \mathrm{I}_{\mathrm{k}}}{ } \eta_{\mathrm{i}}^{1}(\mathrm{t})-\mathrm{E}_{\mathrm{k}}^{+}(\mathrm{t})+\mathrm{E}_{\mathrm{k}}-(\mathrm{t})=\hat{\mathrm{g}}_{\mathrm{k}}(\mathrm{t}) \\
\mathrm{c}^{\mathrm{T}}(\mathrm{t}) \eta^{1}(\mathrm{t}) \leqslant \mathrm{B}(\mathrm{t})-\mathrm{c}^{\mathrm{T}}(\mathrm{t}) \mathrm{M}^{\mathrm{t}} \overline{\mathrm{a}}-\mathrm{c}^{\mathrm{T}}(\mathrm{t}) \eta^{2}(\mathrm{t})  \tag{30}\\
\eta^{1}(\mathrm{t}) \geqslant \mathrm{M} \eta^{1}(\mathrm{t}-1) \\
\mathrm{E}_{\mathrm{k}} \cdot, \mathrm{E}_{\mathrm{k}}^{+} \geqslant 0 .
\end{gather*}
$$

Should one wish to go still further, e.g., to also permit the transition matrix to change from period to period, all that would change in the above expressions would be to replace $M^{t}$ by $M\binom{t-1}{t} M\binom{t-2}{t-1} \ldots M\left(\begin{array}{l}\binom{t}{1}\end{array}\right.$ and $M$ by $M\binom{t-1}{t}$. See (14) ff.

## APPENDIX AND PROTOTYPE EXAMPLE

As part of the initial report on the OCMM goal programming model for manpower planning (4), a purely hypothetical numerical illustration was described. Subsequently, it was demonstrated (6) that this hypothetical illustration could easily be solved using commercially available linear programming software. Testing of this formulation of the goal programming model has been started using "live" data. The data used in this initial test were obtained from the Personnel Automated Data System (PADS) of the U. S. Navy Office of Civilian Manpower Management and from estimates using source data obtained from the Office of Navy Comptroller Financial Resume of Civilian Employment Expenditures Fiscal Year 1968.

It should be remembered that the reports produced as a result of this test are of an experimental nature embodying assumptions which may not complete'y fit the specific situation being modelled. The main thrust of this test is to demonstrate that the OCMM goal programming model can utilize existing operational data files. Further, the test points to those areas where additional computer programs would be needed to implement the model on a prototype basis. Finally, and in the long run most important, the test begins to show how the model can be used to assist managers to make strategic manpower planning decisions.

In order to obtain manpower goals for this test, a prototype computer system designed to produce net civilian manpower requirements data was used. ${ }^{1}$ This system, which uses the PADS data base, relates a manually-produced forecast of gross requirements by job type to projected numbers remaining of the base period population including transfers between job types. This allows the computation of accumulated net requirements ${ }^{2}$ by job type by period. These computations did not explicitly include the retirement adjustments described in the paper but lumped the retirement data as part of the overall exit rate. Computer programs are in development to include explicitly the retirements feature. The salary and budgetary data used in the test were manually computed. Then, the test data were manually entered into the input format required by the linear programming software.

The job types used in this test are a combination of occupation and grade groupings. The U.S.Civil Service Commission occupation codes used include:

| GS-201 | Personnel Administration (General) |
| :--- | :--- |
| GS-212 | Personnel Staffing |
| GS-221 | Position Classification |
| GS-230 | Employee-Management Relations |
| GS-235 | Employee Development |

The individual General Schedule grades have been aggregated to allow some scope for career planning without becoming excessively involved in planning for every grade in future years. This aggregation also simplifies the computer processing requirements. The grade groupings include:

| GS | $5-8$ |  |
| :--- | :--- | :--- |
| GS | Traince Level |  |
| GS | 13-14 |  |
| Middle Level |  |  |
| GS | Senior Level |  |
|  |  | Executive Level |

The transition probabilities and the related Markoff matrix, $M$, which we used in this test are arranged from $\ell$ to $\mathrm{i}^{3}$ Using blank cells to represent $\mathrm{M}_{\mathrm{i} \ell}=0$, we obtained M as given in Table 1. These data were obtained by using a computer program to compare the PADS data files at two periods in time. ${ }^{4}$

[^30]TABLE 1
PROFESSIONAL PERSONNEL OCCJPATIONS TRANSITION PROBABILITIES NAVY-WIDE
(Transition Probabilities Arranged from $\ell$ to i)

|  |  | 201 |  |  |  | 212 |  |  | 221 |  |  | 230 |  |  | 235 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| i |  | 5-8 | $9-12$ | 13-14 | 15-18 | 5-8 | 9.12 | 13-14 | 5-8 | 9.12 | 13-14 | 5.8 | 9.12 | 13-14 | 5-8 | $9-12$ | 13.14 |
| 201 | $\begin{gathered} 5-8 \\ 9-12 \\ 13-14 \\ 15-18 \end{gathered}$ | .52 .15 | $\begin{aligned} & .74 \\ & .06 \end{aligned}$ | .87 .02 | $\begin{aligned} & .02 \\ & .88 \end{aligned}$ | $\begin{aligned} & .07 \\ & .01 \end{aligned}$ | $\begin{aligned} & .04 \\ & .01 \end{aligned}$ | . 07 |  | .02 .01 | .02 .07 | . 03 | . 01 |  | .03 .03 | . 02 | . 02 |
| 212 | $\begin{gathered} 5-8 \\ 9.12 \\ 13.14 \end{gathered}$ | $\begin{aligned} & .01 \\ & .03 \end{aligned}$ | . 03 | . 01 |  | $\begin{aligned} & .41 \\ & .28 \end{aligned}$ | .83 .01 | $\begin{aligned} & .02 \\ & .84 \end{aligned}$ |  | . 01 |  | . 02 | . 01 |  |  |  |  |
| 221 | $\begin{gathered} 5-8 \\ 9-12 \\ 13-14 \end{gathered}$ | . 01 | . 02 |  |  | . 01 | . 01 |  | $\begin{aligned} & .38 \\ & .48 \end{aligned}$ | $\begin{aligned} & .78 \\ & .01 \end{aligned}$ | . 84 |  |  |  | . 03 |  |  |
| 230 | $\begin{gathered} 5.8 \\ 9.12 \\ 13.14 \end{gathered}$ | $\begin{aligned} & .01 \\ & .02 \end{aligned}$ | . 01 | . 01 |  | . 01 | . 01 |  |  | . 01 |  | .53 .23 | $\begin{aligned} & .83 \\ & .03 \end{aligned}$ | . 88 |  |  |  |
|  | 5.8 9.12 13.14 |  | . 01 |  |  |  |  |  | . 02 |  |  | . 02 | . 01 |  | . 43 | $\begin{aligned} & .83 \\ & .02 \end{aligned}$ | $\begin{aligned} & .02 \\ & .75 \end{aligned}$ |

Experimental Report

The test was restricted to three periods. Table 2 contains the initial $a_{j}$ values as components for the vector a of personnel already on board at the base period. Table 2 also contains the accumulated net manpower requirements or manpower goals. These were computed by subtracting from gross requirements the projected numbers of the base period population remaining. Gross requirements data were obtained by assuming that the requirements would essentially remain the same as the actual on board as of October $30,1968$. In some cases the gross requirements were adjusted upward to ensure that all manpower goals would be either zero or a positive value. In future tests this adjustment will be relaxed.

The salary values used in the test were obtained by averaging the fourth pay step for the grades represented in each grade grouping. These data were obtained from the Classification Act Salary Table in use for Fiscal Year 1969 and proposed for Fiscal Years 1970 and 1971.1 The salary values in units of $\$ 1000$ aie:

|  | $\begin{gathered} 2 \\ \text { GS } 5.8 \end{gathered}$ | GS 9.12 | $\begin{gathered} 4 \\ \text { GS } 13 \cdot 1 / 4 \end{gathered}$ | $\begin{gathered} 5 \\ \text { GS } 15 \cdot 18 \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: |
| 1969 | 6.8 | 10.7 | 16.1 | 21.0 |
| 1970 | 7.6 | 12.5 | 18.9 | 25.0 |
| 1971 | 7.6 | 12.5 | 18.9 | 25.0 |

The net civilian compensation budgets were obtained using an average salary value multiplied by total accumulated net requirements by period rather than through direct computations. ${ }^{2}$ An average salary figure of $\$ 8460$ was assumed for Fiscal Year 1969 using the figure given in the Office of Navy Comptroller Financial Resume of Civilian Employment Expenditures Fiscal Year 1968. This average salary figure was in. creased by $9.1 \%$ to $\$ 9250$ for Fiscal Years 1970 and 1971 to account for the Federal pay raise. The net civilian compensation budgets used in units of $\$ 1000$ were:

| Fiscal Year | Total Accumulated <br> Net Requirements |  | Projected Net <br> Compensation Budget |
| :---: | :---: | :---: | :---: |
|  | 309 |  | $\$ 2,620$ |
| 1969 | 504 | 4,662 |  |
| 1971 | 710 | 6,568 |  |

The solution obtained using commercially available linear programming software is given in Table 3. Also included in Table 3 is a computation to show the recruiting requirements for each period. ${ }^{3}$ Using this initial solution, parametric or alternative solutions can be obtained by changing the elements of the input data singly or in combination as desired. In this way the manpower manager can explore different combinations of manpower and financial information to shape the policy decisions required to accomplish the task under study.

[^31]TABLE 2
FORECASTED REQUIREMENTS PROFESSIONAL PERSONNEL OCCUPATIONS

| Job Type | $\begin{gathered} \text { No. } \\ \text { June 30, } 1968 \end{gathered}$ | FISCAL YEAR 1969 |  |  | FISCAL YEAR 1970 |  |  | FISCAL YEAR 1971 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Tot. Req.* | Proj. Orig. <br> Pop. Left | Cum. Net Req. | Tot. Req. | Proj. Orig. Pop.Left | Cum. Net Req. | Tot. Req. | Proj. Orig. <br> Pop. Left | Cum. Net Req. |
| 201 GS 5-8 | 176 | 157 | 158 | 49 | 157 | 74 | 83 | 157 | 46 | 111 |
| 201 GS 9.12 | 447 | 474 | 410 | 64 | 474 | 371 | 103 | 474 | 328 | 146 |
| 201 GS 13.14 | 236 | 253† | 253 | 0 | 263 $\dagger$ | 263 | 0 | 270 $\dagger$ | 270 | 0 |
| 201 GS 15-18 | 56 | 61 | 53 | 8 | 61 | 50 | 11 | 61 | 48 | 13 |
| 212 GS 5-8 | 116 | 100 | 56 | 44 | 100 | 40 | 60 | 100 | 25 | 75 |
| 212 GS 9.12 | 386 | 405 | 387 | 18 | 405 | 370 | 35 | 405 | 342 | 63 |
| 212 GS 13-14 | 48 | 49 | 48 | 1 | 49 | 48 | 1 | 49 | 47 | 2 |
| $\begin{array}{llll}221 & \text { GS } & 5.8\end{array}$ | 65 | 62 | 30 |  | 62 | 20 | 42 | 62 | 11 | 51 |
| 221 GS 9.12 | 286 | 295 | 267 | 28 | 295 | 236 | 59 | 295 | 203 | 92 |
| 221 GS 13-14 | 46 | 50 | 44 | 6 | 50 | 42 | 8 | 50 | 39 | 11 |
| 230 GS 5.8 | 58 | 45 | 34 | 11 | 45 | 23 | 22 | 45 | 15 | 30 |
| 230 GS 9.12 | 233 | 243 | 231 | 12 | 243 | 221 | 22 | 243 | 209 | 34 |
| 230 GS 13-14 | 48 | 52 | 51 | 1 | 55 $\dagger$ | 55 | 0 | $58 \dagger$ | 58 | 0 |
| 235 GS 5.8 | 45 | 38 | 24 | 14 | 38 | 17 | 21 | 38 | 10 | 28 |
| 235 GS 9.12 | 247 | 252 | 238 | 14 | 252 | 225 | 27 | 252 | 208 | 44 |
| 235 GS 13.14 | 46 | 51 | 44 |  | 51 | 41 | 10 | 51 | 41 | 10 |
| TOTALS | 2,539 | 2,587 | 2,278 | 309 | 2,600 | 2,096 | 504 | 2,610 | 1,900 | 710 |

[^32]TABLE 3
PROFESSIONAL PERSONNEL OCCUPATIONS
NAVY-WIDE
ANALYSIS OF REQUIREMENTS USING

| Job Type | Fiscal Year 1969 |  |  | Fiscal Year 1970 |  |  | Fiscal Year 1971 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Cum. Net <br> From LP | Excess/Deficit From Goal* | Recommended New Hires For Period | Cum. Net <br> From LP | Excess/Deficit <br> From Goal | Recommended New Hires For Period | Cum. Net <br> From LP | Excess/Deficit From Goal | Recommended New Hires For Period |
| $\begin{array}{lll}\text { 201 } & \text { GS } & 5.8 \\ 201 & \text { GS } & 9.12 \\ 201 & \text { GS } 13.14 \\ 201 & \text { GS } & 15-18\end{array}$ | 49 64 0 0 | -8 | 49 64 0 0 | 83 74 4 0 | -29 +4 -11 | 54 16 0 0 | $\begin{array}{r}111 \\ 145 \\ 10 \\ \hline\end{array}$ | -1 +10 -13 | $\begin{array}{r} 64 \\ 73 \\ 1 \\ 0 \end{array}$ |
| 212 GS $5-8$ <br> 212 GS 9.12 <br> 212 GS $13-14$  | 44 18 0 | -1 | 44 18 0 | 60 35 0 | -1 | 49 4 0 | 75 63 1 | -1 | 49 12 0 |
| 221 GS 5.8 <br> 221 GS 9.12 <br> 221 GS 13.14 | 32 28 0 | -6 | 32 28 0 | 13 59 0 | $\begin{array}{r} -29 \\ -8 \end{array}$ | 0 20 0 | 51 55 1 | .37 .10 | 45 0 0 |
| $\begin{array}{llll}230 & \text { GS } & 5.8 \\ 230 & \text { GS } & 9.12 \\ 230 & \text { GS } & 13.14\end{array}$ | 11 12 1 |  | 11 12 1 | 22 22 0 |  | 18 7 -1 | 30 28 1 | $\begin{array}{r} 6 \\ +1 \end{array}$ | 18 1 0 |
| 235 GS $5-8$ <br> 235 GS 9.12 <br> 235 GS 13.14 | 14 14 7 |  | 14 14 7 | 21 27 6 | -4 | 15 10 0 | 28 30 5 | 14 .5 | 13 1 0 |
| TOTALS | 294 | $\cdot 15$ | 294 | 426 | -78 | 192 | 634 | . 76 | 277 |

*Goals are cumulative net requirements given in Table 2.

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# A GENERALIZED NETWOrk": MODEL FOR TRAINING AND RECRUITING DECISIONS IN MANPOWER PLANNING 

## by

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## Abstract

Models for manpower planning previously devised for the U. S. Navy's Office of Civilian Manpower Management have all utilized goal programming constructs with embedded Markoff processes. These modelsreferred to as "OCMM Mode ls"-are here extended to include training elements along with related constraints.

Acknowledgment is due Whodzinierz Szwarc, Carnegic-Mellon University for a careful review which yielded many helpful suggestions. Presented at XVII International Conference of The Institute of Managemont Sciences, London, England, 1970. Published in Manpower and Management Science, D. J. Bartholomew and A. R. Smith, eds. (London, English Universities Press, 1971).

## 1. Introduction

A "goal programming model"] with iterated Markov elements to allow explicit consideration of transitions, exits, retirements, etc., in manpower planning over a sequence of periods was first introduced in [1]. As noted in the introduction to [1], the initial model formed one part of a total research effort on the part of the U.S. Navy's Office of Civilian Manpower Management (OCMM). This model-which we shall hereafter call the "OCMM Model"-has since been elaborated in a variety of directions including explicit allowance for predicted retirements within certain age or service categories and allowance for dynamically varying Markovian elements from period to period. ${ }^{2}$ Other parts of the research program enunciated in [1] for the OCMM Models involve relating the multiple goals (e.g., the enunciated manpower ceilings) to tasks that need to be performed as well as introducing training possibilities as alternatives to recruitment and job transfers in order to meet (as closely as possible) the specified goal. ${ }^{3}$

In this report we propose to develop a first analytical model which explicitly provides for training as well as outside recruitment and job transition possibilities. We further propose to do this in a way which provides access to a variety of techniques such as "parametric variation" and "duality evaluations" 4 in order to f.cilitate experimentation with manpower prograrn possibilities. In this way we shall be able to bring the power of linear programming to bear in evaluating optimal tradeoff possibilities and their resulting manpower mix and planning consequences. We shall then also be able to coordinate "career management" and "manpower planning" (and other parts of personnel planning) ${ }^{5}$ by allowing for possible variations in manpower mixes and tradeoff possibilities in recruitment, transfer and training. Naturally, we shall want to accomplish this in a context that also considers other constraints such as financial budgets, supply and recruitment limitations imposed by policy or the environment at various times and also considers, of course, various kinds of limitations on training facilities. All except the last of these constraints have, however, already been included for explicit treatment in one or more versions of the OCMM Models. Hence we, shall here relate these constraints to their predecessor developments in order to be able to utilize some of the results already secured.

## 2. Modeling Strategies

In a manpower planning context it is natural to want to consider modeling for training in a way that allows for the effects of training and the selection of trainees on the manpower mixes which will be available in the years that follow such training. ${ }^{6}$ This will be done here in a manner that provides direct contact with the goal programming developinents in prior OCMM Models. A convenient way to accomplish this is to posit that the effect of training may be represented by a different matrix of transition rates which will then apply to personnel who have been selected for training. Then we can split the population into two groups-viz., those selected for training in a specified period and those who are not selected for training. The latter group may than transit in accurdnace with a "training" matrix while the former transit in accordance with "manpower" matrices of the kind we have previously utilized.?

[^33]With the wanted contacts with previous OCMM Models thus established it is not necessiry to treat again all of the previously developed types of constraints and stipulations and binir related possibilitics of variation and evaluation. Facilitics as well as funds limitations on training capactics must be considered, of course, for training possibilities in each period. To continuc to relate this to the previous develonments, however, we shall here formulate only the funds limitation for explicit ci.sideration. Situations where no facilities are availabie can then be modeled from a judgetary standpoint as having zero dollars available for that type of training. ${ }^{1}$ In an analogous manner, period-by-period cost cunstraints may also be imposed for outside recruitment and, of course, we may then also continue to impose an verall buagetary constraint on salaries, and extend this part of the previous OCMM Models to include costs tor recruiting ans training as well as salary costs, etc., to be considered in each period, as desired.

In this same spirit we shall also preserve contact with the previous goai programming developmente. in our formulation of this model's objective. Thus we shail specify one part of this objectiva in nerms of neeting a stipulated collection of manpower planning goals "as closely a; possible," wi,ile staying within the constraints specified for each period in the planning horizon. We shall also extend the previously utilized objectives by including additional elements directed toward minimizing the total costs of outside reciditment and internal training. This extension is of interest in its own right, of course, but it alse has the additional advantage of providing further insight for evaluating the relative weights assigned to devations from other goals along with simultaneous evaluacions of training.recruitment costs and tradeoffs. ${ }^{2}$

Finally we shall also want to utilize the types of transformations and reductions available from our prior research in order to develop special structures which would otherwise rers i latent and, perhaps, unutilized for the computational advantages that such special sttuctures can supply.' indeea, the $\because \therefore$ mulations we shall employ will give rise to a model structure which further generalizes the "netwo.k type" model relations that have been elaborated in [1]. ${ }^{4}$ in fact, we may zegard the developments which we slail employ here as representing still further generalizations of the generalized network models presenied in ! 1 ! but, io avoid a proliferadion of terminology, we shall refer to this model, too, as a "generalized network type model."

## 3. Definitions and Development of Generalized Network Type

The above modeling strategy may be given analytical form as follows. Let ${ }^{5}$
$x_{i j}(t)=$ number of personnel assigned to "job $t, p \mathrm{pe} i$ " from "source $j$ "
without assignment to additioral taaining in period $t$
$y_{i j}(t)=$ number of personnei assigned to "job type $;$ " from "source $j "$ with assignment to training in period $t$
so that

$$
\begin{align*}
x_{i j}(t)+y_{i j}(t)= & \text { total number of personnel to te arsigned to }  \tag{1.2}\\
& \text { jo' type } i \text { froni source } j \text { in period } t .
\end{align*}
$$

Thus, as indicated in the preceding section, the numbe. of personnel ootained irem source $j$ may he summed and further distinguished between those assigned direcily to job type $i$ and those asngned to training for job type $i$. This will be done for each of tie, eeriods $t=0,1,2, \ldots, N$ comprenerded in the hori. on for 'ieh manpower planning is being undertaken.

[^34]At time $t=0$, the number of persons already in job type $i$ may be represented by a known constant

$$
\begin{equation*}
a_{\mathrm{i}}=\text { number of personnel in job type } \mathrm{i} \text { within the organization at } \mathrm{t}=0 . \tag{2}
\end{equation*}
$$

Furthermore, to simplify notation, we may consider $\mathrm{a}_{\mathrm{i}}$ as one of the combonents of a vector " $a$ " comprehending all pertinent job types and, correspondingly, let

$$
x^{j}(t)=\left[\begin{array}{c}
x_{i j}(t)  \tag{3}\\
\vdots \\
x_{n j}(t)
\end{array}\right], y^{j}(t)=\left[\begin{array}{c}
y_{i j}(t) \\
\vdots \\
y_{n j}(t)
\end{array}\right]
$$

represent vectors with n components for each of the job types $\mathrm{i}=1, \ldots, \mathrm{n}$.
In proceeding toward our model objectives we shall want to allow for transfers between job types and also for the possibility that persons recruited for training in one category may subsequently transit to some other category. Thus, in keeping with previous developments, we introduce the Markoff matrix, ${ }^{1} \mathrm{M}$, with elements

$$
\begin{align*}
& \mathrm{M}_{\mathrm{i} \ell}=\text { proportion of those in job } \ell \text {, without training } \\
& \text { in job } \ell \text {, who will transit to job i } \tag{4}
\end{align*}
$$

Then we introduce another Matrix, $T$, with elements
$\mathrm{T}_{\mathrm{i} \ell}=$ proportion of those in job $\&$ with training
in job $\ell$ who will transit to job $i$

In order to bring the desired type of generalized network relations into prominence, we proceed as follows. For any period $t$, we can let

$$
\begin{align*}
x(t)= & \text { vector of personnel within the organization } \\
& \text { who are net being trained. } 2
\end{align*}
$$

$\begin{aligned} & z(t)= \text { vector of personnel from outside the organization } \\ & \text { who are being brought in. }\end{aligned}$
Then we introduce the following types of relations,

$$
\begin{equation*}
z(1)+M x(0)+T y(0)=x(1)+y(1) \tag{6.2}
\end{equation*}
$$

wherein $z(1)$ represents the vector of personnel recruited from outside while $\operatorname{Mx}(0)+\operatorname{Ty}(0)$ represents the transfer via jobs and training from inside and the whole splits into the two new vectors $x$ (1) for personnel not being trained and $y(1)$ for personnel who are being trained in period 1 . The sum $x(1)+y(1)$ then represents the total number employed in each job type in period 1.

