## USAWC STRATEGY RESEARCH PROJECT

# RETIRED MILITARY APPOINTMENT TRENDS IN ARMY'S SENIOR CIVILIAN WORKFORCE

by

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This SRP is submitted in partial fulfillment of the requirements of the Master of Strategic Studies Degree. The views expressed in this student academic research paper are those of the author and do not reflect the official policy or position of the Department of the Army, Department of Defense, or the U.S. Government.

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# ABSTRACT

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Several factors have facilitated the appointment of retired military into the Civil Service over the past few years. These factors include the elimination of dual compensation laws, a new appointing authority for veterans, and recent relaxation of retired military appointment waiver restrictions.

This paper examines the appointment of retired military in GS-14, GS-15 and Senior Executive Service (SES) Army positions from Fiscal Year (FY) 97 through the first quarter of FY 04. Analysis includes demographics, appointment trends, and other assignment and advancement patterns. It addresses the impact on the current and future workforce and related issues. Finally, it provides recommendations for consideration by Army's top leaders concerning the recruitment and selection of Army's senior civilians.

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## RETIRED MILITARY APPOINTMENT TRENDS IN ARMY'S SENIOR CIVILIAN WORKFORCE

Since Fiscal Year (FY) 98, the number of retired military entering the ranks of the Department of the Army's (DA) senior civilian positions each FY has almost quintupled.<sup>1</sup> What is causing this trend, and what is its significance to Army? The purpose of this paper is to research and analyze facts and issues in order to propose answers these questions.

I will cover the Civil Service system and the changes to that system which affected the recruitment, selection and appointment of retired military in DA's senior civilian positions. Following a trend analysis, I'll discuss implications on Army mission and programs, and conclude with recommendations consistent with the findings.

## AN OVERVIEW OF THE CIVIL SERVICE

Most Civil Service positions fall under laws codified in Title 5 of the United States Code (USC).<sup>2</sup> Title 5 USC provides the legal basis for personnel administration in the Federal government. However there are exceptions. For example, civilian faculty at the U.S. Army War College is under Title 10 of the USC, Section 4021.<sup>3</sup> That section contains the barebones of personnel law, and authorizes the Secretary of the Army to develop implementing personnel regulations.

Over the next few years, the Department of Defense (DOD) will change most positions from Title 5 coverage to the new National Security Personnel System (NSPS).<sup>4</sup> Regardless of that change, the basic premise will remain that appointment to the Civil Service is open and based on merit.<sup>5</sup>

The United States (U.S.) Civil Service comprises three different services: the Excepted Service, the Senior Executive Service (SES) and the Competitive Service. These services all have different personnel rules and regulations that govern Federal civilian employment. The U.S. Office of Personnel Management (OPM) is the overall Federal agency with oversight of the Civil Service. <sup>6</sup>

The Excepted Service is just what the name implies. The positions are excepted from competition due to the nature of the work, or there is a excepted appointing authority tied to the position or applicant. Many student employment programs and Army Attorneys are in the Excepted Service. There is an Excepted Service appointing authority for veterans called the Veteran Readjustment Authority (VRA). The original VRA authority came after the Vietnam era, and allowed appointment to certain lower grade levels with many restrictions such as level of education. Many of these restrictions are gone, and the maximum appointment grade level is

now GS-11. VRA appointees are converted to the Competitive Service after two years of successful employment.<sup>7</sup>

The SES covers executive positions above the GS-15 or equivalent grade level. There are no grades, but there is a six-tiered salary scale. Announcements are open to the public, or open only to all internal Civil Service applicants. The latter means that only current Civil Service employees could apply. There are no promotions into the SES, e.g., a GS-15 is promoted to the SES. Since it is a separate part of the Civil Service, entry into it is through a new appointment. <sup>8</sup>

The Competitive Service (CS) covers most of the positions addressed in this paper.<sup>9</sup> CS grade structures and compensation rates vary. For example, Trades and Crafts workers have regional pay scales developed by comparison to private sector work.<sup>10</sup> GS or similar pay plans normally have a 15-grade structure with a national annual salary schedule.<sup>11</sup> There are variations on the national schedule, such as locality pay additives or special salary rates for certain occupations such as doctors or engineers.<sup>12</sup> Applicants for initial entry into the CS must compete through some sort of examination, advertised by public announcement.<sup>13</sup> Competition is open to all and applicants receive appointments based on merit. OPM normally opens public announcements on behalf of Federal agencies. However, OPM will give authority, called delegated examining authority, to Federal agencies that want to open their own announcements and examine applicants.

