

"Pay Compression:"

A Problem Adversely Affecting Warrant Officer Recruiting and Retention.

Prepared by The U. S. Army Warrant Officer Association (USAWOA).

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The Problem:

Well-deserved pay raises in past years often targeted the enlisted force and did not provide corresponding adjustments to the pay of warrant officers. Consequently, the pay of the Noncommissioned Officer (NCO) and Chief Petty Officer (CPO) force has drawn closer, over the years, to that of warrant officers. This creates a problem of "**pay compression.**" The problem is of increasingly significant impact as it adversely affects both warrant officer recruiting and retention.

The Warrant Officer:

In the current uniformed force structure, warrant officers are found in the Army, Navy, Marine Corps and Coast Guard. The largest number by far is found in the Army, approximately 20,000, active and reserve component. The Air Force does not have a warrant officer program.

Outstanding NCOs are no longer "given a warrant" as a reward for illustrious service, as was common in the past. In each service, entry to the program is by highly competitive selection. Warrant officers typically come from the NCO ranks, generally technical fields. A strong "track-record" of excellence is required as is potential for continued high performance. The Army, Marines, and Coast Guard have demanding candidate programs. The Army has a program of formal education, both technical and general, throughout the course of a warrant officer career.

Common to each service is a utilization role placing the warrant officer **between** the NCO/CPO force and the commissioned (line) officer force. Through education and repetitive assignments, warrant officers gain high levels of technical expertise and managerial skill.

Warrant officers of today are supervisors, operators, trainers, and maintainers of complex and costly combat and combat support systems. Warrant officers typically serve as *middle managers* and are responsible for shop or department operation, fiscal management and personnel utilization. Warrant officers can and do serve as commanders, sit on selection boards; conduct investigations and administer oaths.

The Current Situation:

Warrant officers hold far higher expectations of themselves than were held by most warrant officers of past years. Likewise, commanders have equally high expectations of warrant officers. Therefore, warrant officers expect to be properly compensated when they move from the noncommissioned officer career path to that of a warrant officer. As can be seen in the following tables, **Pay compression** prevents this from happening.

The Army seeks to assess NCOs into the warrant officer program (technical fields) at the eighth year of service. Therefore, in the following tables and charts, the first comparison point is pay grades E-6 and W-1, at eight years of service. Subsequent comparisons are shown at normal career progression (promotion) points in both noncommissioned and warrant officer career paths.

Warrant officer applicants within the Army National Guard and Army Reserve, and in other military services, are typically more senior in both grade and length of service. Applicants of grade E-7 with 12 or 14 years of service are common. In these cases, the situation of pay compression is even more pronounced.

The History:

Warrant Officer Basic Pay Compared to the Pay of Noncommissioned Officers.

	1971 Pay Tables		
	NCO	WARRANT	Percent Difference
E-6 and W-1 @ 8 years:	\$ 488	\$ 598	22.5
E-7 and W-2 @ 10:	566	681	20.3
E-8 and W-3 @ 16:	705	839	19.0
E-9 and W-4 @ 22:	889	1056	18.8

	1982 Pay Tables (Volunteer)(Era of NCO/CPO Targeted Pay Raises)		
	NCO	WARRANT	Percent Difference
E-6 and W-1 @ 8:	\$ 1103	\$ 1321	20.4
E-7 and W-2 @ 10:	1286	1513	17.7
E-8 and W-3 @ 16:	1604	1862	16.1
E-9 and W-4 @ 22:	2019	2344	16.1

	2002 Pay Tables		
	NCO	WARRANT	Percent Difference
E-6 and W-1 @ 8:	\$ 2255	\$ 2625	16.4
E-7 and W-2 @ 10:	2645	2984	12.8
E-8 and W-3 @ 16:	3210	3694	15.0
E-9 and W-4 @ 22:	4098	4633	13.0

Over the years, **pay compression** has reduced the difference in pay at all comparison points.

The Adverse Effects:

1. Fewer Noncommissioned Officers Now Seek to Become Warrant Officers.

The NCO sees little near-term increase to take home pay when considering the move to warrant officer. Due to the complexity of comparisons, allowances and specialty pay cannot be included in analysis and presentation. However, the decision to "go warrant" is made more difficult when one includes comparisons of allowances received by all and specialty pays received by some.

The NCO undoubtedly considers all forms of compensation, not just basic pay, when evaluating whether or not to make the move to warrant officer.

The NCO sees a diminishing difference in the "out years" when comparing the pay of senior warrant officers with that of senior noncommissioned officers. The percent difference between basic pay actually reduces as one moves up in grade and out in years of service as a warrant officer. This should not be the case and is opposite of any other career progression comparisons.

Within the active Army in FY 1996, there was a 3.3 to 1 ratio for applications to warrant officer requirements (all career fields). However, this ratio diminished to 1.4 to 1 in FY 2001 and continues to decline. Although the overall Active Army warrant officer accession mission is met, certain career fields do not "meet mission" and suffer shortages. Furthermore, there is concern about a "quality" impact due to the reduced number of applicants from which to select warrant officer candidates.

The Army Guard and Army Reserve manage their own warrant officer recruiting. Both are increasingly short warrant officers. Both Guard and Reserve warrant program managers report declining numbers of applicants.

2. An increasing number of warrant officers leave the service before completing a twenty-year career; or, shortly after reaching retirement eligibility.

Active Army Warrant Officer Departures:

	FY98	FY99	FY00
<20 YOS	29%	36%	37%
20-22 YOS	31%	37%	24%

Reversing Pay Compression, by significantly separating the pay of the senior warrant officer from that of the senior NCO/CPO, will no doubt reduce the "early departure" decision reached by many warrant officers.

The Solution:

- 1. Adjust pay tables at the typical warrant officer career entry point** so that warrant officer pay substantially increases over that of the noncommissioned officer force.
- 2. Adjust pay tables so that as the warrant officer moves up in grade and years of service, there is an increase in the percentage of difference** in pay between that of senior non-commissioned officers.

The Minimum Recommended by USAWOA to Eliminate Pay Compression is:

- At 8 Years of Service (YOS), pay the WO1 **20 % more** than the E-6;
- At 10 YOS, pay the W2 **22 % more** than the E-7 at the same point;
- At 16 YOS, pay the W3 **24 % more** than the E-8 at the same point; and,
- At 22 YOS, pay the W4 **26 % more** than the E-9 at the same point.

Such action provides both near and long-term pay increases that can have nothing else but a positive affect on warrant officer recruiting and retention.

Warrant officers provide commanders at all levels a unique blend of technical area management and functional leadership skills.

A viable warrant officer program will do much to insure success in the increasingly complex missions of our Nation's uniformed services.

[Also see graph titled "[PayComprOverTheYears.pdf](#)]