[^35]An evident extension of these developments now produces

$$
\begin{align*}
& \mathrm{a}=\mathrm{x}(0)+\mathrm{y}(0) \\
& 0=-\mathrm{Mx}(0)-\mathrm{Ty}(0)+\mathrm{x}(1)+\mathrm{y}(1) \quad-z(\mathrm{i})  \tag{7.1}\\
& 0=\quad-M x(1)-\mathrm{Ty}(1)+\mathrm{x}(2)+y(2) \quad-z(2)
\end{align*}
$$

and so on via

$$
\begin{align*}
& 0=-M x(t-1)-T y(t-1)+y(t) \quad-z(t) \\
& 0=\quad-M x(t)-T y(t)+x(t+1)+y(t+1)-z(t+1) \tag{7.2}
\end{align*}
$$

where $\mathbf{z}(0) \equiv 0 .{ }^{1}$ Reference to this structure suggests incidence relations of the generalized network variety. Of course, the indicated incidences are on vectors $x(t), y(t)$ and matrices $M$ and $T$ but the representations (7.1) and (7.2) nevertheless display a structure which lends itself to this symbolism and related interpretations as a further generalization of these generalized network concepts and developments which we have previously used to advantage for serving computational efficiencies. See [1] Chapter XVII ff.

## 4. Additional Constraints and Objectives

Other constraints will also be needed, however, to allow for limitations on training and recruitment. As indicated in preceding sections, we want to relate these to previously utilized formulations of budgetary limitations in OCMM Models. Thus, we continue from (6.1) and introduce the following "training constraints"

$$
\begin{equation*}
K^{1}(t) y(t) \leqq d^{l}(t) \tag{8}
\end{equation*}
$$

where $K^{1}(t)$ is a matrix of the costs for training for each job type and source at time $t$ and $d^{1}(t)$ is a stipulated vector of limitations imposed on such expenditures.

In this same vein we may also represent the constraints on outside recruitment via

$$
\begin{equation*}
K^{2}(t) z(t) \leqq d^{2}(t) \tag{9}
\end{equation*}
$$

where $K^{2}(t)$ is a matrix of recruitment costs at time $t$ and $d^{2}(t)$ is a corresponding vector of stipulations.
Finally we insert budget constraints on total salaries, as in previous OCMM Models,

$$
c^{T}(t)[x(t)+y(t)] \leqq B(t)
$$

where
$c^{T}(t)=$ transpose of the yector of salaries to be paid for each job type in period $t$
$B(t)=$ budget limitation (a scalar) on total salaries which may be paid in period $t$.
The above constraints may be adioined to those exhibited in the preceding section. Then letting

$$
\begin{align*}
& f_{k}(t)=\text { prescribed ceiling for } k^{t h} \text { type of manpower. } \\
& \mu_{k t}=\text { weight assigned to deviation from } k^{t h} \text { manpower ceiling in period } t \tag{11}
\end{align*}
$$

[^36]we can formulate the objective for this model as
\[

$$
\begin{equation*}
\min \sum_{t=1}^{N} \sum_{k}^{N} \mu_{k t}\left|e_{I_{k}}^{T}[x(t)+y(t)]-f_{k}(t)\right|+\sum_{t=1}^{N} \mu_{o t}\left[\alpha^{T} y(t)+\beta^{T} z(t)\right] \tag{12}
\end{equation*}
$$

\]

where $\alpha^{\mathrm{T}}$ and $\beta^{\mathrm{T}}$ represent vectors (transposed) containing the recruiting and training costs elements to be considered in the objective while

$$
\mathrm{e}_{\mathrm{I}_{\mathrm{k}}^{\mathrm{T}}}^{\mathrm{T}} \equiv\left(\begin{array}{cc}
0 & 1  \tag{13}\\
\mathrm{ixI}_{\mathrm{k}} & \mathrm{ixI}_{k}
\end{array}\right)
$$

is a vector which has zeros in all components except those which are the unity elements. The latter, i.e., the values of unity, are in the positions that coirespond to the $\mathrm{k}^{\text {th }}$ type of manpower.

## 5. Matrix and Structure

Drawing the elements of the preceding two sections together we may obtain the matrix represented in Table 1. This may be used for developing direct or dual relations if desired but here we have-only utilized the direct variable $x(t), y(t)$ and $z(t)$ as defined and developed in the preceding section. ${ }^{1}$ Such extensions will require replacing the (nonlinear) absolute value terms in (12) by their linear programming equivalent via the usual "goal programming" reductions. ${ }^{2}$ This has been done in the preceding papers in this series, however, and hence need not be repeated here.

With this structure now being available the stage is set for further interpretation and extensions. This will be done in a supplemental report, however, and made more concrete by means of a simple numerical example and just as was done for the reports finally incorporated in [5] this will be accompanied by related computations and solution results. The portrayal in Figure 1, for the time being, then completes the present $\cdot$ report.

## 6. Addendum: Some Extensions and Interpretations

This paper was to conclude with numerical examples to illustrate the above developments. When presented in one of the Manpower Planning Sessions at the TIMS meetings for the XVII International Conference, ${ }^{3}$ however, some of the comments and questions indicated that another course might be preferable. We had been relying on only general discussion and the underlying mathematical development to indicate how further elaborations and interpretations might be essayed from this series of OCMM Models. This appears to have been inadequate and so it may be desirable to make at least some of these possibilities explicit at the present juncture.

First we observe that this model involves embedded Markoff processes and hence is probabilistic in character. The interpretations need to be arranged accordingly and so do some of the further extensions that are possible. To detail all of these is beyond the scope of the present paper (as well as beyond the immediate applications possibilities that guided the developments to this point). We shall proceed only via a very simple example and develop it only to a degree that will help to suggest some of these further possibilities.

[^37]

For this development we revert to the simpler cascs of the earlier OCMM Models-see, e.g., [2] and [4] - in which no training transitions are included for explicit consideration. We also restrict the example to one involving only one source and two job types with matrix

$$
M=\left[\begin{array}{ll}
.7 & .1  \tag{14}\\
.2 & .6
\end{array}\right]
$$

This matrix details the probabilities of the transitions which may be effected from the column, $\ell=1,2$, to the row, $\mathrm{i}=1,2$, for the job types associated with these indices. It may be thought of as a matrix of "Markoff type" adjusted for the fact that we want to use it as part of a goal programming model in which new entrants into the system are effected via the decision variables $\mathrm{x}_{\mathrm{ij}}(\mathrm{t})$-wherein the values assigned to each such x denote the number of recruits from source $j$ for job type $i$ in each period $t$. See (1) ff. To accommodate the wanted variation from ordinary uses and developments in Markoff analyses, we have introduced the convention of omitting the column of the matrix that is usually allotted for the new entrant probabilities. We have also omitted the row for the exiting probabilities ${ }^{1}$ and thereby obtained a characterization in which the matrix, $-M$, is square.

In the simple case being considered here, there are only two job types and one source being considered for the decision variables $\mathrm{x}_{\mathrm{ij}}(\mathrm{t}$ ). Hence, we can eliminate the index j (which is needed only when there is more than one source that must be identified) and write,

$$
X(1)=\left[\begin{array}{l}
x_{1}(1)  \tag{15}\\
x_{2}(1)
\end{array}\right]=\left[\begin{array}{l}
1 \\
0
\end{array}\right]
$$

when a plan calls for hiring one person for job type 1 and none for job type 2 in period 1 . We distinguish these planning decisions from the corresponding variates by writing the latter as

$$
X(1)=\left[\begin{array}{l}
\hat{x}_{1}(1)  \tag{16}\\
\hat{x}_{2}(1)
\end{array}\right]
$$

with values to be determined via random processes generated from (14).
To clarify this last statement we commence with the initial state vector

$$
\begin{equation*}
\mathbf{a}^{T}=\left(a_{1}, a_{2}\right)=(1,1) \tag{17}
\end{equation*}
$$

and then restrict our immediate attention to discrete state possibilities which can be generated from (17) via (14). These states and their corresponding probabilities are obtained from (14) and (15). For instance, for job type 1 , we obtain

$$
P\left[\hat{x}_{1}(1)=0 / a_{1}=1, a_{2}=1\right]=q_{11} q_{12} \equiv\left(1-p_{11}\right)\left(1-p_{12}\right)=.27
$$

as the probability of this event. ${ }^{2}$ This and the other probabilities are thus evaluated via

$$
\begin{array}{ll}
P\left[\hat{x}_{1}(1)=0 \mid a_{1}=1, a_{2}=1\right]=(1-.7) \times(1-.1) & =.27 \\
P\left[\hat{x}_{1}(1)=1 \mid a_{1}=1, a_{2}=1\right]=.7 \times(1-.1)+(1-.7) \times .1=.66  \tag{18}\\
P\left[\hat{x}_{1}(1)=2 \mid a_{1}=1, a_{2}=1\right]=.7 \times .1 & =\frac{.07}{1.00}
\end{array}
$$

[^38]Applying these probabilities to the corresponding states produces

$$
\begin{equation*}
E \hat{x}_{1}(1)=.27 \times 0+.66 \times 1+.07 \times 2=.80 \tag{19.1}
\end{equation*}
$$

for the expected value. Alternatively, the straightforward matrix computation,

$$
\mathrm{Ma}=\left[\begin{array}{ll}
.7 & .1  \tag{19.2}\\
.2 & .6
\end{array}\right]\left[\begin{array}{l}
1 \\
1
\end{array}\right]=\left[\begin{array}{l}
.8 \\
.8
\end{array}\right]
$$

gives the same expected value for job type 1 (and job type 2) for period 1 .
This is, of course, the expected value that results only from the initial state vector for the iob types given in (17). The planned values for the decision variables, however, can also be aligned with this kind of probabilistic development via

$$
M^{0} X(1)+M^{1} a=\left[\begin{array}{l}
1  \tag{20}\\
0
\end{array}\right]+\left[\begin{array}{l}
.8 \\
.8
\end{array}\right]=\left[\begin{array}{l}
1.8 \\
0.8
\end{array}\right]
$$

where we have used the $X(1)$ values given in (15). Here $M^{\circ} \equiv I$, the identity matrix. The latter can be accorded the interpretation of a Markoff matrix, too, in which the transition probabilities are unity on the diagonal and zero elsewhere. ${ }^{1}$ This means that there is unit probability of remaining in the job type for which the corresponding personnel components of $\mathbf{X}(1)$ were recruited during period 1 . Under this interpretation an expected value is also obtained which may be added to those secured via the transitions effected from the components of a in period 0 . The resulting sums provide the expected number of occupants for each job type that the plan will provide for period 1. Expression (20) can then be interpreted accordingly.

Of course, other probabilistic aspects may also need to be considered and a development that will suggest some of these possibilities may also be synthesized from this same very simple example.

From the computations in (17) we may, for instance, observe that

$$
\begin{equation*}
P\left[\hat{\mathbf{x}}_{1}(1) \geqslant 1 \mid a_{1}=1, a_{2}=1\right]=.73 . \tag{21}
\end{equation*}
$$

If this is not satisfactory then either the initial components in the vector, a, must be altered or else the matrix of transition probabilities must be adjusted ${ }^{2}$-or, possibly, both of these might be done in various combinations. ${ }^{3}$ For example, if we altered (17) to

$$
\begin{equation*}
\mathbf{a}^{T}=\left(a_{1}, a_{2}\right)=(2,1) \tag{22}
\end{equation*}
$$

we would obtain

$$
\begin{array}{ll}
P\left[\hat{x}_{1}(1)=0 \mid a_{1}=2, a_{2}:=:\right]=.3 \times .3 \times .9 & =.081 \\
P\left[\hat{x}_{1}(1)=1 \mid a_{1}=2, a_{2}=1\right]=2(.7 \times .3 \times .9)+.3 \times .3 \times .1=.387 \\
P\left[\hat{x}_{1}(1)=2 \mid a_{1}=2, a_{2}=1\right]=.7 \times .7 \times .9+2(.7 \times .3 \times .1)=.483  \tag{23}\\
P\left[\hat{x}_{1}(1)=3 \mid a_{1}=2, a_{2}=1\right]=.7 \times .7 \times .1 & =\underline{.049} \\
& \text { Total }
\end{array}
$$

[^39]This gives

$$
\begin{equation*}
P\left[\hat{\mathbf{x}}_{1}(1) \geqslant 1 \mid a_{2}=2, a_{2}=1\right]=.919 \tag{24}
\end{equation*}
$$

and also

$$
\begin{equation*}
E \hat{\mathbf{x}}_{1}(1)=.081 \times 0+.387 \times 1+.483 \times 2+.049 \times 3=1.5 \tag{25}
\end{equation*}
$$

Compared with (19.1) and (21) the alteration in initial conditions when proceeding from (17) to (22) increases the ex' 'cted value and the probability for this job type, as exhibited in (25) and (24).

Of course, the expected cost of the latter result will also be increased, in general, and this, too, needs to be considered by the model-over the entire horizon. For instance, this increase may make it possible to reduce the value of $\mathrm{x}_{1}(1)=1$ in (15) with resulting benefits later on. The point to bear in mind here, in any event, is that the OCMM Models have been developed for use in a context such as the U. S. Department of Defense's Program-Planning and Budgeting Systems (PPBS), which envisions a 5 -year plan-or forecast of such plans-tied into corresponding fiscal-monetary, and other, requirements. This, in turn, confines these models to a use of only "zero order decision rules"-to use the terminology of "chance constrained programming,"1 but, of course, other applications may admit of access to other classes of decision rules ${ }^{2}$ as well.

To state all of this in a different manner, the distinctions we have elsewhere introduced for dealing with "planning" as contrasted with "control" and "operating" aspects of management are here omitted.3 That is, it is assumed that the controls are perfect and that what is wanted is a detailing of manpower plans and related decisions over some specified future time horizon. This does not mean that possibilities for subsequent modification of these plans are eliminated. It also does not mean that the fact that such plans are formed in a probabilistic context is ignored. It only means that the relevant planning decisions are all to be specified numerically-including even those parts which are used to control the underlying probabilities and their related risks-so that, e.g., they may be coordinated ${ }^{4}$ with the uiher plans and considerations that are being obtained, perhaps from other parts of the Department of Defense orgati'rations.

The significance of these characterizations may be clarified, perhaps, by extending the immediately preceding developments. We shall do this by showing how such probabilistic considerations may be dealt with via values assigned to the decision variables (in earlier periods), but without entering into the complex chains of conditional probability computations that can attend these extensions in their many varieties.

Notice, for instance, that the alteration form (17) and (22) has produced a change in the probability distribution for the period 1 states. Similarly, the $X$ (1) choices can also produce different probability distributions for the possible states in period 2-as well as in the combinations for compounding still other probability distritutions in subsequent periods. This suggests that, in a manner analogous to the DEMON models, ${ }^{5}$ constructs of chance-constrained programming can also be brought to bear in order to "constrain out" any of these distributions that are considered to be undesirable-e.g., with reference to the risk properties associated with their tails. For instance, via expressions of the form

$$
\begin{equation*}
P\left[\hat{x}_{1}(2) \geqslant k \mid a_{1}, a_{2}, x_{1}(1), x_{2}(1)\right] \geqslant \alpha \tag{26}
\end{equation*}
$$

one may assure that $k$, a prescribed minimum number of "experienced personnel," 6 will be available for assignment in job type 1 at the start of period 2 . This minimum value is to be assumed with a specified

[^40]probability, $0<\alpha<1$. With $a_{1}$ and $a_{2}$ given this means that the choices of $x_{1}$ (1) and $x_{2}$ (1) must be made in a way that eliminates all of the prebability distributions which do not satisfy these conditions. This can be done via expressions of the form
\[

$$
\begin{equation*}
(M)_{1}^{2} a+(M)_{1} \times(1) \geqslant h(\alpha, k) \tag{27}
\end{equation*}
$$

\]

in which $(A)_{1}$ refers to the $i^{\text {th }}$ row of any matrix, $A$, while $h$ depends on the $\alpha$ and $k$ prescribed in (26). In principle, expressions such as (27) may be ascertained in advance ${ }^{1}$ from the original probability data but, as a practical matter, recourse to approximation procedures and specially devised computer routines will need to be designed for these purposes. Similar controls may also be imposed on the distributions for $\hat{\mathrm{x}}_{2}$ (2) and these may continue into subsequent periods, too, in a variety of ways.

The above types of developments are all comprehended in the plans for research at OCMM. Jumping still further ahead of the immediate applications possibilities, however, one may consider developments in which the matrix components-i.e., the transition probabilities-are also random variables, and even this does not end a trail that appears to stretch far beyond present practices and data limitations and which, at the same time, invites extensions in these directions. Turning back to matters of more immediate moment, however, it is perhaps of interest to observe that the elements in these Markoff matrices may be estimated via constrained regression procedures of the type for which goal programming was originally developed. ${ }^{2}$ This also raises a series of research possibilities for exploring the properties of statistical estimators developed from data (e.g., OCMM plans) in which the observatiuns are also generated from the same (e.g., goal programming) procedures.

Bearing these extensions and interpretations in mind, it seems best now to turn to other questions raised in the Sessions where this paper was first presented. These concerned the need for considering training and other possibilities that stretch across two (and possibly more) periods.

To answer these kinds of questions it is evidently necessary to return to the models in earlier sections of this paper. Thus we shall assume that training matrices, $T$, as well as job-transition matrices, $M$, are to be comprehended by models of the kind portrayed in (7.1) ff. Then we may observe that these $T$ and $M$ matrices may be varied by period, if desired, to accommodate different training and job transition probabilities.

Using ( $\mathrm{T}_{\mathrm{i}}$ for the $\mathrm{i}^{\text {th }}$ row of T in some time period, $\mathrm{t}-1$, say, we may write

$$
\begin{equation*}
y_{i j}(t)=(T)_{i} y^{j}(t-1) \tag{28}
\end{equation*}
$$

in order to constrain the period $t$ candidates for "job type" (or "training type") i to those persons previously trained in period ( $t-1$ ). Observe, however, that the application of row i from $T$ permits some persons to be considered for training in the $\mathrm{i}^{\text {th }}$ category in period t even though they were not in this category during period $\mathrm{t}-1$, provided there is some positive probability of this occurring in a cell corresponding to a non-zero recruitment for this component of the vector $y(t-1)$.

A variety of such constraints may be employed. For instance, sums over the various sources j may be formed along with other restrictions and refinements to control the expected quantities (and the related statistical distributions) for consideration in the planned programs of training. Also, a proportion $0 \leqslant d \leqslant 1$ may be assigned for training in job type $k$ by inserting additional constraints of the form

$$
\begin{equation*}
y_{k j}(t)=d y_{i j}(t) \tag{29}
\end{equation*}
$$

with the remainder being assigned to training for job type in period t .

[^41]Evidently the above characterizations may be varied across periods and cumulatively, too, if desired. They may also be extended to job as well as training transitions as when, for instance, experience in one or more preceding jobs for a succession of periods may be established, perhaps probabilistically, ${ }^{1}$ as a prerequisite for access to other jobs. Many such possibilities are present and may be tried and cvaluated in the course of research on these kinds of models.

A variety of constraints, probabilistic or otherwise, car evidently be used to cross over or relate phenomenon in any or all periods of interest. This means, in turn, that the transitions from one state to another may be determined via probabilities which are far removed from the immediately adjacent times and states. In this respect, too, some of the rigidities and limitations of the ordinary one-state Markoff transitions may also be modified and ameliorated via the constraining relations which we are using to extend and adapt the classical types of Markoff analyses. Note, for instance, that we can employ constraints which relate present transition to future as well as past probabilities and thereby bring into play the "pull" of future job prospects as well as the "push" of past careers and experiences.

The above remarks may help to suggest some of these additional possioilities for research and also serve to clanify some of the developments that we have already been presenting from the research being undertaken at OCMM. Time and the vagaries of the current American scene permitting, further results from the OCMM research program will be released in future reports and conferences.

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## APPENDIX

Let $\mathrm{p}_{\mathrm{ij}} \geqslant 0, \mathrm{i}=1, \ldots, \mathrm{n}$, represent elements in a "Markoff type" matrix and define $\mathrm{q}_{\mathrm{ij}}=1 \cdot \mathrm{p}_{\mathrm{ij}} \geqslant 0$ for every $i$, $j$. Let $x_{j}$ be the value (discrete) of the $j^{\text {th }}$ component, $j=1, \ldots, n$, of any state vector and let $P\left(\hat{x}_{i}=k\right)$ represent the probability that $\hat{x}_{i}$, the $i^{t h}$ random variable generated from these $x_{i}$ and $p_{i j}$, will assume the integer value $k=0,1,2, \ldots, y$;

$$
y \equiv \sum_{j=1}^{n} x_{j}
$$

Then

$$
\begin{equation*}
\sum_{j=1}^{n} p_{i j} x_{j}=\sum_{k=0}^{y} k P\left(f_{i}=k\right)=E \hat{X}_{j} \tag{1}
\end{equation*}
$$

where E represents the expected value operator.
This theorem, which is utilized in the immediately preceding text, does not seem to be readily avail. able in the literature that deals with Markoff processes. ${ }^{1}$ We will therefore prove it here, after some preliminary definitions and developments.

In our case, ${ }^{2}$

$$
\begin{equation*}
P\left(\hat{x}_{i}=k\right)=\sum_{C_{k} y} \prod_{j=1}^{n} C_{r_{j}}^{x_{j}} p_{i j}^{r_{j}} q_{i j}^{x_{j}-r_{j}} \tag{2}
\end{equation*}
$$

where the indicated summation is over all of the $C_{k}{ }^{y}$ terms for which $r_{1}+r_{2}+\ldots+r_{n}=k$ and $r_{j}$ is the number of $x_{j}$ appearing in the latter sum and

$$
C_{r_{j}}^{x_{j}}=\left\{\begin{array}{c}
\frac{x_{j!}}{r_{j!}\left(x_{j}-r_{j}\right)!}, x_{j} \geqslant r_{j}  \tag{3}\\
0, \text { otherwise }
\end{array}\right.
$$

where $\mathrm{x}_{\mathrm{j}!}=\mathrm{x}_{\mathrm{j}}\left(\mathrm{x}_{\mathrm{j}}-1\right)\left(\mathrm{x}_{\mathrm{j}}-2\right) \ldots$. Also, "Il" represents "prodıct" as in

$$
\begin{equation*}
\prod_{j=1}^{n} C_{r_{j}}^{x_{j}} p_{i j}^{r_{j}} q_{i j}^{x_{j} \cdot r_{j}}=C_{r}^{x_{1}} p_{i 1}^{r_{1}} q_{i 1}^{x_{1} \cdot r_{1}} C_{r_{2}}^{x_{2}} p_{i 2}^{r_{2}} q_{i 2}^{x_{2}-r_{2}} . . C_{r_{n}}^{x_{n}} p_{i n}^{r_{n}} q_{i n}^{x_{n}-r_{n}} \tag{4}
\end{equation*}
$$

[^43]Using the above definitions and developments our proof will now be developed in a way that relates it directly to the preceding text. We also want to develop it in a manner that naturally relates it to familiar ves of the moment generating functions for binomial distributions. We therefore commence with the case for which the Markoff-type matrix is $1 \times 1$ with a single eiement, $p$, and write ${ }^{1}$

$$
\begin{equation*}
(p t+q)^{x}=\sum_{k=0}^{x} t^{k} C_{k}^{x} p^{k} q^{x-k} \tag{5}
\end{equation*}
$$

Differentiating with respect to $t$ gives

$$
\begin{equation*}
x p(p t+q)^{x-1} \sum_{k=0}^{x} k t^{k-1} C_{k}^{x} p^{k} q^{x-k} \tag{6}
\end{equation*}
$$

and setting $\mathfrak{t}=1$ then produces

$$
\begin{equation*}
x p=\sum_{k=0}^{x} k C_{k} x p^{k} q^{x-k}=\sum_{k=0}^{x} k P(\hat{x}=k) \tag{7}
\end{equation*}
$$

so that (1) evidently holds for the $1 \times 1$ Markoff type matrix.