#### THE APPLICATION AND EVALUATION PROCESS

There are several ways to examine applicants for merit. Written tests are one type and assess skills such as driving, typing or agility. Competing applicants may be ranked by points or by placement in scored groupings, e.g. the best qualified. In any open competition, i.e., when anyone can apply, five or ten points may be added to numerical scores for veteran's preference.<sup>14</sup> The Veteran's Preference Act of 1944 granted preference to former military as recognition of service to their country. Preference covers the application process for initial entry into the Civil Service, and the retention process during reduction in force actions. Veteran's preference also applies in the Excepted Service, but not in the SES.<sup>15</sup>

Selecting officials normally may not pass over a veteran's preference eligible. This means they can't select someone without veteran's preference who has the same or a lesser score. Military who retire at or above the rank of Major are not eligible for veteran's preference, unless they qualify as a disabled veteran.<sup>16</sup>

Many examinations score applicants through an assessment of their knowledge, skills and abilities required or desired for the job to be filled. Applicants typically submit a resume outlining their experience and education relative to those requirements. Such exams are the norm for most professional, administrative and technical positions. They are also the norm for many Federal agency merit promotion programs.<sup>17</sup>

#### **Merit Promotion**

Merit promotion is the internal method for advancement following initial appointment to the Civil Service. Merit Promotion announcements are normally open only to internal applicants, but there are exceptions. Veteran's preference is not a factor under merit promotion.<sup>18</sup>

Under Merit Promotion procedures, Human Resource Specialists advise managers on scope of competition. In deciding the scope (commonly called area of consideration) managers should consider things like the type of work, location of the job, availability of qualified applicants from different sources, or diversity needs, to name a few. Managers also decide which required and/or desired knowledge, skills and abilities (KSAs) will determine the best qualified applicants. When managers get a referral list, those referred scored the highest. Managers don't see the actual scores. Army's Merit Promotion Plan requires that managers get referrals with a reasonable number of best-qualified candidates.<sup>19</sup> That plan, found in Army Regulation (AR) 690-335, does not include most of Army's senior level positions, which are under Army's Career Management System. I will cover that in the next section.

Many agencies will advertise positions concurrently under merit promotion and delegated examining procedures. As previously stated, the latter allows the general public to apply for positions, typically at higher grades than at the entry level of GS-5 or GS-7. Agencies do this when there are few qualified internal candidates; the positions are hard to fill historically, or they seek to diversify the applicant pool through open public announcement and affirmative outreach. Delegated examining procedures require application of veteran's preference, and as stated above, many retired officers are not eligible for it.

## **Army Career Management**

GS-14, GS-15 and SES positions are at the top of the Army's civilian career ladder. Ascent on that ladder normally begins at the GS-5 or GS-7 entry level. Army's top civilian leaders are at these levels, typically involved in the management of large Army programs. They influence or direct program development, procurement, resources, policy and staffs. They also serve as key advisors to Army's senior civilian and military leadership. Within the Army, such positions often report to general officers, political appointees or career senior executives .<sup>20</sup>

Given their importance to the success of Army mission and operations, Army must manage the recruitment and selection program for such positions strategically.

Characteristics of Army's strategic programs include plans to train, mold and mentor interns in those fields critical to mission execution and support. Building the pipeline of future leaders incorporates affirmative outreach to achieve the diversity necessary for viable, multi-faceted programs. Development focuses on professional competencies and leadership, gained not only through formal training and continuing education, but also through assignments to broaden and enhance experience. Ultimately, managing careers results in sound succession management for future civilian leaders.