To relate (1) specifically to the example in the preceding text we establish

$$
\begin{equation*}
\sum_{j=1}^{2} p_{i j} x_{j} \sum_{k=0}^{y} k P\left(\hat{x}_{i}=k\right) ; y \equiv x_{1}+x_{2} \tag{8}
\end{equation*}
$$

where $i=1,2$ in the $2 \times 2$ matrix with elements $p_{i j}$ and $p_{i j}+q_{i j}=1-i, j=1,2$. For a proof in this case we ex. tend the above development via the binimia' memon. *neration functions,

$$
\prod_{j=1}^{2}\left(p_{i j}\right\} \quad ; \quad t_{i}^{r_{i}} C_{r_{j}}^{x_{j}} p_{i j}^{r_{j}} q_{i j}^{x_{j}-r_{j}}
$$

The total differential for this expression gives

$$
\begin{aligned}
& x_{1} p_{i 1}\left(p_{i 1} t_{1}+q_{i 1}\right)^{x_{1} \cdot 1}\left(p_{i 2} t_{2}+q_{i 2}\right)^{x_{2} d t_{1}}+x_{2} p_{i 2}\left(p_{i 1} t_{1}+q_{i 1}\right)^{x_{1}}\left(p_{i 2} t_{2}+q_{i 2}\right)^{x_{2} \cdot 1} d t_{2}=
\end{aligned}
$$

This is an identity in the dt's. Hence we may equate coefficients, so that, at $t_{1}=t_{2}=1$,

[^44]\[

$$
\begin{align*}
& \sum_{j=1}^{2} p_{i j} x_{j}=\sum_{r_{1}=0}^{x_{1}} \sum_{r_{2}=0}^{x_{2}}\left(r_{1}+r_{2}\right) C_{r_{1}}^{x_{1}} C_{r_{2}}^{x_{2}} p_{i 1}^{r_{1}} q_{i 1}^{x_{1} 1^{\prime r}} q_{i 2}^{x_{2} \cdot r_{2}} p_{i 2}^{r_{2}}= \\
& =O C_{0}^{x_{1}} C_{0}^{x_{2}} p_{i 1}^{0} q_{i 1}^{x_{1}} q_{i 2}^{x_{2}} p_{i 2}^{0}+\ldots+k \underset{s=0}{k} C_{k \cdot s}^{x_{1}} C_{s}^{x_{2}} p_{i 1}^{k-s} q_{i 1}^{x_{1}}{ }^{-\left(k \cdot s^{2}\right.} q_{12}^{x_{2}} \cdot p_{p}^{p} p_{i 2}+  \tag{!3}\\
& +\ldots+\left(x_{1}+x_{2}\right) C_{x 1}^{x_{1}} C_{x_{2}}^{x_{2}} p_{i 1}^{x_{1}} q_{i 1} q_{i 2}^{0} p_{i 2}^{x_{2}}= \\
& =\sum_{k=0}^{x_{1}+x_{2}} k[\sum_{s=0}^{k} C_{k-s}^{x_{1}} C_{s}^{x_{2}} p_{i 1}^{k \cdot s} \underbrace{x_{1} \cdot(k \cdot s)}_{i, 11} q_{i 2}^{x_{2} \cdot s} p_{i 2}^{s}]
\end{align*}
$$
\]

or, in the notation of (1) and (2), above,
where, as indicated for (2), the second of the latter sums is to be considered over all of the $\mathrm{C}_{\mathrm{k}}{ }^{\prime}$ ter: • for which $r_{1}+r_{2}=k$. The derivation leading to (12) then shows that the theorem is also true in this aase for cither $\mathrm{i}=1,2$.

The general case can evidently be obtained by a direct extension of the above asguments ... vir.,

Then differentiating and setting all $t=1$ produce:

$$
\begin{aligned}
& \underset{j=1}{n} p_{i j} x_{j}={\underset{r}{ }=0}_{x_{1}}^{x_{1}} \underset{r_{2}=0}{x_{2}} \ldots \sum_{r_{n}=0}^{x_{n}}\left(r_{1}+r_{2}+\ldots+r_{n}\right) \prod_{j=1}^{n} C_{r_{j}}^{x_{j}} p_{j j}^{r_{j}} q_{i j}^{x_{j} \cdot r_{j}}= \\
& =0 \prod_{j=1}^{n} C_{n}^{x_{j}} p_{i j}^{0} q_{i j}^{x_{j}}+\ldots+\left(x_{1}+x_{2}+\ldots+x_{n}\right) \prod_{j=1}^{n} C_{x_{j}}^{x_{j}} p_{i j}^{x_{j}} q_{i j}^{0}
\end{aligned}
$$

Q.E.D.

## MULTI-LEVEL MODELS FOR

 CAREER MANAGEMENT AND RESOURCE PLANNINGby
A. Chames
W. W. Cooper
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D. Sholtz

## Abstract

The OCMM models for manpower planning were initially formulated in terms of a goal-programming, Markoff process combination with the latter embedded in the former. This subsequently admitted of a further extension in which the Markovian elements were reformulated so that they could be submitted to chanceconstrained programming use and interpretations. They made it possible to plan for personnel recruitment, training, retraining and stochastically determined transfers, so that selected constraint stipulations would be honored with prescribed probabilities ir any set of differing time intervals for which such constraints might be imposed. Here, a further extension is made: An input-output (Leontief) analysis of an often one-period variety is embedded in a goal programming formulation which is subsequently extended to a two-period dynamic formulation. Applications to manpower planning and resource allocation are examined for their support as well as their direct activity implications.

A further development via chance-constrained programming in a different direction is then provided which comprehends elements in the objective, as well as the constraints, in a formulation that can then be interpreted as an extension of goal programming to such probabilistic considerations.

Presented at NATO Conference "Manpower Planning Models," Cambridge, England, September 6-10, 1971.

## Introduction

This report discusses new and flexible techniques designed to assist in career management, resource planning and other (related) parts of manpower planning and personnel management. These techniques revolve around certain models and modelling strategies which were developed in the research program at the Office of Civilian Manpower Management (OCMM) of the U. S. Navy. This research program is aimed at providing new and improved methods for civilian manpower management and planning. In examining ways to assist in obtaining a better allocation of civilian manpower, what is found almost immediately is the fact that there are multiple objectives and multiple variables (e.g., types of support units, types of resources, time periods, etc.) which interact with one another. There are also cascading, dynamic effects which must be taken into account since decisions made in one period have consequences and hence affect the decisions for succeeding periods.

There is, very naturally, a desire to achieve reasonable balances between the input resources and the output goals in each period as well as over a range of periods. The present report is, in fact, directed to this desire in the light of the preceding considerations. We shall therefore try to outline certain approaches which can aid in tying all these considerations together while, at the same time, building on previous modelling work and existing data files. In particuiar, we shall move these developments in a direction which ties them to the work of others in areas like the use of input-output analysis in resource allocation decisions and chanceconstrained programming approaches to risk control and evaluation. This will be accompanied by a series of numerical examples to facilitate reader understanding and evaluation and also to exhibit the ways in which the model structure depends upon infoımation requirements and data availability.

An objective of the OCMM modelling research program is to provide one of the inputs in the development of operational manpower and career management information systems. Earlier research has already substantially influenced these information system developments. Some thirty-five special studies (mainly having to do with historical movement and tetirement statistics) were supported using the computer software capability ${ }^{1}$ developed as a result of the research. These included such studies as a Navy-wide assessment for the Assistant Secretary of the Navy (Instullations and Logistics) of the career progression of the 120,000 blue collar employees in maintenance-related occupations. Also, the computer system is being modified to produce projected data on retirements to assist in the development and justification of Navy budget submissions. It is worth noting that these studies could not have been made without the extensive research into suitable job category coding systems and computer programming techniques necessary to support the mathematical research.

In addition to the supporting computer software mentioned above, considerable testing has been completed of the models themselves. Trial runs have been made of a number of examples with the largest containing 1500 constraints and 2500 variables. ${ }^{2}$ All of this is mentioned to show the progress of earlier research. It also points to the fact that research into implementation techniques is as important as the basic mathematical research if one is to end with a usable product.

## Modelling Strategy

Preceding work as discussed in (7)-(12) has opened a way for dealing simultaneously with manpower plannirg and career management. The models covered in this report are therefore also oriented in this direction.

[^45]Here, however, manpower planning is considered to be concerned with aggregate resource allocation while career management is considered to involve man-job matching either at the skill or individual job level. ${ }^{1}$ Much of this has been done already, of course, in the context of earlier OCMM models. These OCMM models are of the type called goal programming, where the objective is to determine a program which meets "as closely as possible" a set of manpower goals in each period considering various constraints. The OCMM models were also subsequently extended to include training requirements and job requirements and thus provide a further aid in caicer planning. ${ }^{2}$ While keeping these past developments in view, however, the present paper will proceed to some further extensions which will also help to make contact with the original work of others in areas like input-output analysis, etc.

Some further background is now perhaps in order. It is felt to be important to bring these models into contact with the program planning budgeting or PPB systems in being or under development within the Navy. This is important because such planning actually drives the manpower allocation and career management process. Since the development of PPB systems beyond the methodology of allocating civilian manpower is not the direct responsibility of OCMM, an investigation was made of current and proposed methodologies in the Office of the Secretary of Defense as well as within the Navy. This naturally led us to consider the models under development in the Center for Naval Analyses for the General Planning and Programming Division of the Chief of Naval Operations. ${ }^{3}$ The CNA models, which use input-output analysis, are applied to the study of cost allocations in the Navy. As developed at CNA, these models have proved to be of value for examining costs not only for mission and support categories but also for the program elements of the Five Year Defense Program (FYDP). Study of these models and discussion with their designers showed that there was a close enough relationship between the CNA and OCMM models so that it was possible to proceed with developments that offered possible further liaison between these two approaches. As a start in these developments, we may observe that the Markov matrices embedded in the OCMM model and the resource transfer rates of an inputoutput model, such as the one developed by CNA, share the so-called Minkowski-Leontief property in common. Each element of the input-output table is non-negative and each row sums to one in the same manner as a Markov matrix. Also, from a practical viewpoint, these input-output elements can be computed from relatively easily obtained historical data. The goal programming model which we shall present incorporates these strengths of the CNA input-output model. The result is a new "multi-level" model which integrates the resource allocation features of the CNA model with a career management model. Here, however, the two are considered simultaneously with resource allocation being accorded greater weight than career management in the objective of the resulting model. Goal programming features are also retained in order to deal with possible inconsistencies in resource availabilities and other requirements. This model is multi-level in the sense that two different levels of decison making are included in the same model.

- In this model the input-output transfer rates provide an ability to examine simultaneously relationships between resource producers (e.g., the naval shore establishment) and final resource users (e.g., the fleet). The model also uses the generalized network structure with embedded Markov processes discussed in (7), to account for interactions between manpower "inventories" and manpower "requirements." The latter are joined together by a series of "coupling conditions" so that imbalances in one of the systems will be reflected in the other. The goal programming aspects of this model ${ }^{4}$ also supply flexibility for examining the effects on final user demands of changes in resource inputs as well as manpower requirements. ${ }^{5}$

Data availability formed a very important consideration in the construction of this model. In fact, the model brings together two very large scale systems and the data necessarily had to come from existing or planned information systems. This pointed to the CNA models which use Navy Cost Information System (NCIS) data tapes reflecting the Navy's portion of the Five Year Defense Program (FYDP). Additionally, the model was designed to rely upon already developed computer programs to obtain the manpower transition

[^46]rates from OCMM's Personnel Automated Data System (PADS). For computational reasons the model also was designed to use linear programming for solution purposes. Note, for instance, that even though this goal programming model is stochastic and non-linear, it is possible to convert it to a linear equivalent for optimization purposes. This feature is preserved even in the extensions essayed to accommodate risk-related considerations in the chance-constrained programming formulation given at the end of this paper. Access is therefore immediate to all of the readily available solution routines and sensitivity checks associated with linear programming.

## Static Goal Programming. Model

A static version of the goal programming model with input-output elements is now given first so that the differences between it and the dynamic version will be apparent. A verbal description of the model structure is given in Figure 1. In this model, the objective is to minimize the weighted deviations from the final user requirements so that in goal programming form these are to be met "as closely as possible." In this case the deviations are accorded relative weights which reflect priorities associated with being over or under each of the final user requirements. These relative weights, which replace the dollar cost normally associated with conventional linear programming models, can be considered a "priority cost" of each of the final user requirements where the highest relative cost is associated with the most critical requirement.

## OBJECTIVE: MINIMIZE COST (MEASURED BY RELATIVE PRIORITIES) OF BEING OVER/UNDER FINAL USER SUPPORT REQUIREMENTS

SUBJECT TO CONSTRAINTS OF:


| - TOTAL AMOUNT + SUM OF |
| :---: |
| EACH FINAL |
| USER SUPPORTED |\(\left(\begin{array}{cc}PROPORTION OF <br>

OUTPUT EACH <br>
PRODUCER PROVIDES <br>
TO EACH FINAL USER\end{array} \quad $$
\begin{array}{c}\text { TOTAL OUTPUT } \\
\text { OF EACH } \\
\text { PRODUCER }\end{array}
$$\right)=0\)

|  | TOTAL OUTPUT | BUDGET OF |
| :---: | :---: | :---: |
| OF EACH | $\leqslant$EACH <br> PRODUCER | PRODUCER |



Figure 1. STATIC GOAL PROGRAMMING-MODEL STRUCTURE

The remainder of the model structure is concerned with the various goal requirements and resource constraints which must be considered while trying to minimize goal discrepancies. The first group of conditions is concerned with setting the goals. This is accomplished by setting up an equation for each final user for each time period which states that the total amount of support furnished each user less the amount over plus the amount under will be equal to the total requirement, or goal. In any solution one will obtain for each equation the level of output associated with the goal and either the overage or underage (or zero deviation if the goal is met right on). This stems from the fact that one cannot be both over and under a goal at the same time. It should be noted at this point that all outputs are expressed in their dollar equivalents so that one can be consistent in adding the outputs from each of the producers.

The next set of conditions involves ensuring that the distribution of output from each of the producers is in the right proportion to the requirements of the final users. One can simultaneously calculate the support-on-support requirements or, alternatively, as is done here, a second stage allocation process may be used by means of the definitional relations. The latter is accomplished by using data from an input-output table which indicate for each producer the proportion of output required to support the final users. This ensures that the final users will be supported at the level required in the model solution and at the same time obtain the total amount of each output which should be produced. These relationships are built into the model by specifying an equation for each final user which states that the total amount of each output from each producer times the proportion used minus the total requirements from all producers will equal zero. This forces all the individual pieces of output from each type of support to be in the right proportion to the total.

The next section of the model bounds the amount of each kind of output to be produced. This is accomplished by assigning an equation to each producer for each time period which prescribes a limit to the amount that can be produced. This ensures that no producer will exceed its budget in trying to meet the overall goal. At the same time if an excess budget has been allocated to the producer it will show up in a non-zero value for the corresponding slack variable.

The final section of the model consists of equations which relate producer manpower requirements to the total available manpower. In this example only the static manpower relationships are shown. ${ }^{1}$ In this static example there is an equation foi each time period which states that the manpower per unit of output for each producer times the amount produced must be less than or equal to the tetal manpower available.

For this numerical example four producers and two final users were included. Figure 2 contains the base data for this example. The first four rows expressed in millions of dollars indicate the amount of output services each of the using sectors consumes. (For example, Producer 1 provides 95 million dollars of services to itself, 120 million dollars to Producer 2, etc.) The last row contains the amount of manpower required by each of the producers (e.g., Producer 1 requires 60,000 men, and so on.) Neither Final User 1 nor Final User 2 has any manpower associated with it since this model is oriented towards obtaining support establishment requirements to meet final user demand.

The next step is to convert these base data into utilization rates for use on input-output formulation. As far as the different types of output are concerned, this is done for each user including producers (to later obtain support-on-support requirements) by dividing the amount consumed by each user by the total amount produced. For example, Producer 1 consumes $95 / 920$ th or $10.33 \%$ of its own output, Producer 2 consumed 120/920ths or $13.04 \%$ of Producer l's output, etc. The full array of these output usage rates are contained in Figure 3. The manpower usage rates are obtained by dividing the total manpower of a producer by the total amount produced. Thus, in this example, dividing the 60,000 men of Producer 1 by 920 million dollars yields 65.22 men per million dollars.

Three alternatives will be developed to show the reaction of the model to changing data conditions. In all these examples the final user requirements will be assumed to be constant. However, it will be assumed that there will be $5 \%$ inflation in wage and related manpower costs in Period 1 and $4 \%$ in Period 2. The inflation rate is included by decreasing the manpower usage rates by the appropriate factor, In this way one is receiving less manpower per million dollars of output. As a note of caution one should also be sure to increase the amount of final user demand in dollars to compensate for the fact that one is obtaining "less bang for the buck."

The non-constant input data for the three alternatives are given in Figure 4. It should be noted that the goals and budgetary levels of the producers are not in strict proportion to the historical distributions of outputs. The goals in the second period are both lower and in a different proportion to the first period goals. Considering this, and the effects of inflation, one will expect not only that the producer budget levels will decline but also that the required manpower will decrease at an even greater rate.

[^47]|  | PRODUCER 1 | PRODUCER 2 | PRODUCER 3 | PRODUCER 4 | FINAL USER 1 | FINAL USER 2 | TOTAL |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| PRODUCER 1 | 95 | 12'j | 80 | 200 | 125 | 300 | 920 Million Dollars |
| PRODUCER 2 | 400 | 950 | 320 | 80 | 1,400 | 1,000 | 4,150 |
| PRODUCER 3 | 100 | 150 | 75 | 250 | 1,050 | 400 | 2,025 |
| PRODUCER 4 | 1,000 | 250 | 400 | 2,000 | 800 | 1,000 | 5,450 |
| TOTAL | 1,595 | 1.470 | 875 | 2,530 | 3,375 | 2,700 | 12,545 |
| Civilian Manpower | 60,000 | 12,000 | 23,000 | 200,000 |  |  | 295,000 Men |

Figure 2. historical usage data

|  | PRODUCER 1 | PRODUCER 2 | PRODUCER 3 | PRODUCER 4 | FINAL USSER 1 | FINAL USER 2 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| PRODUCER 1 | .1033 | .1304 | . 0870 | .2174 | .1359 | . 3260 |
| PRODUCER 2 | . 0964 | . 2289 | . 0771 | . 0193 | . 3373 | . 2410 |
| PRODUCER 3 | . 0494 | . 0741 | . 0370 | .1235 | :5185 | . 1975 |
| PRODUCER 4 | . 1835 | . 0459 | . 0734 | . 3669 | .1468 | . 1835 |
| Civilian Manpower Per Million Dollars Output | 65.22 | 2.89 | 11.36 | 36.70 |  |  |

Figure 3. HISTORICAL USAGE DATA

Final User Requirements Assumed Constant for all Alternatives; 5\% Inflation in Period 1, 4\% Inflation in Period 2.

ALTERNATIVE 1: Heavy Budget Cuts
ALTERNATIVE 2: No Budget Increases
ALTERNATIVE 3: Substantial Budget Increases
MANPOWER PER MILLION DOLLARS OUTPUT

|  | PRODUCER 1 | PRODUCER 2 | PRODUCER 3 | PRODUCER 4 | REMARKS |
| :---: | :---: | :---: | :---: | :---: | :---: |
| PERIOD 1 | 61.88 | 2.75 | 10.79 | 34.87 | $5 \%$ Inflation |
| PERIOD 2 | 59.40 | 2.64 | 10.36 | 33.47 | Additional 4\% Inflation |

FINAL USER SUPPORT REQUIREMENTS

|  | PERIOD 1 | PERIOD 2 |
| :---: | :---: | :---: |
| FINAL USER 1 | 3,375 | 3,200 |
| FINAL USER 2 | 2,700 | 2,600 |

PRODUCER BUDGETARY AND MANPOWER LEVELS

|  | ALTERNATIVE 1 |  | ALTERNATIVE 2 |  | ALTERNATIVE 3 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | PERIOD 1 | PERIOD 2 | PERIOD 1 | PERIOD 2 | PERIOD 1 | PERIOD 2 |
| PRODUCER 1 | 875 | 830 | 920 | 920 | 1,200 | 1,200 |
| PRODUCER 2 | 3,940 | 3,740 | 4,150 | 4,150 | 4,500 | 4,500 |
| PRODUCER 3 | 1,925 | 1,830 | 2,025 | 2,025 | 2,500 | 2,500 |
| PRODUCER 4 | 5,175 | 4,920 | 5,450 | 5,450 | 6,000 | 6,000 |
| CIVILIAN |  |  |  |  |  |  |
| MANPOWER | 295 | 295 | 295 | 295 | 295 | 295 |

Figure 4. ALTERNATIVE INPUT DATA

The data are next arranged into a format which facilitates the development of linear programming features of the model. The linear programming input matrix for a two-period model which facilitates comparative coordination while maintaining a purely static situation is given in Figure 5. With this in mind the relative priorities have been assumed to be equal and set to one in all cases.