The Army's program is called Army Civilian Training, Education and Development System (ACTEDS). The proponent regulation, AR 690-950, Career Management, states "The career management system meets Army staffing needs in professional, technical, and administrative jobs common to most activities".<sup>21</sup> Individual Career Programs, e.g., CP-10 for Civilian Human Resources Administration, cover interns through the GS-15 level, and represent the majority of Army's senior level positions. AR 690-950 describes each Career Program and occupational series belonging to it. There is one occupational series, GS-301, which requires special review for coverage determination. I will address this in another section.

Each Career Program has a senior leader Functional Chief (FC) who oversees policy and program management. AR 690-950 specifically requires oversight of GS-15 level positions to ensure use of merit and adequate affirmative outreach to attract female and minority candidates.

SES is not under Career Management. The Army's Civilian Executive Resources Board (CERB) approves and oversees SES human resource management, to include the recruitment and selection process. Functional Officials, usually at the Assistant Secretary level, approve most steps of the recruitment process. The Assistant Secretary of the Army for Manpower and Reserve Affairs (ASA/M&RA) approves all SES selections.<sup>22</sup>

Army has strengthened the career program concept through implementation of the Strategic Army Workforce (SAW). Information on the SAW explains its strategic importance:

"In an effort to improve our civilian leader development, we will centrally manage our civilian managers, supervisors and leaders at the GS-12 and above grade levels. The SAW will serve to meet the demands and expectations of the Army's Objective Force. The SAW will be managed similarly to the way the Military Departments and State Department centrally manage their Officer and Foreign Service personnel (i.e., centrally manage assignments, training and development, promotion, etc.). Selection and retention decisions will be based on Army-wide long-term needs. Such a management system would ensure military

and civilian leaders equally receive the education and assignments to grow as "An Army of One."<sup>23</sup>

#### Appointment restrictions with DOD

DOD falls under a unique law that restricts the appointment of retired military immediately after retirement.

Title 5, USC, Section 3326, restricts the appointment of retired military in the Department of Defense for the first six months following retirement.<sup>24</sup> The initial legislation was in Public Law 89-554, later codified under Title 5.

Selecting officials can obtain relief from the restriction if one of three conditions is met. The first condition is approval of a waiver by an appropriate authority. Within Army, there are several approval levels, e.g., the Assistant Secretary of the Army for Manpower and Reserve Affairs (ASA/M&RA) approves waiver requests for SES appointments. The second condition is if the position is covered by a special salary rate. The third condition requires suspension of the law itself if a national emergency exists.

Concerning the first condition, the law specifically stipulates the following when approving waivers:

"(1) Full consideration, in accordance with placement and promotion procedures of the department concerned, was given to eligible career employees;

(2) When selection is by other than certification from an established civil service register, the vacancy has been publicized to give interested candidates an opportunity to apply;

(3) Qualification requirements for the position have not been written in a manner designed to give advantage to the retired member; and

(4) The position has not been held open pending the retirement of the retired member.'<sup>25</sup>

Enactment of Public Law 89-554 in 1966 was to prevent revolving door appointments of retiring military into DOD civil service positions. The perception at the time was that military were burrowing into top decision-making positions through cronyism or other means. The DOD Civilian Personnel Management Service (CPMS) Virtual Interactive Personnel states the following:

"The restriction applies to all retired military members including those whose retirement is based on medical disability. The purpose of the restriction is to ensure compliance with the merit system principle of open competition to avoid both the practice and appearance of preferential treatment for retired military members. This is essential, not only in the interests of the public and of career employees, but to protect retired military members from unwarranted allegations that they obtained their positions through influence based upon prior service"<sup>26</sup>