The solutions to the three alternatives are given in Figure 6. In the first alternative, of heavy budget cuts, the final user requirements were not met completely. Also, there was a sizable amount of unused manpower along with the fact that the budgets of the producers were used in their entirety. In the second alternative, of no budget increases, the final user requirements were met. However, since inflation was operating, the total manpower strength must be reduced by 13 thousand men in the first peirod. Also, one is not


FINAL USERS

|  | Alternative 1 |  |  | Alternative 2 |  |  | Alternative 3 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | REQ. | ACT. | DIFF. | REO. | ȦCT. | DIFF. | REQ. | ACT. | DIFF. |
| PERIOD 1 |  |  |  |  |  |  |  |  |  |
| F. U. 1 | 3,375 | 3,206 | -169 | 3,375 | 3,375 |  | 3,375 | 3,375 |  |
| F. U. 2 | 2,700 | 2,565 | - 135 | 2,700 | 2,700 |  | 2,700 | 2,700 |  |
| PERIOD 2 |  |  |  |  |  |  |  |  |  |
| F. U. 1 | 3,200 | 3,045 | -155 | 3,200 | 3,200 |  | 3,200 | 3,200 |  |
| F. U. 2 | 2,600 | 2,436 | -164 | 2,600 | 2,600 |  | 2,600 | 2,600 |  |

PRODUCER BUDGETARY AND MANPOWER RESOURCES

|  | Alternative 1 |  |  | Alternative 2 |  |  | Alternative 3 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Available | Used | Unused | Available | 'Used | Unused | Available | Used | Unused |
| PERIOD 1 |  |  |  |  |  |  |  |  |  |
| PRODUCER 1 | 875 | 875 |  | 920 | 920 |  | 1,200 | 1,200 |  |
| PRODUCER 2 | 3,940 | 3,940 |  | 4,150 | 4,150 |  | 4,500 | 4,500 |  |
| PRODUCER 3 | 1,925 | 1,925 |  | 2,025 | 2,025 |  | 2,500 | 1,982 | 518 |
| PRODUCER 4 | 5,175 | 5,175 |  | 5,450 | 5,450 |  | 6,000 | 4,538 | 1,462 |
| CIV. MAN. | 295 | 268 | 27 | 295 | 282 | 13 | 295 | 268 | 27 |
| PERIOD 2 |  |  |  |  |  |  |  |  |  |
| PRODUCER 1 | 830 | 830 |  | 920 | 920 |  | 1,200 | 1,200 |  |
| PRODUCER 2 | 3,740 | 3,740 |  | 4,150 | 4,150 |  | 4,500 | 4,500 |  |
| PRODUCER 3 | 1,830 | 1,830 |  | 2,025 | 1,763 | 262 | 2,500 | 1,720 | 780 |
| PRODUCER 4 | 4,920 | 4,920 |  | 5,450 | 5,185 | 265 | 6,000 | 4,273 | 1,727 |
| CIV. MAN. | 295 | 256 | 39 | 295 | 263 | 32 | 295 | 244 | 51 |

Figure 6. sTatic model solution data
receiving as much physical output since the dollars are worth $5 \%$ less. In the second time period, the manpower strength must be reduced because of the fact that an additional $4 \%$ inflation is present and from the fact that less final user demand must be filled. Additionally, there are unused dollars by some of the producers since less demand must be satisfied. In the third alternative where there are substantial budget increases one again finds the final user demand satisfied. However, there are more unused dollars by the producers. It also appears that the model is favoring one producer over another when a choice is present.

The support-on-support requirements can now be calculated. They are obtained by simply multiplying the resultant producer budget levels by the corresponding row of rates in the input-output table. These data are shown in Figure 7. For example, in Alternative 1 the resultant budget level of 875 million dollars for Producer 1 is multiplied by the utilization rate of 0.1033 to obtain the 90 million dollars which Producer 1 uses to support itself.

The static model does not include all of the characteristics one might want when modelling the area of intemal strategic planning. For one thing, the model does not relate one period to another or take into account manpower inventories already on board. Also, in situations where flexibility is possible in the

Alternative 1

|  |  | PRODUCER 1 | PRODUCER 2 | PRODUCER 3 | PRODUCER 4 |
| :--- | :---: | :---: | :---: | :---: | :---: |
| PRODUCER 1 | PERIOD 1 | 90 | 114 | 76 | 190 |
| PRODUCER 2 | PERIOD 1 | 380 | 902 | 304 | 76 |
| PRODUCER 3 | PERIOD 1 | 95 | 143 | 71 | 238 |
| PRODUCER 4 | PERIOD 1 | 950 | 238 | 380 | 1,899 |
| PRODUCER 1 | PERIOD 2 | 86 | 108 | 72 | 180 |
| PRODUCER 2 | PERIOD 2 | 361 | 856 | 288 | 72 |
| PRODUCER 3 | PERIOD 2 | 90 | 136 | 68 | 226 |
| PRODUCER 4 | PERIOD 2 | 903 | 226 | 361 | 1,658 |

Alternative 2

|  |  | PRODUCER 1 | PRODUCER 2 | PRODUCER 3 | PRODUCER 4 |
| :--- | :---: | :---: | :---: | :---: | :---: |
| PRODUCER 1 | PERIOD 1 | 95 | 120 | 80 | 209 |
| PRODUCER 2 | PERIOD 1 | 400 | 950 | 320 | 80 |
| PRODUCER 3 | PERIOD 1 | 100 | 150 | 75 | 250 |
| PRODUCER 4 | PERIOD 1 | 1,000 | 250 | 400 | 2,000 |
| PRODUCER 1 | PERIOD 2 | 95 | 120 | 80 | 200 |
| PRODUCER 2 | PERIOD 2 | 400 | 950 | 320 | 80 |
| PRODUCER 3 | PERIOD 2 | 87 | 131 | 165 | 218 |
| PRODUCER 4 | PERIOD 2 | 951 | 238 | 380 | 1,900 |

Alternative 3

|  |  | PRODUCER 1 | PRODUCER 2 | PRODUCER 3 | PRODUCER 4 |
| :--- | :--- | :---: | :---: | :---: | :---: |
| PRODUCER 1 | PERIOD 1 | 124 | 156 | 104 | 261 |
| PRODUCER 2 | PERIOD 1 | 434 | 1,030 | 347 | 87 |
| PRODUCER 3 | PERIOD 1 | 98 | 147 | 73 | 245 |
| PRODUCER 4 | PERIOD 1 | 833 | 208 | 333 | 1,665 |
| PRODUCER 1 | PERIOD 2 | 124 | 156 | 104 | 261 |
| PRODUCER 2 | PERIOD 2 | 434 | 1,030 | 347 | 87 |
| PRODUCER 3 | PERIOD 2 | 85 | 127 | 64 | 212 |
| PRODUCER 4 | PERIOD 2 | 784 | 196 | 314 | 1,568 |

Figure 7. SUPPORT-ON-SUPPORT REQUIREMENTS-STATIC MODEL
allocation of resources among producers, the favoring of one producer over another appears to require more control than available in the present configuration. Some of these problems might be overcome by such measures as fixing lower bounds on the budgetary levels. Additionally, the required control might be obtained by setting the relative priorities appropriately. However, at this point it might be worthwhile to turn to the dynamic model to see how it reacts to the same input data.

## Dynamic Multi-Level Model

A verbal description of the dynamic nrodel is given in Figure 8. As can be seen, the top half for the model structure is the same as the static model. The bottom half consists of a "generalized network"] structure to accoramodate the relationships between manpower requirements and manpower inventories over time. These two model systems are coupled together by means of a set of equations which relate the amount of manpower required by each producer for a given level of final user demand.

## OBJECTIVE: MINIMIZE COST IMEASURED BY RELATIVE PRIORITIESI OF BEING OVER/UNDER FINAL USER SUPPORT REQUIREMENTS AND OF RECRUITING/REDUCTIONS OF CIVILIAN MANPOWER

SUBJECT TO CONSTRAINTS OF:

```
TOTAL AMOUNT EACH POSSIBLE POSSIBLE
FINAL USER SUPPORTED - AMOUNT OVER + AMOUNT UNDER = SUPPORT REQUIREMENT
```



TOTAL OUTPUT OF EACH PRODUCER \& BUDGET OF EACH PRODUCER


$$
\begin{aligned}
& \text { REQUIRED CIVILIAN MANPOWER } \\
& \text { PROVIDED BY ON-BOARD MANPOWER } \leqslant \text { TOTAL CIVILIAN } \\
& \text { MANPOWER AVAILABLE }
\end{aligned}
$$

## CIVILIAN MANPOWER ON-BOARD AT START = INITIAL POPULATION



Figure 8. DYNAMIC MULTI-LEVEL MODEL STR:JCTURE

[^48]The generalized network portion of the model uses manpower transition rates in a Markov matrix structure. First, the number on board at the start is set equal to a constant. This ensures that the base period population will be completely accounted for in the model solution. In the first period cf the forecast, the base period population is multiplied by the transition matrix to obtain the number remaining as well as the internal transfers. These, plus any "New Hires," or less any "Excess Manpower," must exactly equal the on-board manpower at the end of the first period. This ending population is again subjected to the same process in the next time period. This "walking of oneself forward" in time continues until an accounting has been made for all of the time periods $t u$ be included in the forecast.

A second set of relative priorities must be included for the new hire and excess manpower columns of the model. These are needed to ensure that the model will first choose on-board manpower before hiring or releasing manpower. The values of these relative priorities must, as a group, be set higher than those on the goal discrepancies of the final user demands will in fact drive the model.

The data in Figure 9 were developed so that the static example might be reconfigured into a dynamic structure and thereby aid in drawing the comparisons that we shall make. What is givell here are data on two categories of manpower-White Collar and -Blue Collar. The manpower rates for each of the producers per million dollars of output are given and include the inflation factors used in the static example. Additionally, a transition matrix is given which describes the internal movement and attrition from the work force. The linear programming input matrix is given in Figure 10. Here, the relative priorities have been set to one for the final user goal discrepancies and to two for the new hire and excess manpower categories.

The solution data are given in Figures 11. 12, and 13. In all of the alternatives the marpower used is significantly different from the static examples. This is due to t.e fact that the dynamic model is sensitive to manpower changes since a penalty must be paid to hire or fire personnel. Additionally, the dynamic interactions of the second period manpower requirements to the manpower inventories from the first period are apparent. In the first alternative the amount of final user support from the producers remained the same with all of the producers budgets consumed. This is not true for the second and third alternatives. They clearly demonstrate that the transition rates operate at least qualitatively in a manner which corresponds to what the model design is expected to produce.

Support-on-support requirements as shown in Figure 13 can again be generated. As before, one simply multiplies the resultant budget levels by .the appropriate rows of the input-output matrix. For example, in Alternative 2, the resultant budget levels of 920 million dollars for Producer 1 is multiplied by 0.1304 to obtain the 120 million dollars of support which Producer 1 must provide to Producer 2.

## Model Uses and Extensions

The numerical examples were meant to show the basic model structure and how alternative solutions may in fact he obtained. The examples also provide some idea as to the model uses. The allocations obtained from the static model suggest that multi-period analyses should be obtained from dynamic models and that the use of input-output alone is too restrictive for managerial planning when unbalanced resource inputs must be considered. The importance of the input-output structure embedded in the model is the consistency which can be obtained between the various resource inputs and production outputs. The input-output matrix also provides the transfer table which allows the coupling of strategic requirements planning with the upper bounds or budgets of the producers.

The relaxation of strict balancing requirement such as is not associated with input-output analysis does not in any way hamper the usual "feasibility and consistency" checks of input-output studies. Indeed, these are facilitated since feasibility conditions are explicitly incorporated in terms of stipulated constraints and inconsistencies are explicitly delineated by the resulting goal programming manipulations. This provides added flexibility in dealing, for example, with the possible inconsistencies between output goals and resource inputs.

BASE PERIOD ON-BOARD

|  | PRODUCER 1 | PRODUCER 2 | PRODUCER 3 | PRODUCER 4 |
| :--- | :---: | :---: | :---: | :---: |
| White | 40,000 | 10,000 | 18,000 | 60,000 |
| Blue | 20,000 | 2,000 | 5,000 | 146,500 |
| Total | 60,000 | 12,000 | 23,000 | 200,000 |

MANPOWER PER MILLION DOLLARS OUTPUT-BASE PERIOD

|  | PRODUCER 1 | PRODUCER 2 | PRODUCER 3 | PRODUCER 4 |  |
| :--- | :---: | :---: | :---: | :---: | :---: |
| White | 43.48 | 2.41 | 8.89 | 11.01 |  |
| Blue | 21.74 | 0.48 | 2.47 | 25.67 |  |
|  | $5 \%$ Inflation One Period Later |  |  |  |  |
| White | 41.48 | 2.29 | 8.44 | 10.46 |  |
| Blue | 20.40 | 0.46 | 2.35 | 24.41 |  |
|  |  |  |  |  |  |
| White | $5 \%$ Inflation One Period Later; 4\% Inflation Two Periods Later |  |  |  |  |
| Blue | 39.82 | 2.20 | 8.10 | 10.04 |  |

TRANSITION RATES (Read Down)

|  | White | Blue |
| :--- | :---: | :---: |
| White | .90 | .05 |
| Blue |  | .80 |

Figure 9. DYNAMIC MODEL MANPOWER DATA

Of course, other possible extensions and reformulations are also possible. Observe, for instance, how dynamic form alters the need for controlling New Hires in the static case. This is a result of the fact the on-board manpower is favored over recruiting or reduct ${ }^{\wedge} \eta \mathrm{ns}$. This follows from the fact that the dynamic model requires a penalty to be paid in the form of an increase in the objective function when recruiting or reductions are included in the solution. The dynamic model also provides additional control in the form of balancing of short-run (or period by period) and long-run requirements. It can be expected that the need for any additional features in the model will become : derstood better when larger numerical examples are tested using operational data.

We shall shortly exhibit how further excensions can be effected when risk-related controls are also to be incorporated in thest models. First, however, we may pause to summarize at least some of the potential management uses of the preceding model. These include:

1. Way̆s for evaluating the impact on manpower and other resource requirements of additions to or deletions from final user support requirements.

|  | $\begin{aligned} & \text { POSITIVE } \\ & \text { GOAL } \\ & \text { DISCREP. } \end{aligned}$ | $\begin{aligned} & \text { NEGATIVE } \\ & \text { GOAL } \\ & \text { DISCREP. } \end{aligned}$ | FINAL USER SUPPORT | PRODUCER OUTPUT | ON-BOARD MANPOWER | NEW <br> HIRE <br> MAN. <br> POWER | EXCESS MAN. POWER | SIGN | RHS |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| RELATIVE PRIORITIES | $\alpha$ | $\alpha$ |  |  |  | $\beta$ | $\beta$ |  |  |
| FINAL USER GOALS | $.1$ | 1 | $1$ |  |  |  |  |  | FINAL USER SUPPORT F.EQUIREMENTS |
| SUPPORT USAGE RATES |  |  | $1.1$ <br> $-1$ | 1-O RATES <br> I-O RATES |  |  |  | $\begin{aligned} & \text { = }=1 \end{aligned}$ | $\begin{aligned} & 0 \\ & 0 \end{aligned}$ |
| PRODUCTION LIMITS |  |  |  | 1 |  |  |  | $\leqslant$ $\leqslant$ | PRODUCER BUDGETARY LIMITS |
| PRODUCER OUTPUT/ MANPOWER RATES |  |  |  | $(\mathrm{m} / \mathrm{s})_{1}$ $(\mathrm{m} / \mathrm{s})_{2}$ | $\begin{array}{ll} -1 \\ & \\ & \end{array}$ |  |  |  | $\begin{aligned} & 0 \\ & 0 \end{aligned}$ |
| TOTAL MANPOWER CONSTRAINTS |  |  |  |  | $1111$ $1111$ |  |  | $\leqslant$ $\leqslant$ | TOTAL MANPOWER AVAILABLE |
| MANPOWER <br> ATTRITION |  |  |  |  |  | $-1$ |  |  | INIT. POP. <br> 0 <br> 0 |

Figure 10. DYNAMIC MULTI-LEVEL MODEL-LINEA: PROGRAMMING MATRIX

FINAL USERS

|  | Alternative 1 |  |  | Alternative 2 |  |  | Alternative 3 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | REQ. | ACT. | DIFF: | REQ. | ACT. | DIFF. | REQ. | ACT. | DIFF. |
| PERIOD 1 |  |  |  |  |  |  |  |  |  |
| F. U. 1 | 3,375 | 3,206 | - 169 | 3,375 | 3,375 |  | 3,375 | 3,375 |  |
| F. U. 2 | 2,700 | 2.565 | -135 | 2,700 | 2,700 |  | 2,700 | 2,700 |  |
| PERIOD 2 |  |  |  |  |  |  |  |  |  |
| F. U. 1 | 3,200 | 3,045 | -155 | 3,200 | 3,200 |  | 3,200 | 3,200 |  |
| F. U. 2 | 2,600 | 2,436 | - 164 | 2,600 | 2,600 |  | 2,600 | 2,600 |  |

SUPPORT ELEMENTS-PRODUCER BUDGETARY AND MANPOWER RESOURCES

|  | Alternative 1 |  |  | Alternative 2 |  |  | Alternative 3 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  | Available | Used | Unused | Available | Used | Unused | Available | Used | Unused |
| PERIOD 1 |  |  |  |  |  |  |  |  |  |
| PRODUCER 1 | 875 | 875 |  | 920 | 920 |  | 1,200 | 892 | 308 |
| PRODUCER 2 | 3,940 | 3,940 |  | 4,150 | 4,150 |  | 4,500 | 4,500 |  |
| PRODUCER 3 | 1,925 | 1,925 |  | 2,025 | 2,025 |  | 2,500 | 1,876 | 624 |
| PRODUCER 4 | 5,175 | 5,175 |  | 5,450 | 5,450 |  | 6,000 | 5,200 | 800 |
| MANPOWER | 295 | 264 | 31 | 295 | 278 | 17 | 295 | 267 | 28 |
| PERIOD 1 |  |  |  |  |  |  |  |  |  |
| PRODUCER 1 | 830 | 830 |  | 920 | 886 | 34 | 1,200 | 859 | 341 |
| PRODUCER 2 | 3,740 | 3,740 |  | 4,150 | 4,150 |  | 4,500 | 4,500 |  |
| PRODUCER 3 | 1,830 | 1,830 |  | 2,025 | 1,751 | 274 | 2,500 | 1,601 | 899 |
| PRODUCEQ 4 | 4,920 | 4,920 |  | 5,450 | 5,258 | 192 | 6,000 | 5,007 | 993 |
| MANPOWER | 295 | 241 | 54 | 295 | 256 | 39 | 292 | 260 | 32 |

Figure 11. DYNAMIC MODEL SOLUTION DATA
2. The orovision of an explicitly delineated structure for making resource allocation decisions and observing potential discrepancies.
3. Systematically supplied ways for evaluating inconsistencies between manpower and budgetary allocation decisions.
4. Sys ${ }^{+}$ematic ways for evaluating effect of inflation or other such changes in operating force support requirements and manpower requirements.
MANPOWER DATA

|  |  | Alternative 1 |  |  | Alternative 2 |  |  | Alternative 3 |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | On-Board | New Hire | Excess | On-Board | New Hire | Excess | On-Board | New : H ire | Excess |
| PERIOD 1 |  |  |  |  |  |  |  |  |  |  |
| PRODUCER 1 | White Blue | $\begin{aligned} & 36.3 \\ & 17.9 \end{aligned}$ | 1.9 | 0.7 | $\begin{aligned} & 38.2 \\ & 18.8 \end{aligned}$ | $\begin{aligned} & 1.2 \\ & 2.8 \end{aligned}$ |  | $\begin{aligned} & 37.1 \\ & 18.2 \end{aligned}$ | 2.2 |  |
| PRODLaL : | White Blue | $\begin{aligned} & 1,0 \\ & 1.8 \end{aligned}$ | 0.2 | 0.1 | $\begin{aligned} & 9.5 \\ & 1.9 \end{aligned}$ | $\begin{aligned} & 0.4 \\ & 0.3 \end{aligned}$ |  | $\begin{array}{r} 10.3 \\ 2.1 \end{array}$ | $\begin{aligned} & 1.2 \\ & 0.5 \end{aligned}$ |  |
| PRODUCER 3 | White Blue | 16.2 2.2 |  | 0.2 1.8 | 17.1 2.3 | 0.6 | 1.7 | $\begin{array}{r} 15.8 \\ 2.1 \end{array}$ |  | $\begin{aligned} & 0.6 \\ & 1.9 \end{aligned}$ |
| PRODUCER 4 | White Blue | $\begin{array}{r} 54.1 \\ 126.3 \end{array}$ | 14.3 | 6.9 | $\begin{array}{r} 57.0 \\ 133.0 \end{array}$ | 21.0 | 4.0 | $\begin{array}{r} 54.4 \\ 126.9 \end{array}$ | 14.9 | 6.6 |
| .1 PERIOD 2 |  |  |  |  |  |  |  |  |  |  |
| PRODUCER 1 | White Blue | $\begin{aligned} & 33.1 \\ & 16.3 \end{aligned}$ | 2.0 | 0.5 | $\begin{aligned} & 35.2 \\ & 17 . \vdots \end{aligned}$ | 2.3 |  | $\begin{aligned} & 34.2 \\ & 16.8 \end{aligned}$ | 2.3 |  |
| PRODUCER 2 | White Blue | 8.2 1.6 | 0.2 |  | 19.1 1.8 | $\begin{aligned} & 0.5 \\ & 0.3 \end{aligned}$ | - | $\begin{aligned} & 9.9 \\ & 2.0 \end{aligned}$ | $\begin{aligned} & 0.5 \\ & 0.3 \end{aligned}$ |  |
| PRODUCER 3 | White Blue | $\begin{array}{r} 14.8 \\ 1.9 \end{array}$ | $\begin{aligned} & 0.1 \\ & 0.2 \end{aligned}$ |  | $\begin{array}{r} 14.2 \\ 1.9 \end{array}$ | 0.1 |  | $\begin{array}{r} 13.0 \\ 1.7 \end{array}$ |  | 1.4 |
| PRODUCER 4 | White Blue | $\begin{array}{r} 49.4 \\ 115.3 \end{array}$ | 14.2 | 5.6 | $\begin{array}{r} 52.8 \\ 123.2 \end{array}$ | 16.8 | 5.2 | $\begin{array}{r} 50.3 \\ 117.3 \end{array}$ | 15.8 | 5.0 |

Figure 12. DYNamic model solution data

Alternative 2

|  | PRODUCER 1 | PRODUCER 2 | PRODUCER 3 | PRODUCER 4 |  |
| :--- | :--- | :---: | :---: | :---: | :---: |
| PRODUCER 1 | PERIOD 1 | 95 | 120 | 80 | 200 |
| PRODUCER 2 | PERIOD 1 | 400 | 950 | 320 | 80 |
| PRODUCER 3 | PERIOD 1 | 100 | 150 | 75 | 250 |
| PRODUCER 4 | PERIOD 1 | 1,000 | 250 | 400 | 2,000 |
| PRODUCER 1 | PERIOD 2 | 92 | 116 | 77 | 193 |
| PRODUCER 2 | PERIOD 2 | 400 | 950 | 320 | 80 |
| PRODUCER 3 | PERIOD 2 | 86 | 130 | 65 | 216 |
| PRODUCER 4 | PERIOD 2 | 965 | 241 | 386 | 1,929 |

Alternative 3

|  | PRODUCER 1 | PRODUCER 2 | PRODUCER 3 | PRODUCER 4 |  |
| :--- | :--- | :---: | :---: | :---: | :---: |
| PRODUCER 1 | PERIOD 1 | 92 | 116 | 78 | 194 |
| PRODUCER 2 | PERIOD 1 | 434 | 1,030 | 347 | 87 |
| PRODUCER 3 | PERIOD 1 | 93 | 139 | 69 | 232 |
| PRODUCER 4 | PERIOD 1 | 954 | 239 | 382 | 1,908 |
| PRODUCER 1 | PERIOD 2 | 89 | 112 | 75 | 187 |
| PRODUCER 2 | PERIOD 2 | 434 | 1,030 | 347 | 87 |
| PRODUCER 3 | PERIOD 2 | 79 | 119 | 59 | 198 |
| PRODUCER 4 | PERIOD 2 | 919 | 230 | 368 | 1,837 |

Figure 13. SUPPORT-ON-SUPPORT REQUIREMENTS-DYNAMIC MODEL
5. Determination and depiction of the effects of attrition and internal manpower tcanffars on both short and long run decisions.
6. The integration of career management, training, recruitment and advancement planning with budgetary and strategic decisions.

Present planning is to substitute the multi-level model structure for the projection portions of the Five Year Navy Civilian Manpower Plan (FYNCIMP) system. This will be done in such a way that one can obtain projections of: (a) the career management dynamics unconstrained by financial limitations or (b) the manpower dynamics constrained by the resource allocation portion of the model. Small manually developed examples using actual CNA and OCMM data have already been tested in order to design this revised FYNCIMP system. Once this conversion has been accomplished current information requirements as well as the data needed for testing of large scale examples of the multilevel model will be able to be supported from the same information system.

## Addendum

It is not customary to interpret input-output matrices in a truly stcehastic (i.e., probabilistic) manner. Nevertheless, these matrices admit of such interpretations and many of the goal programming applications for manpower planning suggest such orientations. Since the input-output concepts are here also joined to those of goal programming, it therefore seems prudent to extend the tradition of such developments as were detailed,
for instance, in (7), so that these, too, admit of use on such probabilistic contacts. This we shall now do in terms of a sketch which is tailored to remain within the space allowances of this addendum. Having previously exter. d the Markoff matrix notations of the OCMM models to chance-constrained interpretations (see (7)), we shall proceed in a complementary manner to consider chance-constrained applications to deal with risk variations in the right hand sides.

The elements we single ut for specific illustrative treatment involve the final user goals and the producer budgetary limitations. Therefore, refer to Figure 14 which generalizes Figure 10 by introducing the indicated stochastic model elements. Here we restrict these chance-constrained extensions, as in (7), although other extensions-separately or jointly-may also be effected as in (4). ${ }^{1}$

A use of chance-constraints naturally introduces certain new elements. These are elaborated and defined in Figure 14. For an explanation and illustration, we may begin by considering the " $k$ th" Producer Budgetary Limitation;

$$
\mathrm{P}\left[(\mathrm{PO})_{k} \leqslant(\mathrm{PBL})_{k}\right] \geqslant \gamma_{\mathrm{B}_{k}}
$$

Objective: Minimize the weighted deviations from Final User Requirements plus the costs of New Hires and Excess Manpower
A. Subject to constraints:

| $P\left(\right.$ Final User Support $\leqslant$ Final User Requirements $\left.+\delta^{+}\right)$ | $\geqslant \gamma_{G}$ |
| :--- | ---: |
| $P\left(\right.$ Final User Support $\geqslant$ Final User Requirements $\left.-\delta^{-}\right)$ | $\geqslant \gamma_{G}$ |
| $P($ Producer Output $\leqslant$ Producer .Budgetary Limitation $)$ | $\geqslant \gamma_{B}$ |
| $P($ On-Board manpower + New Hires $\leqslant$ Total Manpower Available $) \geqslant \gamma_{M}$ |  |

where
$P(X \leqslant t) \equiv F_{X}(t)$ which is the probability that the variable $X$ will not exceed $t$
and $\gamma$, suitably subscripted, is a vector of minimum levels of probability at which the chance constraints must hold

Hence, the random variables are:
(FUR), = the "i th" final user requirement
$(\mathrm{PBL})_{k}=$ the " $k$ th" producer budgetary limitation
$(T M A)_{j}=$ the " $j$ th" total manpower availability
The corresponding marginal distribution functions are $\mathrm{F}_{\mathrm{G}_{\mathbf{i}}}, \mathrm{F}_{\mathrm{B}_{\mathrm{k}^{\prime}}}$ and $\mathrm{F}_{\mathrm{M}_{\mathfrak{j}}}$.
The $\delta_{i}^{+} \delta_{i}^{-}$, are the planned goal deviations which are also weighted in the function.
B. Subject also to the other constraints of Figure 10.

Figure 14. CHANCE-CONSTRAINED EXTENSION OF MULTI-LEVEL MODEL

[^49]This means that the " $k$ th" Producer Output must be chosen so that it does not exceed the " $k$ th" Producer Budgetary Limitation with a probability of at least $\gamma_{B_{k}}$. Note then that $(\mathrm{PBL})_{k}$ is a random variable whose sample value is not known when the planning decision for $(\mathrm{PO})_{k}$ must be made. It is required, however, that $(\mathrm{PO})_{k}$, when selected, must not exceed $(\mathrm{PBL})_{k}$ by the probability $\gamma_{\mathrm{B}_{k}}$ which is also stipulated prior to knowledge of the sample value of $(\mathrm{PBL})_{k}$. Only the probability distribution for $(\mathrm{PBL})_{k}$ is known when the planning decisions are to be made.

The U. S. Navy's planning context calls for 5 -year projections of planning decisions as part of a general PPBS (Program Planning Budgeting System) for directing and coordinating all elements of the total military plan. ${ }^{1}$ In this case, each year's projections are made without considering the effect of the previous year's projections. The natural analytic correspond in the theory of chance-constrained programming is a "zero-order decision rule." Under this rule the values of the decision variables are all chosen in advance of knowledge of the sample values of the random variables.

With the zero-order decision rules, the chance constraints may be inverted to obtain a new linear programming problem of virtually the same structure as the preceding deterministic case. For example, the Producer Budgetary Limitation Chance Constraint can be inverted to yield the following inequality

$$
(\mathrm{PO})_{k} \leqslant \mathrm{~F}_{\mathrm{B}_{\mathrm{k}}}\left(1-\gamma_{\mathrm{B}_{\mathrm{k}}}\right)
$$

where $\mathrm{F}_{\mathrm{B}_{\mathrm{k}}}$ is the inverse function for $\mathrm{F}_{\mathrm{B}_{\mathrm{k}}}$ (as defined in Figure 14). From an inspection of this last expression, however, we can see that it differs from the corresponding constraint in Figure 10 only in the righthand side. (I.e., the $F_{B_{k}}^{-1}\left(1-\gamma_{B_{k}}\right)$ replaces the (PBL) $)_{k}$ of that Figure.) Similarly, the " $j$ th" chance constraint for the On-Board and New Hire Manpower inverts to:

$$
(\mathrm{OBM})_{j}+(\mathrm{NHM})_{\mathrm{j}} \leqslant \mathrm{~F}_{\mathrm{M}_{\mathrm{j}}}^{-1} \quad 1-\gamma_{\mathrm{M}_{\mathrm{j}}}
$$

This, again, differs from its Figure 10 correspond by replacement of the " j th" Total Manpower Availability by

$$
F_{M_{j}}^{1}\left(1-\gamma_{M_{j}}\right)
$$

Continuing,

$$
\begin{aligned}
& \mathrm{s}_{\mathrm{i}}^{-}-\delta_{\mathrm{i}}^{+}+(\mathrm{FUS})_{\mathrm{i}}=\mathrm{F}_{\mathrm{G}_{\mathrm{i}}}^{-1}\left(1-\gamma_{\mathrm{G}_{\mathrm{i}}}\right) \\
& -\mathrm{s}_{\mathrm{i}}^{+}+\delta_{\mathrm{i}}^{-}+(\mathrm{FUS})_{\mathrm{i}}=\mathrm{F}_{\mathrm{G}_{\mathrm{i}}}^{-1}\left(\gamma_{\mathrm{G}_{\mathrm{i}}}\right)
\end{aligned}
$$

replaces the constraints for Final User Goals in Figure 10. Again the "i th" pair of Final User Requirements is replaced by the above right-hand sides. Note, however, that new slack variables $s_{i}^{+}, s_{i}^{-}$, have been introduced in order to accommodate the modelling of the nonlinear goal litions by the linear chance constraints in a very natural extension of the ideas of goal programming. ${ }^{2}$

We now systematize and complete this development by extending Figure 10 to the one we now portray as Figure 15. Here the symbols $\mathrm{F}_{\mathbf{G}_{i}}^{-1}\left(1-\gamma_{\mathbf{G}_{j}}\right)$ and $\mathrm{F}_{\mathbf{G}_{\mathbf{i}}}^{1}\left(\gamma_{\mathbf{G}_{j}}\right)$ refer to vectors with components as indicated in Figure 14, and similar remarks apply to $\mathrm{F}_{\mathrm{B}_{\mathrm{k}}}\left(1-\gamma_{\mathrm{B}}\right)$ and $\mathrm{F}_{\mathrm{M}_{\mathrm{j}}}^{1}$, $\left.-\gamma_{M_{j}}\right)$.

[^50]|  | POSITIVE SLACK | NEGATIVE SLACK | positive GOAL DISCREP | NEGATIVE GOAL DISCREP. | $\begin{gathered} \text { FINAL } \\ \text { USER } \\ \text { SUPPORT } \end{gathered}$ | PRODUCER OUTPUT | ON-BOARD MANPOWER | NEW HIRE MAN. POWER | EXCESS MANPOWER | SIGN | RHS |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| RELATIVE PRIORITIES |  |  | $\alpha$ | $\alpha$ |  |  |  | $\beta$ | $\beta$ |  |  |
| FINAL USER GOALS | -1 | 1 | $\left\|\begin{array}{ll} -1 & \\ -1 & \\ & -1 \\ & -1 \end{array}\right\|$ |  | $\left\|\begin{array}{ll} 1 & \\ 1 & \\ & 1 \\ & 1 \end{array}\right\|$ |  |  |  |  |  | $\begin{aligned} & F_{G_{1}}^{-1}\left(1-\gamma_{G_{i}}\right) \\ & F_{G_{1}}^{-1}\left(\gamma_{G_{i}}\right) \\ & F_{G_{2}}^{-1}\left(1-\gamma_{G_{2}}\right) \\ & F_{G_{2}}^{-1}\left(\gamma_{G_{2}}\right) \end{aligned}$ |
| SUPPORT USAGE RATES |  |  |  |  | $\begin{array}{\|ll\|} \hline-1 & \\ & -1 \end{array}$ | 1-0 RATES h-o rates |  |  |  |  | $\begin{aligned} & 0 \\ & 0 \end{aligned}$ |
| PRODUCTION Limits |  |  |  |  |  |  |  |  |  | $\begin{aligned} & \leqslant \\ & \leqslant \end{aligned}$ | $\begin{aligned} & F_{B_{1}}^{-1}\left(1-\gamma_{B_{1}}\right) \\ & F_{B_{2}}^{-1}\left(1-\gamma_{B_{2}}\right) \end{aligned}$ |
| MANPOWER PRODUCER OUTPUT |  |  |  |  |  | $\begin{array}{\|l\|l\|} \hline(\mathrm{m} / \mathrm{s})_{1} & \\ & (\mathrm{~m} / \mathrm{s})_{2} \end{array}$ | $\begin{array}{\|ll\|} \hline-1 & \\ & \\ \hline \end{array}$ |  |  |  | $0$ |
| TOTAL MANPOWER CONSTRAINTS |  |  |  |  |  |  | $\begin{gathered} 1111 \\ 1111 \end{gathered}$ |  |  | $\begin{aligned} & \leqslant \\ & \leqslant \end{aligned}$ | $\begin{aligned} & F_{M_{1}}\left(1-\gamma_{M_{1}}\right) \\ & F_{M_{2}}^{1}\left(1-\gamma_{M_{2}}\right) \end{aligned}$ |
| manpower ATTRITION |  |  |  |  |  |  | $\left\|\begin{array}{cccc} 1 & & \\ -M & 1 & \\ & -M & 1 \end{array}\right\|$ | $\begin{array}{ll} -1 & \\ & -1 \end{array}$ | 1 |  | $\begin{gathered} \hline \text { INITIAL POP. } \\ 0 \\ 0 \end{gathered}$ |

Now, we may remark that no supposition of independence is required to obtain these reductions. Also, no supposition other than strict monotonicity of the marginal distribution functions have been madeand even this latter may be relaxed. A further ability of this model may also be noted-viz., utilizing multimodal distributions to encompass unanticipated extreme values of the random variables, as corresponding, e.g., to emergency requirements which need to be considered in the planning even when their occurrence is unlikely. This follows from the fact that the above reductions do not depend on assumptions of uni-modality.

These and other topics, including extensions to higher order decision rules, etc., which form part of the continuing research program at OCMM, will not be reported here.

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# Comments and Questions at NATO Conference on Manpower Planning Models Cambridge, United Kingdom <br> 5-10 September 1971 

## General Comment:

Our very recent completion of the formal model discussed above, made it impossible for us to assemble the data and obtain a solution to a large-scale problem prior to our leaving for this conference. Dr. Joel Stutz of the University of Texas, however, persevered and with extraordinary assistance from Dr. Gomez-Rivas of the Houston, Texas, Data Service Division of the Control Data Corporation was able to take a 5 -year forecast from actual Navy lata and drive it through to a solution on their CDC 6600 computer. These results, which were just received by cable, can be read into the record as follows:
L. P. Matrix Size: 3165 rows $\times 5265$ columns with a density of $0.13 \%$

Code Employed: Ophelie II
Phase I: 11 minutes; 4,035 pivots
Phase II: 5 minutes; 3,079 pivots
Peripheral Processor (Input-Output) Time: 1 hour; 250 pages
The 16 minute CPU time can surely be reduced by a factor of 3 or more since Phase I can be eliminated by providing a feasible start. A good start should aiso reduce the Fhase II time and this should not be too difficult to arrange, especially as results of prior experience including parametric studies begin to be available.

## COMMENTS BY S. VAJDA, United Kingdom

Who decides what levels of satisfaction to use for the chance-constraints, as reflected in the last column of the last table in the paper?

## RESPONSE TO S. VAJDA

We assume that the reference for this question is to the "confidence (or risk) coefficients" although the "quality levels," too, need to be considered. We can perhaps best clarify this remark by writing a typical chance-constraint as follows:

$$
P_{r}\left[\sum_{j=1}^{M} a_{i j} x_{j} \geqslant \lambda_{i} b_{i}+\delta_{i}\right] \geqslant \alpha_{i} .
$$

Here $\alpha_{i}$ is a risk or confidence coefficient stipulated at a given level while $\lambda_{1} b_{i}+\delta_{i}$ is a quality level assigned to a random $b_{1}$ via the parameters $\lambda_{1}$ and $\delta_{i}$. For instance, if we interpret $b_{i}$ in terms of the demand for a product like heating oll, ${ }^{1}$ known only as a random variable, then the above expression might verbalize as follows: assign values to the variables so that, say, $\lambda_{i}=80 \%$ of the quantity demanded, $b_{i}$, plus a stipulated safety amount, $\delta_{1}$, will be satisfied at least $90 \%$ of the time-i.e., with probability at least $\alpha_{1}=0.9$.

Even at the inception of chance constrained programming (at ESSO), it was necessary, or prudent, to provide for parametric analysis and evaluation of both the quality levels and the risk coefficients via variations in the $\alpha_{1}, \lambda_{i}$, and $\delta_{i}$, values. This is done, e.g., via the use of "deterministic equivalents," such as those displayed in the examples in the present paper and, naturally, provision is being made for those subsequent analyses and evaluations in these cases, too. As was true at Esso (and other applications) the point is to get a start with some values which appear reasonable and then to study the consequences of varying these values parametrically.

This latter step is best delayed, we think, until we can erect a suitable organization for such evaluations. At Esso this took the form of a "Risk Committee" which could look to responsibility for varying these levels in a product heavily charged with a public interest along with cost and other considerations. Something like this may need to be done here, too, but for the moment we need to make clear that we erected this model as a way of making contact between the OCMM series of models and other work in manpower planning at the U. S. Navy. In particular we sought to make contact in this manner with the resources management work via input-output analyses which Joseph Augusta and his associates are conducting at the Center for Naval Analyses.

The latter being the most pressing issue we have delayed pressing along the lines suggested by Dr. Vajda's questions although, as already indicated, provision has been made for studying and revising these risk and quality levels as conditions (including organization conditions) and the probl- may warrant.

[^51]
## COMMENTS BY MR. W. L. PRICE, Canada

I am mainly interested in your computational experience, and in the stability of thn solutions with respect to such things as the weights in the objective function, and variations of the RHS parameters. Another point that is of interest to me is that the monetary constraints are included directly in the model, rather than converting them to manpower levels previously. This increases the size of the solution space and could lead to unacceptable solutions if the weights are not suitably chosen.

Could you discuss further your method of generating the objective function weights?

## RESPONSE TO W. L. PRICE

Part of the answer of this question was supplied in our immediately preceding response to Professor Vajda. The weights in the objective function presently being used should be regarded only as a start, as is true here also of the right-hand side parameters. Systematic procedures can be worked out for choosing all of these elements, as we noted above-and subsequent published literature by persons like B. Naslund, A. Geoffrion and others have now been directed to this specific problem in chance-constrained and goal programming context. More can be done still, of course, but of precise answers to these questions of weights, etc., are best delayed, we think, rather than attempting to attend to them in all detail at the start of an analysis. Remember, in any event, these models have mainly been used to date in special studies rather than in day-to-day decision making. Hence the weights must be chosen anew relative to the context of each such study and its particular objectives.

Current budgetary restrictions have made it highly desirabiz to deal with financial as well as manpower restrictions. Unacceptable solutions might arise from the financial side, too, if we focused only on manpower nestirctions although, naturally, we might want to study the consequances of omitting or altering either the financial or the manpower limitations. This kind of consideration would seem to be more important than questions of expanding or contracting the mathematical spaces involved. Notice, for instance, that reducing the number of variables in a linear programming problem has sometimes been regarded as desirable. This can be erroneous since, for example, certain types of problems can be solved much nore efficiently by increasing the number of variables. A case in point is the warehousing type of model where we have shown that the solution process and time can be drastically simplified and reduced by quadrupling the number of variables. The latter development required special mathematical innovations suggested by the structure of the solution matrices. Generally speaking, mathematical structure is more important than counts of variables or constraints.

## COMMENTS BY J. A. CANNON, United Kingdom

Have you been able to investigate the relationships (if any) between transitions and characteristics (e.g., age, skill, length of service, size of category) of the pupulation from which the transitions are made?

In particular are there any limiting conditions amongst these characteristics, i.e., how sensitive are the transitions to such factors?

## RESPONSE TO J. A. CANNON

We have made some preliminary investigations of age and length-of-service effects on the transition rafes. These have all resulted from only empirical studies, however, and much more remains to be done in thfory development, etc., including recourse to behavioral sciences research at fairly deep and intense levels./More particularly, we would like to see a behavioral sciences research effort joined with these models as $y$ way of systematizing such research and interacting with it in a decision-oriented context.

Some of the simpler phenomena have already been exploited, such as allowances for transition rate adjustments when people at the terminal periods are involved. Other more complex and subtle ones remain to be dealt with such as, e.g., the effect on transition rates when large-scale reductions-in-force are undertaken or when $\mathrm{c} /$ ish recruitment occurs on a large scale for new programs, etc. Such "context" effects clearly require something more than analyses of stable patterns from past history. On the other hand, the term "context" sugg ists something more is needed than mere elaboration of individual or group psychological findings from past research. Thus a team approach in a decision (i.e., problem) oriented context would seem to be an inviti:.g way to proceed.

## COMMENTS BY C. J. PURKISS, United Kingdom

The formulation of the programs assumes that transitions between jobs or groups of jobs are fixed a priori. 1 appreciate that these can be varied between time periods or for different runs of the models. To what extent is it possible within this particulas formulation to include transfer between jobs, as a set of decision variables, so that the manager can get guidance on how best to redeploy his labor force during periods of changing demand for manpower?

## RESPONSE TO C. J. PURKISS

This question is in advance of the present state of practice. A fully satisfactory answer would necessitate research of a behavioral science variety into reasons lying behind observed transition probabilities. On the other hand, this should not be interpreted to imply that only uncontrolied behavioral sciences research will itself be adequate. The systems context and the possibility of using two-way managerial decision making (including motivation, etc.), needs to be considered-e.g., in ways that have not been characteristic of past behavioral-sciences research in areas like industrial psychology.

We have discussed these and other matters in our paper "Mathematical Models for Manpower and Personnel Planning" which is now available in A. I. Siegel, ed., Sympostum on Computer Simulation as Related to Manpower and Personnel Planning (Washington, D. C.: Naval Personnel Research and Development Laboratory, Washington Navy Yard 20390, July, 1971). The following quotation from that paper may also be apt for present purposes:
". . . consider the elements (i.e., the transition probabilities) of any such matrix which is being used in the indicated manner. These matrix elements also have important managerial consequences and hence invite attention for further research and potential applications in ways that do not appear to have been explored heretofore. What types of behavioral science research should be undertaken, for instance, to obtain the insight that is needed to guide the alterations that are possible in chang. ing the relative attractiveness of different occupations? How should such changes be costed or otherwise evaluated for potential managerial use? How will these changes affect career prospects and how might the problems of career management be considered simultaneously with recruitment and related aspects of manpower and personnel planning?
"So much for these indications of potential opportunities in management anc' the behavioral sciences. In addition to the bearing of these problems on behavioral science and management research and practice, one will also need to address certain kinds of extensions in mathematical modeling. Suppose, for example, that one wishes to insure 'as closely as possible' the possibility of effecting transfer rates subject to constraints on available resources, and thet it is desired to obtain a stable desired mix of personnel. We can then pose the problem of redesigning the system transition matrix through financial rewards (and penalties), retraining and other behavioral incentives to achieve this stable mix. Some changes may be possible, some may not, and some may be made only to a limited degree in the matrix and, naturally, all changes may be costly in terms of money or other resources. How should the change be made, or even modelled?
"To rephra" - mathematically let the vector of desired proportions be represented by $\pi$. Next let the deased matrix of transitions be M. Ideally, one would then want, for a steady state, or equilibrium result

$$
\begin{equation*}
\pi=M \pi . \tag{1}
\end{equation*}
$$

Of course, in any actual situation one could consider that one has a current transition matrix $M_{0}$, and that the possible changes

$$
\begin{equation*}
\Delta M=M \cdot M_{0} \tag{2}
\end{equation*}
$$

are limited in various ways, e.g., one might have the constraint system

$$
\begin{equation*}
G(\Delta M) \geqslant H \tag{3}
\end{equation*}
$$

where $G$ is a coefficient matrix and $H$ is a matrix of constants, $h_{i j}$, say, so that (3) iimits the possble changes for (2).