#### **Compensation Restrictions**

Finally, Uniformed Service retirement or retainer pay was subject to reductions or capping prior to October 1, 1999. Under the Dual Compensation Act of 1964, retired officers taking a Civil Service position would have their retirement or retainer pay reduced to avoid "double dipping" through two sources of Federal compensation. For example, retired officers could keep the first \$10,450 of their retirement pay, and half of the remainder. The Civil Service Reform Act (CSRA) of 1978 further imposed an overall compensation cap. Combined Civil Service and military retirement pay was capped at the lowest rate of Executive Schedule (political appointee or equivalent) V pay, which in 1999 was \$110,700.<sup>27</sup>

## CHANGES TO THE CIVIL SERVICE SYSTEM THAT AFFECTED RETIRED MILITARY

The above has provided some basic principles on the external application process for Civil Service, internal competition procedures for advancement, the rating and ranking process, appointment restrictions following military retirement, compensation and the role of Veteran's Preference. I will now cover the three changes that directly affected retired military applicants.

## THE VETERANS' EMPLOYMENT OPPORTUNITIES ACT (VEOA) OF 1998

If a veteran meets eligibility requirements under the VEOA, he or she can apply to internal merit promotion announcements if the area of consideration extends beyond the internal agency workforce. For Army, the term agency means the DOD. So if an announcement is open to eligible applicants outside of the DOD, VEOA eligibles may apply.

This was a significant change for military retirees since they normally could only apply for higher graded positions under announcements open to the public. Under such announcements, ranking included application of veteran's preference. Since many retired officers aren't eligible for preference, their chances of being within reach for referral were more limited. As the VEOA reiterates, there is no application of veteran's preference under merit promotion procedures.

According to OPM, the use of VEOA increased significantly in the two years following its implementation. "In Fiscal Year 1999 (the first year of operation) there were 729 VEOA appointments. The following year, there were 4,433 appointments, and in FY 2001, the number doubled to 8,516."<sup>28</sup> Some 90% of these appointments were in DOD or the Department of Veteran Affairs.<sup>29</sup>

The VEOA, in and of itself, does not explain the increase of retired military appointees in senior level positions. But it did allow selecting officials a way to consider retirees and other separated military who were outside of the Civil Service system without going through cumbersome public announcement procedures. It simplified the way retired military could apply for jobs, and allowed evaluation of inside and outside applicants using the same rules.

### ELIMINATION OF THE DUAL COMPENSATION ACT OF 1964

The second major change was elimination of the Dual Compensation Act of 1964. The National Defense Authorization Act of 2000 eliminated any reduction of military retirement pay, either through the Dual Compensation Act or the CSRA. The change, effective October 1, 1999, took the economic disincentive away from Civil Service employment, since retired officers could get full salary and full retirement pay. <sup>30</sup>

This change is probably the most significant for trend analysis purposes because of the monetary benefits. For example, according to OPM pay tables, a GS-15 in the Washington, D.C. area earns \$98,023 at the entry level of step 1. To earn this level of salary and to keep full retirement pay are strong recruitment incentives.

#### SUSPENSION OF WAIVER OF RETIRED MILITARY APPOINTMENTS

On September 14, 2001, President George W. Bush issued a Declaration of National Emergency by Reason of Certain Terrorist Attacks.<sup>31</sup> He declared the country in state of national emergency as of September 11, 2001. There has been no change to this issuance, and will probably be none for the foreseeable future. Thus, one of the conditions for automatic waiver of Title 5, United States Code 3325 is in effect indefinitely.

#### **RETIRED MILITARY APPOINTMENT TRENDS IN ARMY**

The three changes discussed previously -- the VEOA, elimination of Dual Compensation, and suspension of retired military waivers -- have a direct bearing on retired military appointment trends. Appointments in Army senior civilian positions have increased.

For purposes of this paper, senior level positions are the General Schedule (GS)-14, GS-15 and Senior Executive Service (SES) levels. In addition, appointments mean new appointments in the Civil Service for the retired military and new accessions to Army. I only reviewed permanent appointments for my trend analysis, but used all total permanent hires for comparative purposes.

According to the U.S. Office of Personnel Management, the Department of the Army employed almost 230,000 civilians in March 2002. Senior level positions comprised approximately 4% of that number.<sup>32</sup>

Comparative analysis of retired military appointment data with overall permanent hires is below<sup>33</sup>. Total permanent hires data includes internal promotions, reinstatements, transfers and all other permanent appointments. Data captures FYs 97-03 and the first quarter of FY 04.

FY	FY99	FY00	FY01	FY02	FY03	FY04	TOTAL
#HIRES	72	124	250	393	331	118	1288
#RM	25	38	67	108	123	31	392
%RM	35%	31%	27%	27%	37%	26%	30%

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For senior grades in the above FYs, retired military appointments comprised 28% of all GS-14 selections, 38% of all GS-15 selections, and 20% of all SES selections.<sup>34</sup> The overwhelming majority of retired military appointees were retired Army officers.

In addition, for FYs 97 and 98, there were a total of 843 senior level hires. Of these, retirement military appointments accounted for 46 or 5% of the total hires. The next few FYs indicate a steady increase in the actual number of retired military appointments against total hires.

There appears to be an inconsistent pattern in the total number of all hires for FYs 99 and 00. Both years are lower than successive years. There is no available information to explain this anomaly or its validity. However, typical reasons for hiring limitations include hiring freezes due to budget cuts or impending reductions in force.

Data indicate a significant spike in the percentage of retired military appointments in FY 99 when VEOA was effective. In following years, the percentage fluctuates due to overall hires, but the actual number of retired military appointments increases each year.

Approximately 50% of retired military appointments were in the GS-300 occupational family.<sup>35</sup> This family includes program management and administration. The predominant series was the GS-301. In position classification methodology, the GS-301 series is used when a position can't be classified to a specific line of work, and the duties are a combination of functions. <sup>36</sup> Designation of GS-301 series positions to Army Career Program coverage is on a case-by-case basis.

In a recent related study, Army looked at the impact of retired military accessions on Army civilian employment and advancement patterns. Veterans were defined as retired military and one focus was accession rates in grades GS-12 through GS-15. Overall, accessions of retired military into Army civilian positions increased from 15% in FY 89 to almost 50% in FY 03. The biggest increase was in FYs 00-02 with a jump from 25% to almost 40% after the elimination of dual compensation and suspension of retired military waivers. The study also found that retired military were promoted faster than their civilian counterparts at each grade. At grades GS-13 through GS-15, retired military were promoted one year faster and cumulatively, by grade GS-15, three years faster. The study did not look at any effects these trends had on the morale of civilian workers.<sup>37</sup>

#### IMPLICATIONS

I have outlined Civil Service and Army programs, highlighted significant changes that affected retired military, and analyzed the resulting trends. The following looks at the implications of these trends in two areas.

## THE IMPACT ON CIVILIAN CAREER PROGRAMS AND CAREER FIELDS

Data indicates that selection rates are increasing for retired military. Over one-fourth of GS-15 and over one-fifth of SES positions were filled by retired military. These were new appointments to the Army civilian workforce. All data seem to indicate this increase will continue, since the actual number of retired military appointments increases each year.

In addition, this trend could signify two things: (1) Managers are extending areas of consideration under Merit Promotion and (2) selecting officials are increasingly choosing retired military over internal candidates.

### Areas of Consideration

All Army SES announcements are open to the general public<sup>38</sup>. Thus, the area of consideration isn't a variable factor in those selections.

In the past, most career programs issued referrals from central inventories for GS-14 and GS-15 positions. Referral levels were mandatory per AR 690-950. Inventories were only for Army civilian employees, although employees from other agencies could request inclusion. Panels assessed all applicants and those with high enough scores in selected KSAs were referred. Selecting officials could supplement career referrals with lists from public announcements. The latter would have been the typical venue for consideration of retired military.