We might now pose the following new goal programming problem

$$
\begin{align*}
& \operatorname{minimize} W^{T}|\pi \cdot M \pi| \\
& \text { subject to } G(\Delta M) \geqslant H, \tag{4}
\end{align*}
$$

and where the constraints (2) are also considered for the weightid absolute valu: minimization rep. resented in (4). It should be noted explicitly that the constraints in (4) will include budgetary and other constraints on the admissible levels of expenditure for ach ving thes: chunges. Alternatively, one might pose the transitions systems redesign so that the objective is to minimize the cost of effecting such changes in order to achieve a matrix that will come within preassigned limits u: producing the wanted steady state.
"Naturally, this type of system redesign model can be extended in various ways. For example one such extension might include some provision for achieving such changes over a period of years or in costing the changes in other than the simple linear fashion presented above-e.g., the cocts of large changes may be much greater than proportional to smaller ones and total osts may also vary in the stepped sequences by which the changes are effected over time.
"It might be noted that in considering such paths, the effects and costs of trainir. $\beta$ aid retraining may also require elaboration. In any event, it may be noted that (4) represents a geteralization of the problem of achieving a matrix with a prescribed eigenvector in that the desired mat, x is subject to additional conditions. It also generalizes the ordinary problem of steady state analysis in tiat one can usually only get a goal programming formulation-i.e., an objective involving only getting 'as cluse as possible' to the desired system-because of the presence of these constidirits. Conversely the constraints are dcaigned to include managerial and belavioral considerations and desiderate which can then be studied in "erms $u$. their consequences for causing deviations irom goals, ant or so on.
"In all of the above, a single 'steady state' pattern 0 ' approximation is assurn t to be desirable for a fixed $\pi$. The latter in turn is related to various manpower targets set for tie Navy. But this does not end the matter since these targets, in turn, are related to asks and technologies that may be required or available. Evidently, allowance should then be made for the fact that these char ges in personnel mixes can be made (or required) from time to time as when, say, steam-powered ships are seplaced by new turbine designs. This suggests, again, a stepped sequence of 'steadj/ states' which may be formalized by reple $c$ ing the preceding $\pi$ and $M$ values by $\pi$ ( 1 ), $\pi$ (2), etc., 2i: ig wirh ass:ciated matrices $M$ (1), $M$ (2), etc., to conform with requirements in cach of a sequence of periods while pursuing an overall optimization in the cl.oice of these $m^{2}$ trices."

In case further interest attaches to these kinds of developments we can suggest the reference from which this quotation is taken as providing at least a start. There would be no difficulty, in any event, in extending tine model to allow for the reallocation of personnet, just as the new hires are directly allocated to desired yrets. However a much more desirable method over the long run might be to study the behavioral imp'ications of current transition rates with the kind of "guided" behaviosal-sciences research efforts which we soted at the outset of this reply.

## PART III

## ASSIGNMENT AND SPECTRAL ANALYSES MODELS

# STATIC AND DYNAMIC ASSIGNMENT MODELS WITH MULTIPLE OBJECTIVES, AND SOME REMARKS ON ORGANIZATION DESIGN 

by

A. Charnes<br>W.W.Cooper<br>R. J. Niehaus<br>A. Stedry

Abstract

The assignment model of linear programming is here extended to allow for vector optimizations and dynamic interactions between assigned personnel and positions in ea. of which a variety of possible measures and approaches are explored. Formulations involving people-to-peop. is well as people-to-position matchings are also examined from the standpoint of organizations in which jobs may be fitted to people or vice versa as well as in weighted combinations. Possible uses of such models for dealing with the problems of placing disadvantaged or handicapped persons are noted, but the analysis stops short of the still further possibilities offered by new types of machine-technology and information systems designs.

This paper served as the basis for a presentation at the Session on "Models of the Firm" in the National Meeting of the Operations Research Society of America in Philadelphia, Pennsylvania, November 7, 1968, and its revision was aided by the discussion at that meeting and by suggestions received from M. M. Flood of the Systems Development Corporation in Santa Monica, and W. Brinckloe of the Univessity Science Center in Pittsburgh, Pennsyivania. Acknowledgement is also due M. G. Simpson and others who participated in the Operational Research Short Course, "Goal and Chance Constrained Programming, New Applications and Developments," sponsored by the Universities of Lancaster and Sussex where this paper was also presented at the Belsfield Hotel in Bowness-on-Windemere, Lancaster, England in June of 1968. Published in Management Science, April 1969.

## 1. Background and Preliminaries

The optimal assignment problem involves (as the name suggests) effecting an assignment of $n$ players to n jobs in such a way as to maximize the total value of the assignment. We can formalize what is involved in the following mathematical formulation:

$$
\max z \equiv \sum_{i=1}^{n} \sum_{j=1}^{n} r_{i j} x_{i j}
$$

subject to

$$
\begin{align*}
& \sum_{i=1}^{m} x_{i j}=1 \\
& \sum_{i=1}^{n} x_{i j}=1 \tag{1}
\end{align*}
$$

when, additionally, the $x_{i j}$ are required to be non-negative integers so that exactly one $x_{i j}=1$ for each $i$ and $j$ and allfother $\mathrm{x}_{\mathrm{ij}}=0$. Interpreted verbally, this last requirement means that all persons and jobs are assignedone person to each job and conversely.

The constants $\mathrm{r}_{\mathrm{ij}}$ which enter into the figurt of merit, z , are supposed to represent "ratings" or "scores" for each man relative to each job. 1 For instance the $\mathrm{r}_{\mathrm{ij}}$ 's might be provided in the form of relative probabiities for the successful performance of each position by each applicant ${ }^{2}$ in order to obtain the "figure of merit," 2 , which enters into the objective defined by "max, $z^{n}$. ${ }^{3}$ Other scoring or rating devices might also be used, of course, and because linear programming optimizations may be extended to general ordered fields, ${ }^{4}$ we can use these routes, too, when only rankings or only "qualitative" ratings are wanted. In any event, this interpretation of the assignment problem identifies it with linear programming as a variant of the transportation model, ${ }^{5}$ a class of models which have been studied very extensively and for which particularly simple and efficient algorithms are available.

Other interpretations have also been provided which make immediate contacts with still other disciplines and methodologies such as the theory of games, ${ }^{6}$ statistical estimation and prediction theory and experimental designs along with related "stochastic" characterizations and extensions. ${ }^{7}$ Identification as a

[^52]specially structured version of linear programming-with certain "nice" mathematical properties-rather naturally invited attention to the development of special algorithms which could be used in any application of assignment models." The development of the so-called "Hungarian Method" by H. W. Kuhn ${ }^{2}$ provided what was wanted. Simple and efficient for this class of problems, this algorithm would be hard to improve upon to any significant degree. In any event, we do not propose to undertake further investigations of algorithmic possibilities and related mathematical inquiries here. We shall turn rather to other ways of considering personnel assignments in order to examine possible additional directions of development. ${ }^{3}$ In particular, we shall atternpt to extend the problem specified in (1) to certain vector (as distinguished from scalar) optimizations that will provide contact with aspects of organization-to-individual design ${ }^{4}$ and related assignment-to-vocational-guidance considerations. ${ }^{5}$ We shall attempt to do this in terms of dynamic as well as static development possibilities in terms of personnel ${ }^{6}$ reactions for learning and adjustment on various jobs at different times. ${ }^{7}$ To maintain contact with the usual versions of the assignment model, however, we shall not extend these developments here in order to relate assignments to task performances and other environmental factors that might also be treated explicitly in subsequent research. ${ }^{8}$

## 2. Figures of Merit

As has already been observed, there are many possibilities for choosing the constants $\mathrm{r}_{\mathrm{ij}}$ as "criterion elements" in (1). Given a choire of $r_{i j}$ 's, however, the resulting scalar "figure of merit," $z$, is thereby defined and with it an orientation toward an "objective" such as "max. $\mathbf{z}$ " seems then te evolve in a rather natural manner.

There is a wider range of choices in the case of vector optimizations. So, we might first examine some of these possibilities as we also simultaneously develop our characterizations of model types and the classes of problems with which they might be associated.

To see what is involved we might first alter our definitions of the $\mathrm{r}_{\mathrm{ij}}$ and also introduce new constants $a_{\text {st }}$ as follows:

$$
\begin{align*}
& \mathrm{r}_{\mathrm{ij}}=\text { "amount" of } \mathrm{j}^{\mathrm{r} h} \text { attribute required of job } \mathrm{i} . \\
& \mathrm{a}_{\mathrm{st}}=\text { "amount" of } \mathrm{t}^{\mathrm{t} h} \text { attribute possessed by individual s. } \tag{2}
\end{align*}
$$

These definitions are motivated by the fact that most jobs involve a variety (i.c., a vector) of specified attributes such as, e.g., previous experience, education and supervisory abilities, and, evidently, persons are usually characterized in terms of a collection of attributes like education, previous salary levels, aptitudes, etc.9 Of course, some job descriptions may involve attributes that will not be found in any pe,sonnel dossier and vicc versa. In such cases we shall employ the convention that $\mathrm{a}_{s t}=0$ or $\mathrm{r}_{\mathrm{ij}}=0$ when, say, an individual s possesses an attribute that is not explicitly scored as a requirement for a job, and conversely. ${ }^{10}$

[^53]Evidently we cannot expect to be able to fulfill all job requirements. Furthermore, we can choose between "fitting" jobs to individuals as well as "fitting" individuals to jobs. ${ }^{1}$ Electing the latter alternative, for purposes of exploring differing objectives, we might proceed via a Chebychev, or $C$ metric, ${ }^{2}$ as in the following:

$$
\max \mu
$$

subject to

$$
\begin{array}{ll}
\sum_{\mathrm{s}} \mathrm{x}_{\text {is }} \mathrm{a}_{\mathrm{sj}}-\mathrm{r}_{\mathrm{ij}}-\mu & \geqslant 0 \\
\sum_{\mathrm{i}} \mathrm{x}_{\text {is }} & =1  \tag{3.1}\\
\sum_{\mathrm{S}} \mathrm{x}_{\text {is }} & =1 .
\end{array}
$$

Here $\mathrm{x}_{\text {is }} \geqslant 0$ represents a possible assignment of individual s to job i , and restricting these variables to be integers implies, for the above constraints, that exactly one person will be assigned to each job.

In this formulation the objective is arranged so that the resulting assignments will minimize the maximum deviation between the

$$
\sum_{\mathrm{s}} \mathrm{x}_{\mathrm{is}} \mathrm{~s}_{\mathrm{sj}}
$$

and the $\mathrm{r}_{\mathrm{ij}}$ considered over all i and j , as may be seen by setting $\lambda=-\mathrm{j}$ and rewriting the above model in terms of $\lambda$,

$$
\min \lambda
$$

subject to

$$
\begin{align*}
\lambda & \geqslant r_{i j}-\sum_{s} x_{i s} a_{s j} \\
1 & =\sum_{i} x_{i s}  \tag{3.2}\\
1 & =\sum_{s} x_{i s} \\
x_{i s} & =0 \text { or } 1, \quad \text { all } i \text { and } s,
\end{align*}
$$

Other developments would carry these analyses further into relations of duality, possible correspondence with constrained games ${ }^{3}$ and resulting systems of weights in arranging person-tojob assignments, as well as vice versa, and so on. We refrain from undertaking these developments here, however, in order to identify further issues and possibilities.

[^54]Weighted Absolute Deviations and $\ell_{1}$ Metrics ${ }^{1}$
Of course, the $C$ metric is not the only possibility. For instance we might employ an $\ell_{1}$ metric and minimize a weighted sum of absolute deviations relative to all assignments. Thus, in the case where we assign a weight of zero to all overfulfillments and a weight of unity to all underfulfillments, the indicated model is

$$
\min \sum_{\mathrm{i}} \sum_{\mathrm{j}} \nu_{\mathrm{ij}}
$$

subject to

$$
\begin{array}{ll}
\sum_{\mathrm{s}} \mathrm{x}_{\mathrm{is}} \mathrm{a}_{\mathrm{s} \mathrm{j}}-\nu_{\mathrm{ij}}^{+}+\nu_{\mathrm{ij}}^{-} & =\mathrm{r}_{\mathrm{ij}} \\
\sum_{\mathrm{i}} \mathrm{x}_{\mathrm{is}} & =1  \tag{4}\\
\sum_{\mathrm{s}} \mathrm{x}_{\mathrm{is}} & =1
\end{array}
$$

with, of course, $\nu_{\mathrm{ij}}^{+}, \nu_{\mathrm{i} j}^{\bar{j}} \geqslant 0$ and the $\mathrm{x}_{\text {is }}$ restricted to integer values of 0 and 1 only. ${ }^{2}$
As a specific example of this formulation we might consider the following system of constraints

$$
\begin{aligned}
& 1=x_{11}+x_{21} \\
& 1=\quad x_{12}+x_{22} \\
& 1=\quad x_{13}+x_{23} \\
& 1=x_{11} \quad+x_{12} \quad+x_{13} \\
& 1=\quad x_{21} \quad+x_{22} \quad+x_{23} \\
& \nu_{11}^{+}-\nu_{11}^{-}+\mathrm{r}_{11}=\mathrm{x}_{11 \mathrm{a}_{11}}+\mathrm{x}_{12 \mathrm{a}_{21}}+\mathrm{y}_{13} \mathrm{a}_{31} \\
& \nu_{12}^{+}-\nu_{12}^{-}+\mathrm{r}_{12}=\mathrm{x}_{11^{\mathrm{a}} 12}+\mathrm{x}_{12} \mathrm{a}_{22}+\mathrm{x}_{13} \mathrm{a}_{32} \\
& \nu_{13}^{+}-\nu_{13}^{-}+\mathrm{r}_{13}=\mathrm{x}_{11} \mathrm{a}_{13}+\mathrm{x}_{12} \mathrm{z}_{23}+\mathrm{x}_{13} \mathrm{a}_{33} \\
& \nu_{23}^{+}-\nu_{23}^{-}+\mathrm{r}_{23}, \quad \text { etc., }
\end{aligned}
$$

in crder to observe that when a $\nu_{\mathrm{ij}}^{+}$or a $\nu_{\mathrm{ij}}^{-}$is always part of a basic solution then the $\mathrm{x}_{\mathrm{is}}$ will have 0 or 1 values as in the usual assignment problem. On the other hand, ne maintenance of such bases may raise questions of local oftimality and these, too, along with related issues of alternative model formulations and algorithmic developments will need to be dealt with. Such endeavors would turn the present paper away from its main function, however, which is to identify and characterize possible new paths for further research and so we proceed rather as follows to selected cther possibilities.

### 2.3 Non-Archimedean Approaches

The above objeccives referred to optimizations which can be interpreted in terms of ordinary distance measure; but, especially in personnel and organization design, still other possibilities might be required. Thus.

[^55]if we want now to consider such other possibilities we might experiment with non-Archimedean approaches via the nuclei-nucleolus concepts of games as in the following adaptation from Charnes and Kortanek [13]:
$\min \mu$
subject to
\[

$$
\begin{align*}
& \sum_{i} \sum_{j}\left(x_{i s} a_{s j}-r_{1 j}\right)=-\mu_{s} \\
& \sum U^{\sigma(s)} \mu_{s}-\mu \geqslant 0, \quad \forall \sigma(s) \\
& \sum_{i} x_{i s}=1  \tag{5}\\
& \sum x_{i s}=1 .
\end{align*}
$$
\]

As before the $x_{i s}$ are restricted to be integers and, additionally, the $U^{\sigma(s)}$ are assumed to have nonArchimedean properties-viz., $\mathrm{U}^{\sigma(1)} \gg \mathrm{U}^{\sigma(2)}$ and there exists no number k such that $\mathrm{K} \mathrm{U}^{\sigma(2)} \geqslant \mathrm{U}^{\sigma(1)}$.

Even these selected characterizations do not exhaust the possibilities. We inay also want to experiment with formulations which maximize "satisfactions" by reference to weighted combinations of each person's attributes and the matching potential of eack. position's attributes, along with allocations designed to match perc^${ }^{\wedge}$-to-person as well as peison-to-job attributes and requirements. ${ }^{1}$ We will also need to add constraints that will ensure stipulated minimum levels of fulfillment of job requirements and connect these implicitly to possible changing task requirements.

## 3. Dynamic Extensions

Instead of pursuing the above topics in more detail we turn to other possible extensions. Most of the research in the : 'ea of assignment models has been directed toward static "one-shot" situations. The timeinterdependent features of an assignment need also to be considered with explicit attention to ways in which an initial assignment may alter characteristics of individuals as well as jobs. Ways in which such features can be brought into play will now be sketched as follows.

Consider first a simple two-period model in which one explicitly plans to utilize the effect of experiences of individuals on jobs in period one. More precisely, one wants to be able to use this experience for its possible additional advantage in fulfilling job requirements in period 2. Note that the length in periods 1 and $\because$ need not be the same as when, for instarce, period 1 represents a short-run (or break-in) period and period 2 a more permanent longer-run situation. In general one cannot just train to maximum advantage ior period 2 but must allow for meeting various requirements in the short run (period 1) well. That is, we want to consider the more general situation in which training, experience, and job $F$ saration and development are all intermingled.

As the simplest such case we first set down a transition matrix for rendering the effect of the $i^{t h}$ job in mocifying the $\mathrm{j}^{\text {th }}$ attribute of individual $\mathrm{s}^{2}$. Thus, by $\mathrm{a}_{\mathrm{sj}}$ we represent the $\mathrm{j}^{\text {th }}$ attribute of individual s as a result of his job experience in the firs ${ }^{+}$period as

$$
\begin{equation*}
\mathrm{a}_{\mathrm{sj}}^{1}=\sum_{1} \mathrm{x}_{\mathrm{is}}\left(\sum_{k} t_{\mathrm{ijk}} a_{\mathrm{sk}}^{0}\right) \tag{0}
\end{equation*}
$$

[^56]wher, as usual, $x_{i s}$ is a zero-one variable representing the nonassignment or assignment of individual s to job i. We now assume $a_{s k}^{0}$ is the amount of attribuie $k$ possessed by individual sprior to the first-period job assignment and $t_{i j k}$, a known constant, represents the effect of job $i$ in altering first-period attribute $k$ to a second-period attribute j . That is, $\mathrm{a}_{\mathrm{sj}}^{1}$ represents the effect on attribute j for indiv:नual s which is (estimatec $\rho$ result from the assignments that might be made in period 1.

If we now let $\lambda_{i j}^{2}$ be the requirement of job i for attribute j in period 2 , we may assume a set of weights, $\alpha_{1}$ and $\alpha_{2}$, for use in formiry the objective of a new "goal programming" model which we can then represent as follows:

$$
\max \alpha_{1} \mu_{1}+\alpha_{2} \mu_{2}
$$

subject to

$$
\begin{array}{ll}
\sum_{s} x_{i s} a_{s j}^{0}-\mu_{1}-r_{i j}^{1} & \geqslant 0 \\
\sum_{s} x_{i s} & =1 \\
\sum_{i} x_{i s} & =1 \\
\sum_{s} \sum_{k} x_{i s} t_{i j k} a_{s k}^{0}-r_{i j}^{2}-\mu_{2} \geqslant 0 \\
& x_{i s}=0,1 .
\end{array}
$$

It might be noted that the term in the double summation in the last constraint may be obtained as follows:

$$
\begin{align*}
\underset{s}{\Sigma} x_{i s} a_{s j}^{1} & =\sum_{s} x_{i s}\left[\sum_{p}^{\sum} x_{p s} \sum_{k}\left(t_{p j k} a_{s k}^{0}\right)\right] \\
& =\underset{s}{\sum} \sum_{k} \sum_{p} x_{i s} x_{p s} t_{p j k} a_{s k}^{0} \\
& =\underset{s}{\sum} \sum_{k} \sum_{p} \delta_{i p} x_{i s} t_{p j k} a_{s k}^{0}  \tag{8}\\
& =\sum_{s} \sum_{k} x_{i s} t_{i j k} a_{s k}^{0}
\end{align*}
$$

where $\delta_{\mathrm{ip}}$ is the ordinary Kronecker delta, since in this formulation we are assuming every individual is assigned to the same job in both periods.

Next we consider a more flexible formulation in which we are allowing possibilities of changing the job assignments in the second period. To accomplish this we start by observing that variables $x_{\text {is }}^{1}$ and $x_{i s}^{2}$ might be employed. The expression in (8) would then give way to

$$
\begin{align*}
\sum_{s} x_{i s}^{2} \sum_{p} x_{p s}^{1} \sum_{k} t_{p j k} a_{s k}^{0} & =\sum_{p} \sum_{s} \sum_{k} x_{i s}^{2} x_{\rho s}^{1} t_{p j k} a_{s k}^{0} \\
& =\sum_{p} \sum_{s} x_{i s}^{2} x_{p s}^{1} b_{s j}^{p} \tag{9}
\end{align*}
$$

where
8

$$
b_{s j}^{p}=\sum_{k}^{p} t_{p j k} a_{s k}^{0}
$$

Now we replace the product $\mathrm{x}_{\mathrm{is}}^{2} \mathrm{x}_{\mathrm{ps}}^{1}$ by a new zero-one variable $y_{\mathrm{ps}}^{\mathrm{i}}$ for which it is sufficient to require

$$
\begin{equation*}
0 \leqslant-y_{p s}^{i}+x_{p s}^{1} \tag{10}
\end{equation*}
$$

and

$$
1=\sum_{\mathrm{p}}^{\Sigma} \sum_{\mathrm{s}} y_{\mathrm{ps}}^{\mathrm{i}}
$$

in order that it represent the properties of the indicated product.
The new goal programming model may now be written

$$
\max \alpha_{1} \mu_{1}+\alpha_{2} \mu_{2}
$$

subject to

$$
\begin{array}{ll}
\sum_{s} x_{i s}^{1} a_{s j}^{0}-r_{i j}^{(1)}-\mu_{1} & \geqslant 0 \\
\sum_{s} x_{i s}^{1} & =1 \\
\sum_{i} x_{i s}^{1} & =1 \\
\sum_{s} \sum_{p} y_{p s}^{i} b_{s j}^{p}-r_{i j}^{(2)}-\mu_{2} & \geqslant 0 \\
\quad-y_{p s}^{i}+x_{p s}^{1} & \geqslant 0 \\
\Sigma \Sigma y_{p s}^{i} & =1 \\
x_{p s}^{1}, y_{p s}^{i}, & =0,1
\end{array}
$$

This last model may be extended still further in that the job requirements $\mathrm{r}_{\mathrm{ij}}^{2}$ may be made dependent on the assignments and the requirenients in period 1. As an example one might utilize

$$
\begin{aligned}
& r_{i j}^{1} \leqslant r_{i j}^{2}-\gamma_{i j}\left(\sum_{s} x_{i s}^{1} a_{s j}^{0}-r_{i j}^{(1)}\right) \\
& r_{i j}^{1} \leqslant r_{i j}^{2}
\end{aligned}
$$

and still other controls and further effects on these second-period job-attribute requirements are possible.
It should be remarked further that this two-stage model can be easily extended to n stages, at least as a matter of form. There seems to be little point in making such further extensions without the aid of empirical guides. (See, e.g., [19] and [35]. On the furtner question of relati e quality of decisions and hence to task performance see [30].) On the other hand, this kind of guidar. $t$ 'ikely to be forthcoming without opening the kinds of prospects for use and research that have been es 'ove ${ }^{1}$ and this, of course, is the main objective of the present paper.

[^57]
## Summary: Extensions and Conclusions

As already indicated his paper is direcied primarily to issues associated with problem identification in order to suggest new pess dities for research and thereby perhaps ( pen further possibilities for applying and extending the management sciences and mathematics. The vigorous research efforts that have been directed to improving the computational power of linear programming, as an example, may have obscured the very impor. tant role that mathematical characterizations associated with linear programming inve also played ${ }^{1}$ in (i) identifying new problems for scientific research and (ii) supplying contacts betweeri apparently disparate parts of management and other activities. ${ }^{2}$

The assignment model is the case in point, but other important examples could be cited also ranging from transportation models through blending models and models of hierarchical (or hierarchoid) type. ${ }^{3}$ To be sure, much of this work was initiated from actual applications but this is not the only possibility. Applications may also need to be preceded by research in modelling in order to provide a focus for experience as well as a guide to data requirements and alternative possibilities. ${ }^{4}$ This is likely to be the case for an area such as organization design where so little has been accomplished to date-see [18.2]-possibly because explicit and detailed models developed analytically do not appear to be available for this purpose.

Of course, the present paper represents only a start in this direction since it does not include such elements as task requirements, organization environments and other (possibly) relevant features such as the usual hierarchical arrangements, procedural and policy requirements, etc. Nor, does it include problems which relate to the effects of varying amounts and types of information available for appropriate use of optimization techniques in organizational design. ${ }^{5}$ The emphasis has been rather on personnel-position interactions in a stipulated array of possibilities as well as on possible ways in which the related vector optimizations might be selected.

The potential of multiple variable techniques such as linear programming might at least be explored as a possible way of developing alternatives to practices which assume only fixed job descriptions along with static organization charts and other arrangements that are prescribed almost independently of the available personnel-with the latter, in turn, being selected on a one-applicant-at-a.time basis. See e.g., [16], [17] and [45]. It seems at least reasonable to suppose that different mixes of personnel might ie used to determine how jobs niight best be arranged (or rearranged) and described-so that, e.g., "a captain need not know how to navigate his ship provided a sufficient number of his officers or crew can do this adequately." An interesting iecent uevelopment involves the so-called "buddy system" 6 used by Ford and other automobile companies as a way of dealing with the "inadenuate" backgrounds and experiences of some of the "hard-core unemployed." This is at least a step away from the classic principle whereby one supposedly "classifies the job and not the man" and then devr!ops a testing and selection procedure for determining a best fit, if any, from among the persons whio might be recruited for these previously arranged ant prescribed jobs.

Of course much more that would need to be done can only be hinted at here by reference to the need for models designed explicitly to deal with organization dynamics. This would involve something more than merely allewing for organization-personnel interactions of the kind which we have examined. Something would also be needed in the way of models which resulted in designs that evolve in terms of conditional dynamical systems-with changing jcb boundaries, changing superior-subordinate relations and possible openings for entirely new jobs (and annihilation of old ones) as persons, tasks or other environmental factors began to alter over time. ${ }^{7}$

[^58]An evolution of research and of practice in such directions would involve a great deal besides mathematical modelling, however, and so for the present it has seemed prudent to maintain contact with preceding work on assignment and related models tven if this does restrict the present paper, for the most part, to examples which appear to be most germane to the area of personnel administration.

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# AN ALGORITHM FOR MULTI-ATTRIBUTE ASSIGNMENT MODELS 

## AND

## SPECTRAL ANALYSES FOR DYNAMIC ORGANIZATION DESIGN

by

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#### Abstract

A new algorithm for multi-attribute assignment model is presented. Built around the concept of a biased quadratic objective, it proceeds via a sequence of related assignments. Optional stopping is applied when an approximation to the optimum assignment is identified.

A second part of this paper deals with manpower planning and organization designs which interact dynamically. A spectral analysis approach is utilized to obtain estimates of career patterns and aspirations in terms of observed and potential transition problems. Goal programming approaches are utilized in both parts of this paper. This is done not only to relate them to each other but also to relate them these developments to prior modelling efforts which the authors have undertaken in related areas of manpower planning. Implications for further research are sketched in areas such as the volunteer services and related kinds of organizations.

Presented at 41st National Meeting of the Operations Research Society of America, New Orleans, Louisiana, April 27, 1972. Published in Proceedings of the Naval Conference on Manpower Research with Special Reference to the All-Volunteer Force, R. A. Weitzman, Ed. (Washington: Office of Naval Research, 1972).


## 1. Introduction

The point of departure in this paper is our earlier "Static and Dynamic Assignm"-t Models . .." coauthored with A. Stedry [8.5]. That paper, ultimately, was directed to problems of dynamic organization design. En route to that objective, it dealt with extensions or ordinary assignment models which included extensions to multi-attribute characterizations of jobs and assignees. In motivation [8.5] was prompted by a recognition that organizatıons might be designed in response to the multi-attribute characteristics of its personnel rather than, as at present, attempting only to select and train personnel for static and pre-designed organization relations. The resulting organizations might then be further adjusted to changes, and, even potential changes, in personnel characteristics. Organizations and even tasks to be performed could be further augmented to accommodate assignments that might be made not only in terms of (1) persuns to jciss, but also to (2) decomposition and recombination of job possibilities, as well as (3) past and future contributions to learning from such job combinations along with (4) future experience and training possibilities.

The earlier paper [8.5] was largely directed to identifying and structuring these kinds of possibilities. ${ }^{1}$ Its purpose was to open a way for further research and thereby contribute to progress in management science (and its relatives) as well as management practice (and its relatives). Beyond the indicated structurings, no attention was devoted to computational routines, data requirements, etc., of the sort that would be necessary for purposes of managerial implementation.

This will be remedied here, if only in part, by initiating research in algorithmic developments for the assignment portions of the overall models. Note, however, that the usual assignment algorithms will not be adequate for the present case since the jobs and persons are both characterized in terms of sets of attributes. The usual scalar optimizations are then replaced by "goal-programming" varieties in which persons and job characteris : $c s$, which are multi-dimensional, are matched "as closely as possible."

As a start toward the wanted algorithmic developments we shall focus on the latter case (i.e., we shall develop our algorithmic suggestions around multi-attribute cases in which an optimization matches job requirements and personnel characteristics "as closely as possible"). Extensions to the dynamics and other algorithmic suggestions, too, are not treated explicitly in this paper.

Many metrics may be selected for gauging the indicated "as close as possible." ${ }^{2}$ Here, however, we shall focus on the " $\ell_{1}$ metric" which in tur. 1 , corresponds to a use of absolute deviations. Via earlier research ${ }^{3}$ the resulting nonlinear problem can be directly stated as a linear programming equivalent. The result is a "goal programming" model which provides access to other models of manpower planning, as in the OCMM series, ${ }^{4}$ and also makes present computer codes available ior assistance in developing the wanted algorithm.

The above developments will be essayed in the first part of this paper in order, thereby, to sharpen aspects of the already developed "assignment model" extensions to the multi-attribute case. The second pari will then be directed to extending some of the previously identified and structured topics in organization design-e.g., in relation to characteristics of available and potential personnel.

Many of the relevant personnel-dynamic organization design consideration are of a probabilistic nature, at best, and hence tuis, too, needs to be identified and structured in any comprehensive depiction of the

[^59]problems and prospects for sucin designs. We do not propose to go into all aspects of these possibilities in the present paper. Instead we shall proceed discursively to identify salient aspects of the indicated possibilities while providing only so much formal structuring as will be needed to clarify intended meanings. To make matters more concrete we shall proceed in terms of a specific organization like, say, an all-volunteer armed service, or force, which one would like to organize in ways that will attract and develop the kinds of persons and relations needed for certain broadly defined "tasks."

The formalizations we shall essay will utilize some of the developments in recent research on mathematical programming approaches to "spectral analysis."1 Naturally these developments will need to be modified and adapted for the purposes to be served. A natural next step in these developments will then be the creation of "control models" which deal with conformance between plans and realizations. ${ }^{2}$ The form which we shall give to these further developments will be directed to relaiing planned and emergent assignments to longer term considerations of organization design and career management.

## 2. Algorithmic Developments for Multi-Attribute Assignments

We initiate these algorithmic developments by reproducing the following definitions from the original multi-attribute extension of the assignment model from [8.5]. Therefore, let

$$
\begin{align*}
& \mathrm{x}_{\mathrm{is}}=\text { amount of individual } \mathrm{s} \text { assigned to job } \mathrm{i} \\
& \mathrm{r}_{\mathrm{ij}}=\text { amount of } \mathrm{j}^{\mathrm{th}} \text { attribute required in } \mathrm{job} \mathrm{i}  \tag{1}\\
& \mathrm{a}_{\mathrm{sj}}=\text { amount of } \mathrm{j}^{\text {th }} \text { attribute possessed by individual } \mathrm{s} .
\end{align*}
$$

The "assignment constraints" are:

$$
\begin{align*}
& \Sigma x_{i s}=1 \\
& s \\
& \sum x_{i s}=1 \tag{2}
\end{align*}
$$

$$
x_{i s}=0,1
$$

The deviations from the goals may be formulated

$$
\begin{equation*}
\underset{\mathrm{s}}{\Sigma} \mathrm{x}_{\mathrm{is}} \mathrm{a}_{\mathrm{sj}}-\nu_{\mathrm{ij}}^{\mathrm{t}}+\nu_{\mathrm{ij}}^{-}=\mathrm{r}_{\mathrm{ij}} \tag{3}
\end{equation*}
$$

where the "over" and "under" deviations are given by $\nu_{\mathrm{ij}}^{+}, \nu_{\mathrm{ij}} \geqslant 0$. A relevant objective is to minimize the under fulfillment of these goals via

$$
\min _{\mathrm{i}}^{\mathrm{i}} \underset{\mathrm{j}}{ } \Sigma \nu_{\mathrm{ij}}^{-}
$$

The above formulation amounts, in essence, to minimizing the deviations from goals in a biased fashion. Of course, the deviations might additionally be weighted in a variety of ways, including, e.g., various uses of preemptive weights. ${ }^{3}$

[^60]A practical difficulty with this formulation, as stated, is that it involves a mixed-integer programming problem. The ordinary assignment model, with linear o'jjective function, ${ }^{1}$ consists of the system

$$
\min \sum_{i} \sum_{s} c_{i s} x_{i s}
$$

subject to

$$
\begin{align*}
& \sum x_{i s}=1  \tag{5}\\
& \sum x_{i s}=1 \\
& \quad x_{i s} \geqslant 0 .
\end{align*}
$$

We now observe that this system has the property that any extreme point solution-and a fortiori any optimum extreme point-automatically satisfies $x_{i s}=0,1$. Moreover this property holds even for preemptive or Non Archimedean $\mathrm{c}_{\mathrm{ij}}$.

For multi-attribute assignment models of any realistic size this "integer-solution (lattice point) property" can no longer be guaranteed. It therefore becomes desirable to consider new developments such as we shall here undertake in the form of biased-deviation formulations and sequential approximations by means of sequences of ordinary linear programming assignment models. Another desideratum is to arrange matters so that at each sequential stage an approximate solution is at hand with all $x_{i s}$ at values of zero or unity.

Although the corresponding formulae can be easily developed for weighted (including preemptively weighted) as well as biased deviations, we shall, for simplicity, here develop only the case of uniform weights in explicit detail.

It is obviously desirable to formulate a goal deviation functional which is convex, and of a simple analytical form. This will result in a global optimum without local optima for the continuous problem in which the mixed integer problem is embedded. This, in tirn, will also make it possible to achieve "close-to optimal" zero-one solutions by means of the ser, aence of approximating linear (possibly preemptive) assignment models.

## 3. Biased Quadratic Goal-Deviation Functional

We start these developments with what we shall call a "biased, quadratic goal-deviation functional." We shall assume that the $\mathrm{r}_{\mathrm{ij}}$ and $\mathrm{a}_{\mathrm{sj}}$ are scaled so that $0 \leqslant \mathrm{r}_{\mathrm{ij}}, \mathrm{a}_{\mathrm{sj}}<1$

$$
\begin{equation*}
\mathrm{z}_{\mathrm{ij}} \equiv \underset{\mathrm{~s}}{\boldsymbol{\Sigma}} \mathrm{x}_{\mathrm{is}} \mathrm{a}_{\mathrm{sj}} \tag{6.1}
\end{equation*}
$$

Then a biased quadratic deviation from goal $\mathrm{r}_{\mathrm{ij}}$ may be represented

$$
\begin{equation*}
\left(z_{i j}-r_{i j}\right)^{2}-K_{i j}\left(z_{i j}-r_{i j}\right) \tag{6.2}
\end{equation*}
$$

where

$$
\mathrm{K}_{\mathrm{ij}} \geqslant\left(1-\mathrm{I}_{\mathrm{ij}}\right) .
$$

[^61]Graphically, this amounts to subtracting a linear function

$$
y=K_{i j}\left(z_{i j}-r_{i j}\right)
$$

from the quadratic deviation function

$$
z_{i j}-r_{i j} 2
$$

Sc as to insure that values of $z_{i j}$ exceedıng $\mathrm{r}_{\mathrm{ij}}$ are more desirable than values $\mathrm{z}_{\mathrm{ij}} \leqslant \mathrm{r}_{\mathrm{ij}}$. The choice of $\mathrm{K}_{\mathrm{ij}}$ should be sufficiently large so that the linear function exceeds the quadratic function for the possible $z_{i j}>r_{i j}$.

Now, subject to the constraints,

$$
\begin{align*}
& \sum_{s} x_{i s}=1 \\
& \sum_{i} x_{i s}=1 \tag{7.1}
\end{align*}
$$

we wish to minimizze

$$
\quad \mathrm{x}_{\mathrm{is}}=0,1
$$

$$
\begin{equation*}
Q(x, r) \equiv \sum_{i, j}\left[\left(\sum_{s} x_{i s} \dot{a}_{s j}-r_{i j}\right)^{2}-K_{i j} \Sigma x_{s} a_{i s j}\right] \tag{7.2}
\end{equation*}
$$

Herein we have dropped the constant, $\underset{\mathrm{ij}}{ } \mathrm{K}_{\mathrm{ij}} \mathrm{r}_{\mathrm{ij}}$, from the linear part since it does not affect the $\mathrm{x}_{\mathrm{ij}}$ choices under minimization.

For the functional $Q(x, r)$, the gradient may be easily computed via

$$
\begin{align*}
\frac{\partial Q}{\partial x_{i s}} & =\sum_{j}\left[2\left(\sum_{t}^{\Sigma} x_{i t} a_{t j}-r_{i j}\right) a_{s j}-K_{i j} a_{s j}\right] \\
& =\sum_{t} x_{i t}\left(\sum_{j} 2 a_{t j} a_{s j}\right)-\sum_{j}\left(2 r_{i j}+K_{i j}\right) a_{s j} \tag{8}
\end{align*}
$$

A sequence of iterations for linear assignment model solutions may now be started. The functional to be minimized at the $(\mathrm{m}+1)^{s t}$ iteration is

$$
\begin{equation*}
\sum_{i}^{\Sigma} \underset{s}{ } \frac{\partial Q}{\partial x_{i s}^{(n)}} x_{i s} \tag{9}
\end{equation*}
$$

where $\mathrm{x}_{\mathrm{is}}{ }^{(n)}$ is the optimal extreme point solution ${ }^{1}$ of the $\mathrm{n}^{\text {th }}$ iteration. Thus, the problem becomes, at this stage

$$
\min \sum_{i} \underset{s}{\Sigma} \frac{\partial Q}{\partial x_{i s}^{(n)}} x_{i s}
$$

with

$$
\begin{align*}
\sum_{s} x_{i s} & =1 \\
\sum_{i} x_{i s} & =1  \tag{10}\\
x_{i s} & \geqslant 0
\end{align*}
$$

[^62]where, naturally, the solution gives $\mathrm{x}_{\mathrm{is}}^{(\mathrm{n})}=0,1$ since this is an ordinary assignment problem with a linear functional in the objective.

The procedure can be started with $\mathrm{x}_{\mathrm{is}}^{(0)} \equiv 0$ and the functional to be minimized as

$$
\begin{equation*}
\sum_{i} \sum_{s}(-1) \sum_{j}\left(2 r_{i j}+K_{i j}\right) a_{s j} x_{i s} \tag{11}
\end{equation*}
$$

Even this first iteration, we observe, may give a good solution $\mathrm{X}_{\mathrm{is}}^{(1)}=0,1$.
From the above it should be clear how this method can be generalized to the case of arbitrarily (or even preemptively) weighted deviations. The result at each iteration will be an assignment model with linear functional. Hence it will have an optimal extreme point with coordinates $\mathrm{x}_{\mathrm{is}}=0,1$.

The above procedure, which is a gradient method operating (at each stage) on a bounded corvex linear "flat" can be expected to converge to the face of the convex polytupe which contains the optimum solution to the convex problem with the zero-one rastrictions. At this juncture it may be expected to start oscillating between the extreme points (with 0,1 coordinates) which define the edges of the optimal face. These consist of the nearest zero-one points which are the solutions to the continuous convex (quadratic) assignment problem. By recording the value of the quadratic functional after each solution, ${ }^{1}$ the progress can be compared and a stop rule devised. At the worst a practical stop rule can be provided in which computations halt when no improvement is obtained in a prescribed number of iterations. Experiments are in order, naturally, prior to the further development of this i'le. We anticipate, however, that 'the zero ${ }^{\text {th }}$ order iteration will, in fact, provide fairly good assignments in many cases. ${ }^{2}$

## 4. Designs for Career Management and Career Aspirations: A Spectral Analysis Approach

As was noted earlier, such algorithmic developments form only one part of the problems (and opportunities) we are concerned with identifying. Another part involves probabilistic extensions and new directions for studying some of the models that were previously structured (in [8.5]) for considering new kinds of dynamic organization designs. In particular, one may wish to consider the problem of deducing from the observed transition rates and populations-or equivalently the numbers transiting periodically (e.g., yearly)-what "careers" are being pursued and how man,' persons are pursuing them. For this purpose one may make an analogy between this problem and the spectral problem of resolving a univariate spectrum of energy (or light wavelengths or blood cell counts) into the proportions of elementary distributions (e.g., of Gaussian variety) of which the spectrum is composed. The overall spectrum for us is, however, multi-variate and consists of numbers of people (or transition rates) transiting from position to position in each year over a series of years, together with those occupying these various positions. The elementary distribution consists of "careers," or "truncated careers," which we take to be time sequences of positions occupied by a person (or a corresponding cohort) in an organization.

Within our time horizon we can consider as variables, the numbers of persons starting each career, or a truncated counterpart, at the beginning of each time period. In terms of these variables, knowing the fixed time sequence of jobs in a career, we can develop expressions for the numbers occupying various positions at the beginning of each time period. The number of those occupying each position at the beginning of each time period can also be projected numerically from those initially aboard and the known transition rates. One can then use as the spectral analysis principle the objective of minimizing a weighted sum of the discrepancies between the "on-board" values projected by the variable numbers in the different careers and

[^63]the numbers which emerge from the known transition rates and the initial job population. Such an analysis provides a new approach to career management based on an objective assessment through data which are independent of the subjective conceptions of careers being pursued by individuals in an ongoing organizational population. This analytical approach can thus provide aid to behavioral sciences research, and management, too, by systematically focusing on discrepancies between career aspirations and organizational realities, including the opportunities admitted by current organization designs.

One potential value which may be secured from this spectral analysis approach is that it can provide an evaluation of careers actually chosen and obser/ed in terms of transitions actually effected. Differences between these objectively observed career patterns and those obtained via, e.g., personal interviews, can then be used to delineate areas for further research into organization design and personal interaction possibilities. Questions that may thus be raised include perception alterations as persons progress over time from the point at which they were introduced into the organization. This, in turn, may provide insight into organization alterations which can then suggest further possible changes in career pattern desires, and so on.

Of course, one must recognize that such expressions of career desires may not be well founded or eren capable of complete articulation. This is likely to be an even more compelling consideration in the context of dynamically varying organization designs. In turn, this suggests a reorientation of objectives to allow for evolving contingencies of this variety. A structure different from the Markoff transition varieties may be in order. For example, one might have changes in the demands for transfer from, and to, positions, depending on external or internal factors-including changes in aspirations which reflect changes in perceptions of alternative career patterns. To encompass such ideas the elements of transition matrices may need to be regarded as random variables. This, in tarn, would extend the planning process to include planning for transition rates in which numbers of persons and resulting personnel mixes may be known only in probability. Recourse would then be had to models of chance-constrained (total or conditional) variety.

Suppose it $i$ assumed that some control is possible in terms, e.g., of permitted transfers. It should then be possible to erect a conditional-adaptive variety of control model in which an organization can then try to match its task or job requirements by partially controlling (l) the emergent demands for transfers and (2) the new hires for entry into the system. Note that something akin to multi-attribute planning is also needed in these dimensions. The random character of the transition matrices means that these, too, form (partially controllable) elements of a total plan. Furthermore, the predictions will generally vary from the actuality which is subsequently encountered by both parties-viz., planners and participants. These discrepancies will evidently then need to be considered in their different aspects for both planners and participants in only partially controllable form for any model which is devised for realistic applications to such situations.

## 5. Elements for a Spectral Analysis Model

It is not possible to develop all of this at the present moment. Indeed, a great deal of further research will be required to do this. At this juncture it therefore seems best to try to sharpen some aspects of the total problem. This will at least help to delineate what will be required in a more comprehensive research effort. To that end we, therefore, now focus on developing a spectral analysis type of model which might be applied to the observable job transitions and the career pattern provided by an existing organization. To state this differently, we shall focus on the "objective" patterns provided by an existing organization and ignore other aspects of personal aspiration and organization redesign.

In one sense we can consider our spectral analysis model as involved with modeling processes in which each process represents a career. Then we can consider a career as a specified sequence of job positions involving, say, a one-year duration for each position.

To represent this analytically let $\boldsymbol{C}_{\mathbf{k}}$ designate career $\mathbf{k}$ via

$$
\begin{equation*}
C_{k}=\left(J_{k}{ }^{1}, J_{k}{ }^{2}, \ldots, J_{k}{ }^{n}\right) \tag{12}
\end{equation*}
$$

where $\mathrm{J}_{\mathrm{k}} \mathrm{s}$ is the $\mathrm{s}^{\text {th }}$ job occupied in the $\mathrm{k}^{\text {th }}$ career type. We will be considering a fixed period of years. Among the careers to be noted will be some that might be called "truncated careers." Such truncations may begin with a starting job which would only appear later in a non-truncated career. ${ }^{1}$ Thus, a truncation of $C_{k}$ might be

$$
\begin{equation*}
C_{k}=\left(J_{k}{ }^{2}, \mathrm{~J}_{k}{ }^{3}, \ldots, \mathrm{~J}_{\mathrm{k}}^{\mathrm{m}}\right) \tag{13}
\end{equation*}
$$

We shall designate the jobs by numerals $\mathrm{i}=1, \ldots, \mathrm{~m}$. Thus the $\mathrm{J}_{\mathrm{k}}{ }^{s}$ may be considered as numbers in the range $\mathrm{i}=1, \ldots, \mathrm{~m}$.

Now suppose $X_{k}(r)$ represents the number of persons who choose career $k$ in period $r$. Then, because of these career choices, the number in position i in year $s \cdot 1$ is $f_{i}(s \cdot 1)$ where

$$
\begin{equation*}
\mathrm{f}_{\mathrm{i}}(\mathrm{~s} \cdot 1)=\sum_{\mathrm{k}: \mathrm{J}_{k}^{s-1}=\mathrm{i}}^{\sum \sum_{r=1}^{s-1} \mathrm{x}_{\mathrm{k}}(\mathrm{r}), ~, ~} \tag{14}
\end{equation*}
$$

and the first summation designates the sum over careers k whose position in yearss $\cdot 1$ is job i .
Let $\mathrm{f}_{\mathrm{ij}}$ ( s ) denote the number in position j in year s who were in position i in year s -1 by these choices. Then

$$
\begin{equation*}
f_{i j}(s)=\sum_{k:\left(J_{k}^{s-1}=i ; J_{k}^{s}=j\right)}^{\sum \sum_{r=1}^{s=1} x_{k}(r) .} \tag{15}
\end{equation*}
$$

Let

$$
\begin{equation*}
M \equiv\left(M_{i j}\right) \tag{16}
\end{equation*}
$$

denote the organizational transition matrix for the interval of years being considered. Then let $a_{i}(r)$ denote the number of persons in position i in year r prior to any hiring. Also let

$$
\begin{equation*}
b_{i}(r)=a_{i}(r)+\text { new hires. } \tag{17}
\end{equation*}
$$

The ratio $f_{i j}(s) / f_{i}(s-1)$ should approximate $M_{i j}$ or, as a goal, we should like the discrepancy

$$
\left|f_{i}(s-1) M_{i j}-f_{i j}(s)\right|
$$

to be as small as possible if the career patterns selected by the model are to have at least plausible normative validity. (The vertical strokec indicate an absolute value.)

Using the above considerations, we devise an objective which minimizes the indicated deviations via

$$
\begin{equation*}
\min \sum_{i, j, s}\left|f_{i}(s-1) M_{i j} \cdot f_{i j}(s)\right| \tag{18}
\end{equation*}
$$

this minimization is subject to the following constraints, ${ }^{2}$

$$
\begin{equation*}
a_{i}(s) \leqslant f_{i}(s) \leqslant b_{i}(s) \tag{19}
\end{equation*}
$$

[^64]where, ${ }^{1}$ it may be recalled,
\[

$$
\begin{equation*}
f_{i}(s)=\underset{k: J_{k}^{s}=i_{r=1}}{\sum \sum x_{k}(r), ~(s)} \tag{20}
\end{equation*}
$$

\]

and $\mathrm{x}_{\mathrm{k}}(\mathrm{r}) \geqslant 0$.
By virtue of previous research, ${ }^{2}$ however, this spectral model (which is nonlinear) may be reformulated as a linear programming equivalent. Other normative principles of lesser detail can also be employed, of course, instead of the very precise correspondence implicit in the minimization indicated by (18).

## 6. Conclusion: Projections for Further Research

In this paper 'we have regarded the elements $\mathrm{M}_{\mathrm{ij}}$ of the Markoff matrix as fixed and known. Achieving the "least-deviation" $x_{k}(r)$ values prescribed by the model then becomes a problem in actual personnel selection and development. Of course, managerial and technological, and other considerations, too, may also enter in an a priori fashion via stipulation of the upper and lower bounds which limit the $x_{k}(r)$ choices in (19). In any event, additional behavioral sciences research will undoubtedly be needed to insure that the persons selected will have the indicated career desires and aspirations.

Such research would constitute a rather natural extension of present practices in personnel practice insofar as personnel selection, career management, etc., are effected to conform "as closely as possible" to the likely career patterns (and related job satisfactions) admitted by a given organization.

The model suggested in this paper and its predecessors (see, e.g., [8] and [9]), admit of other viêws which also invite attention. One such view would alter the status of the $M_{i j}$ components in $M$ and proceed to regard them as variables with values to be assigned in ways that conform (most closely) to the career aspirations and talents of the participants in an organization. In this view the $\mathbf{x}_{\mathbf{k}}$ ( $r$ ) can be regarded as given. The variables $\mathrm{M}_{\mathrm{ij}} \geqslant 0, \Sigma \mathrm{M}_{\mathrm{ij}} \leqslant 1$ would presumably then be submitted to organization and other constraints. ${ }^{4}$ The latter comprehend task requirements as well as their admissible job decompositions. One could even extend these ideas and associate a series of $\mathrm{M}_{\mathrm{ij}}(\mathrm{t})$ in order to deal with various tasks that might be arranged for an organization evolving over time. ${ }^{5}$ Personnel might then also be related to each other for suppurt or learning ex. periences that could add to the opportunities afforded by a panorama of changing jobs and career opportunities.

Discrepancies between empiricaliy observed $\mathrm{M}_{\mathrm{ij}}(\mathrm{t})$ and the subjective career aspirations of organization members will naturally invite attention. Analysis of such discrepancies may yield insights and improved forecasts of quit rates or exits as well as new-entry or voluntary reenlistments. Such analyses may also suggest organization changes which will better tap the interests and energes of organization participants.

All of the above point to further research which can be guided and controlled by the kinds of spectralanalysis models we have portrayed in this paper. This research can also be related to other possibilities, too, which we have identified and structured in other papers in this series. A case in point is the "generalized eiger. value" approach which we utilized in [9] to indicate how desired equilibrating $M_{i j}(t)$ may be arranged via recruitment, promotions, training, transfers, etc. These roads to organization equilibria are, of course, also pertinent fo the present discussion. By advertising and via recruiting for careers in a given organization, $\mathrm{x}_{\mathrm{k}}(\mathrm{r})$

[^65]selections may be effected to obtain the requisite numbers in each "career.aspiration category" to produce more desirable equilibria (or sequences of equilibria) in the related $\mathrm{M}_{\mathrm{ij}}(\mathrm{t})$. Success in the research that is thereby indicated shouid then make it possible to deal simultaneously with manpower planning, career management and organization designs that are coordinated and directed toward producing better performance, better careers and greater job satisfactions in the organizations (military or civilian) which can then use these kinds of approaches.

All of the above, and more, may now begin to be effectual not only in response to the opportunities afforded by these new developments in modeling but also in response to the challenges of persons now demanding more rapid changes in organization that are better designed to attract and hold the efforts of volunteer participants.

This concludes the present paper. Data develnpments and numerical illustrations for some of these ideas are now being undertaken. These will be presented in some of the subsequent reports we are now readying for release in this OCMM series. ${ }^{1}$

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[^18]:    ${ }^{1}$ Control of Grade Escalation in the General Schedule, Office of Management and Budget Bulletin No. 32-4 of August 5, 1971.

[^19]:    ${ }^{1}$ This was the first operational use of the OCMM models utilizing the generalized network techniques. All of the earlier studies had involved the "net requirements" version of the models discussed in detail in the previous chapter.

[^20]:    ${ }^{1}$ For a comprehensive study of the pre ...s of h stics manpower management, see K. C. Taylor, "Aggregate Manpower

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[^23]:    ${ }^{1}$ Summarized from [34.1 a].
    ${ }^{2}$ Possible directions for such further research are presented in the body of the report and the model, and related developments, are carried to a point where the reasons for the suggested directions should be sufficiently clear.
    ${ }^{3}$ See [3] Appendix B and Chapter $\mathbf{X}$ for discussions of goal programming and related developments.

[^24]:    ${ }^{1}$ CC., e.g., the distinction between "East Coast Welders" and "West Coast Welders" in the numcrical illustration (below, section 5).
    ${ }^{2}$ Sec, e.g., Appendix B and Chapter $X$ in [3].

[^25]:    $1_{i, e .,}$ we do not treat retraining, etc., explicitly in this first model.

[^26]:    $1_{1 . e ., ~ t h e ~} M_{i Q}$ represent the transition rates from \& to $i$ in each cell $M$.
    ${ }^{2}$ If wanted the $f_{k}(t)$ values may be obtained from

    $$
    \begin{aligned}
    & f_{k}(1)=g_{k}(1)+(M)_{k} a \\
    & f_{k}(2)=g_{k}(2)+\left(M^{2}\right)_{k} a
    \end{aligned}
    $$

[^27]:    ${ }^{1}$ See e.g., Chapter XVI in [3].
    ${ }^{2}$ Cf., e.g., Chapter II and XIV in [3].

[^28]:    ${ }^{1}$ See [3] for further detailed development on the ideas of goal programming, multiple objectives, etc. Possibilities for policy evaluations and sensitivity analysis, as well as various byproducts of value for personnel planning are also examined in [4], [5], [6], and [7].

[^29]:    ${ }_{2}^{1}$ E.g., the five-period stretch which we are using.
    ${ }^{2}$ See (15).

[^30]:    ${ }^{1}$ For a detajiled description of this computer system see A. Charnes, W. W. Cooper, R. J. Niehaus, and W. N. Price, "Application of Computer-Assisted Techniques to Manpower Planning," The Journal of Navy Civilian Manpower Management (forthcoming Fall 1969).
    ${ }^{2}$ The accumulated net requirements are the manpower goals or $g_{k}(t)$ contained in equation (1) of the basic paper.
    $3_{\text {I.e., the }} M_{l}$ represents the transition rates from $\&$ to $i$ in each cell of $M$.
    ${ }^{4}$ See (7).

[^31]:    ${ }_{2}^{1}$ For fiscal years 1970 and 1971 the salary table reflects the Federal pay increase passed by Congress.
    $2_{\text {As indicated }}$ by equation (4) of the basic paper, these budgets can be represented by $B(t)=c^{T}(t) M^{t}$, where $B(t)$ is the budgetary ceiling for civilian manpower expenditures in period $(t), c^{T}(t)$ is the vector of salary rates in period $t$ and $M^{t_{a}}$ is the vector of projected numbers of the original population remaining aboard in period $t$.
    ${ }^{3}$ The recruiting requirements were obtained by using equation (13) of the basic paper $-\xi(t)=\eta(t)-M \eta(t-1)$. This equation expresses the fact that the recruiting requirements for period $t$ equals the net requirement for period $t$ less the number remaining from period $\mathrm{t}-1$.

[^32]:    Total requirements obtained by assuming that requirements would remain the same as the actual on board as of October 30, 1968. $\dagger$ Adjusted to insure no negative accumulated net requirements. This adjustment to be relaxed in subsequent runs.

[^33]:    ${ }^{1}$ See [1], Appendi: B and Chapter X for an explanation and development of the ideas of goal progranming. ${ }^{2}$ see, e.z., [5].
    ${ }^{3}$ Actually some of this has already been done in ar earlier phase of this rescarch program-see [8]-end in a way that takes account of on-thejub leanning and dynamic organization design (and redesign) to allow for accumulating experience as well as formal training, etc.
    ${ }^{4}$ See [1], Chapters I and VI, for fusther explanations of these terms.
    5 Vide [9].
    ${ }^{6}$ Such effects should, of course, be interpreted as probabilistic projections when Markoff processes are being utilized in plan ning for a sequence of periods.
    ${ }^{7}$ See [3] and [5] whire similar devices were used to obtain refinements for retirement and related considerations. The latter developments, including extensions to dyramically varying Markoff elements are, of course, also available for use in these OCMM Models (as noted in our introduction).

[^34]:    ${ }^{1}$ Alternatively, a hack of facilities can also be reflected in th- training transition mati:x by introducing zero ates of transition into certain parts cf matrix and various combinations of budget and transition rate oossibility may aisn be employed. of course. ${ }^{2}$ Or course, tutal salary and related cost considerations will also be atailable for evaliation, too, via the budgetary constraints. ${ }^{3}$ See, e.g., the discission of "model tyres" in [1] Chapter 1 and ff.
    4 Vide, e.g., Chapter XVII in [1].
    5As explained in [2], the terms "job ty $e$ e" and "source" are intended to comprehend distinctions between claimants or activities (for the same joh or position) and recruitment or assignment in different geographical iegions-and possibly other chasacteristics, too, if desired.

[^35]:    ${ }^{1}$ Actually we will modify the usual Markoff representation and, just as we have done before, we omit one row and column to allow for the fact that in these OCMM Models entrance into the system is to br determined by reference to decisions on recruitment. Note, unlike other manpower planning and analyses which use Markoff processes, the decision variables and objectives are set forth explicitly along with other constraints, including policy limitations, etc.
    ${ }^{2}$ See [8] for developments in which job type assignments are also effected for their training potential on other types of jobs at subsequent times.

[^36]:    ${ }^{1}$ Evidently we can also replace $M$ and $T$ by time-dependent Markoff matrices as in [5] and [8].

[^37]:    ${ }^{1}$ These developments implicitly utilize transformations and reductions first introduced in [5] for simplifying matters and making the underlying structure apparent as a guide to computational and interpretative developments.
    ${ }^{2}$ See Chapter X in [1] for a general development including geometric interpretations and analytical developments of the theory underlying these reductions.
    ${ }^{3}$ At the Imperial College in London, England, on July 2, 1970.

[^38]:    ${ }^{1}$ These may always be retrieved, if wanted, as the difference between unity and the corresponding column sum in M.
    ${ }^{2}$ See Appendix.

[^39]:    ${ }^{1}$ These are so-called "trapped state" probabilities.
    ${ }^{2}$ Perhaps by behavioral science research designed to ascertain how the relative attractiveness of these job types may be altered to produce higher and lower transition probability values in selected categories. (Note that in this view a guide for such behavioral science research is thereby automatically supplied for simultaneous consideration of career management and manpower planning.)
    ${ }^{3}$ Depending on their relative costs and the further benefits that might attend such alteration. Notice, for instance, that the use of these models for manpower planning can also affect the psychological attitudes and job-preparation propensities that personnel may subsequently display and these possibilities, too, need to be considered in a comprehensive program of personnel research.

[^40]:    ${ }^{1}$ See, e.g., [20].
    ${ }^{2}$ See, e.g., [24].
    ${ }^{3}$ See, e.g., Preface and Chapter 1 in [1].
    ${ }^{4}$ It must be remembered that tudgets perform coordination as well as control and planning functions.
    ${ }^{5}$ The reference is to models developed in cooperation with J. K. DeVoe and D. B. Learner (then at Batten, Barton, Durstine \& Osborn, Inc.) for use in marketing new products. See, e.g., [21] and [22].
    $6_{\text {I.e., }}$ experienced in the organization, although not necessarily in this particular job type. (Some of these persons may have transited from the $x_{2}$ (1) choices in period 1 as well as the initial members of this second job type given hy $a_{2}$.)

[^41]:    ${ }^{1}$ We ale not addressing considerations such as the existence of solutions, etc., which may arise when inequalities such as (26) or (27) are inserted into these goal programming models.
    $2_{\text {It }}$ is worth observing, perhaps, that goal programming was originally developed in the context of an applied problem of personnel administration-i.e., the problem of determining a best salary structure under hierarchical organization constraints in order to meet competition with only partially known data. See, e.g., Chapter X in [1].

[^42]:    ${ }^{1}$ Cr. the characterizations provided for distinguishing between "policies" and "rules" via chance constraints, as discussed in [23].

[^43]:    ${ }^{1}$ Possibly because a good deal of the classical literature in this area is based on natural science examples and modeis from physics and biology which are observation rather than decision oriented. They also do not deal with constrained relations and their Markoff matrices have $\sum_{j} p_{i j}=1$.)
    ${ }^{2}$ Extensions to continuous cases and hiliner moments are possible but will not be developed here.

[^44]:    ${ }^{1}$ We define $0^{0}=1$ so that, e.g., fully stochastic (ordinary) Markoff matrices are also included.

[^45]:    II.e., The Five Year Navy Civilian Manpower Plan (FYNCIMP) subsystem of the Navy Automated Civilian Manpower Information System (NACMIS).
    ${ }^{2}$ Currently, an example containing 3200 sonstraints and 5200 variables has been developed and is being tested.

[^46]:    ${ }^{1}$ Other possibilities such as man-job matching and job redesign are not covered. See, e.g. (10).
    ${ }^{2}$ See (7).
    ${ }^{3}$ See Augusta, et. al., in (1)-(3).
    ${ }^{4}$ See (9) and Chapter $X$ of (5) for a discussion of goal programming.
    5 It turns out that the classic input-output model can essentially be made a special case of this goal programming when there is perfect balance between the inputs and the outputs.

[^47]:    ${ }^{1}$ The dynamic extension to include the relationships of manpower requirements to manpower inventories will be covered in the next section of this paper.

[^48]:    ${ }^{1}$ See (7).

[^49]:    $\overline{1}$ Such extensions, we may note, will be crucial even for applications in the strictly military component when, for instance, considerations like an all-volunteer force (or even the volunteer component of a conscripted force) are important elements for planning purposes.

[^50]:    ${ }_{2}^{1}{ }_{1}$.e., the so-called Five Year Defense Plan (FYDP) of the U. S. Department of Defense. ${ }^{2}$ See Chapter $X$ in (5).

[^51]:    ${ }^{1}$ The problem of scheduling heating oil provided the context in which chance-constrained programming was invented at the Standard Oll Company of New Jersey research officss in Linden, New Jersey.

[^52]:    ${ }^{1}$ A variety of devices can be used to reduce other cases to this one. See, e.g., Hillier and Lieberman [36] Chapter 6 or Charnes and Cooper [9] Chapter XIV.
    ${ }_{3}{ }^{2}$ See, e.g., Chapter 1 in M. D. Dunnette [22].
    ${ }^{3}$ This terminology is adapted from Chapter II in [9].
    ${ }_{5}^{4}$ See either pp. 280 If. in [ 9 ] or pp. 217 ff . in [3].
     See, e.g., Flood [26] and Dantzis [21]. See also Vajda [54] who, following Flood, calls this "tne most degenerate transportution model."
    ${ }^{6}$ Vide, ef.., John von Neumann's original interpretation of this as a zero-sum two-person game of hide and seek, as transcribed by Hartley Rogers and reproduced in [57] pp. 5-12. See also Flood [29] for identification with the traveling sliesman problem.
    7 Purticular note should be made of the ex' nded work which is reported in King [40].

[^53]:    ${ }^{1}$ Cf. Flood [27] for 2 report on some of the early efforts in this direction and Flood [26] and Munkres [46] for some of the subsequent developments.
    ${ }_{2}^{2}$ See [43] and [44].
    ${ }^{3}$ Other directions of extension which, have previously been essayed include multidimensional (including multicommodity) assignments and nonlinear objective functions. See, e.g., Pierskalla [48] and Whinston-Graves [64].
    4in the sense of Shelly [18.3]. See also Cyert and MacCrimmon [20] and Shelly and Stedry [49].
    ${ }_{6}$ E.g., as in McFarland [45] or, for economy-wide assignments, as in Holt and Huber [37] and [38].
    ${ }^{6}$ In this paper, however, we do mot deal with the additional possibilities created by variations in the interactions between persons who might be arrayed in different assignments.
    ${ }^{7}$ An ear! example which tries to do this by Markoff-type analyses may be found in [42].
    ${ }^{8}$ Another path might also be followed, as in [40], to elaborate the usual assignment models in order to deal with statistically varying $r_{j}{ }^{j}$ 's.
    ${ }^{9}$ See Chapier X in [9] for some descriptions of such "job factors" and "man factors."
    ${ }^{10}$ Other comentions are also possible.

[^54]:    ${ }^{1}$ Or we can even consider a system in which some jobs are fitted to individuals while in other casce: the reverse course is followed and we can also introduce systems of weights, etc., to handle still wider classes of mixture possibīities.
    ${ }_{2}$ See Appendix A in [9].
    ${ }^{3}$ Vide, e.g., Chapter XV in $\{9$ ].

[^55]:    ${ }_{2}^{1}$ See Apr endix A and Chapter X in [9].
    ${ }^{2}$ This coald, of course, be relaxed with one individual spending part-time on one job and the remainder on one or more of the others.

[^56]:    ${ }^{1}$ See the remarks in [11] and [12] as these apply to the U. S. Navy's PADS (Personnel Automated Data System) and other pussibilities. The need for such matchings in connection with underprivileged and handicapped persons will be dealt with later in this paper where learning and position alterations arn also considered. The pertinence of such considerations may be observed from the discussions in [14] and [47]. See also [31] and [32].
    ${ }^{2}$ See also the utilization of transition matrices for manpower planning in [11], [12], [42] and [62].

[^57]:    ${ }^{1}$ For siruilar remarks relevant to data developments asd modelling for marketing applications see [8].

[^58]:    ${ }_{2}^{1}$ See ljiri [39] for examples and further discussion.
    ${ }_{3}^{2}$ For some recent very excellent examples see A. F. Veinott [55] and [50].
    ${ }_{4}$ For furcher discussion of such model types see Chapter I in [9].
    ${ }_{5}^{4}$ Vide the discussion of model developments in [8] as a prelude to furthering systematic improvements in marketing data.
    ${ }^{5}$ See discussion in [15].
    ${ }^{6}$ This has, of course, a long history in militars training and elsewhere.
    7 Note that we have fixed th: job and personal ratings in advance but that these could also be related to tasks and other environmental features. Analogies with some parts of the processes of technological change may be observed in [50] and the possible further relations to informetion alteration at !earning proceeds may be observed along the lines of the motivational costing and budgeting procedures descr,bed in (51).

[^59]:    ${ }^{1}$ See [6] for further discussion of modeling techniques for identifying and structuring management problems.
    ${ }^{2}$ See Appendix A in [4] for further discussion of these metric possibilities.
    $3^{3}$ see [5] and [4].
    ${ }^{4}$ see [8.0].

[^60]:    ${ }^{1}$ See [10] and [17].
    ${ }_{3}^{2}$ See [11] and [12]. See also [13].
    ${ }^{3}$ See the discussion of Non Archimedean approaches in [8.5] as well as [7] and [14].

[^61]:    $\mathbf{1}_{\text {I.e., rather }}$ than a goal programming variety (with associated constraints).

[^62]:    ${ }^{1}$ Hence $\mathrm{X}_{\mathrm{is}}{ }^{(\mathrm{n})}=0,1$.

[^63]:    ${ }^{1}$ It might be noted that the value of the quadratic functional at the $n^{\text {th }}$ stage is given by

    $$
    Q^{(n)}=\underset{i, j}{\Sigma}\left(z_{i j}^{(n)}-K_{i j}\right)\left(z_{i j}^{(n)}-I_{i j}\right)
    $$

    $2_{\text {As was observed above. }}$

[^64]:    ${ }^{1}$ It is also possible to extend the notion of career by considering it as a sequence of jobs with a probability or proportional transition from one job to another in a career sequence. We shall not develop this extension here.
    ${ }^{2} \mathrm{It}$ should be borne in $\operatorname{mind}$ that the $f_{i}(s)$ and $f_{i j}(s)$ are known linear functions of the variables $x_{k}(r)$.

[^65]:    ${ }^{1}$ Observe that these constraints are in so-called "interval programming" form. See, e.g., [1] through [3]. ${ }^{2}$ See [4] and [5].
    $3_{\text {The }}$ same remark seems applicable to current practices in career management and analysis. Vide, e.g., the illustrative uses of a given Markoff matrix for career analysis and management described by Vroom and MacCrimmon in [16].
    ${ }^{4}$ Indeed, "goal programming" was originally designed for just such "constrained regression" uses. See, e.g., [4] and [5]. ${ }^{5}$ Of course the tasks that are forecasted or desired may be ordered or weighted in a variety of ways to insure that desired goals are achieved (as closely as possible) by specified dates, etc. .

[^66]:    ${ }^{1}$ Cf., the e.g., the reports noted under [8.0].