Department of the Army changed career program referral procedures with the advent of RESUMIX, an automated staffing program.<sup>39</sup> All referrals are now through individual announcements, which can include VEOA applicants if the minimum area of consideration is extended beyond DOD employees. The demise of central referrals improved efficiency and opened the field of competition. However, some Functional Chiefs who oversee career programs do limit to area of consideration for GS-15 positions to Army internal employees (i.e., employees already in the Army civilian system).<sup>40</sup>

The high number of GS-301 positions/selections may also be a factor if they are not in the Career Management system. As such, they would not be under Career Management intake, policies, procedures and FC oversight.

The inference is that expanded areas of consideration for GS-14 and GS-15 positions may be a definitive factor in appointment trends. More in-depth review would indicate if the practice is routine and the reasons for extension, e.g., affirmative outreach to improve representation of women and minorities or the lack of qualified candidates in Army's Career Management system.

As previously stated, the majority of retired military appointments were retired Army officers. According to FY 03 Army Demographics, the Commissioned Officer Corps was 84% male and 76% white<sup>41</sup>. Thus if areas of consideration are extended for diversity reasons, retired Army ranks would seem an unlikely recruitment source. The high number of GS-301 positions/selections may also be a factor if they are not in the Career Management system. As such, they would not be under Career Management policies, procedures and FC oversight.

#### **Civilian and Retired Military Selection Rates**

I can draw no inference from my data on selection rates. Scoring for all applicants is against the same criteria. Once referred as "best qualified", all applicants are equal in status unless there is further assessment, e.g., interview panels. Even a review of applicants' resumes may show differences in the level of expertise or the depth of experience. Professional reputation may also be an intangible factor in selection.

The aforementioned Army Retired Military Accessions study does conclude that veterans, once in the system, receive promotions faster than civilians who enter at the same time and at the same grade. However, this descriptive study did not look at the reasons or the affect on internal employees who are not veterans (retired military).

Army does conduct a biennial civilian attitude survey, which includes civilian employees and supervisors. There was one done in FY 03, but only the results from the FY 01 survey are available currently.

The FY 01 survey assessed the ten most favorable and ten most unfavorable responses by civilian employees. Of the latter, four dealt with filling jobs and promotions. The majority of respondents were not satisfied with the process to fill vacancies. They did not agree that the best qualified were selected for promotions, or that they were treated fairly when it came to placements or promotions. They also did not agree that they had an equal chance for promotion at their installation or activity. <sup>42</sup> Employees may have based their responses on many factors. These could include how long a job was advertised, limited areas of consideration, use of interviews, restrictive KSAs or even non-selection. However, there is no supporting background data to assess the reasons.

Based on existing survey data, there is no research that connects employee attitudes on advancement and retired military appointment trends. However, attitude surveys would be an important indicator concerning the perceptions of interns and mid-level employees who are in career advancement paths toward senior level positions. If more selections are retired military, this could create the perception of disparate or preferential treatment. It could also lead to the perception that the civilian career management system is not competitive.

### THE APPEARANCE OF PREFERENTIAL TREATMENT

DOD's verbiage on retired military waivers states that the law is in place to avoid the appearance of preferential treatment or service connection influence on the selection. The waiver requirement keeps the system honest and protects the retiree from "unwarranted allegations."<sup>43</sup>

Such preferential treatment is sometimes called cronyism or the "Good Old Boy Network (GOBN)" in its more vernacular version. In 2003, Matthew Korade, a senior reporter for the Anniston Star in Alabama, wrote a series of articles on alleged intelligence program improprieties and mismanagement at the U.S. Central Command (CENTCOM).<sup>44</sup> He tied retired military cronyism to the alleged mismanagement. According to Mr. Korade, the wrong people took the blame and problems were not resolved. As a result, morale was low. A retired Army Colonel interviewed for the July 30, 2003 article entitled "No One Came From the Outside" said about CENTCOM: "My feeling was, there was no fresh blood and it was an incestuous place. People made their own jobs there, especially among the civilian force."<sup>45</sup>

Mr. Korade wrote "It wasn't uncommon to see officers retire on a Friday and be back the next Monday morning in civilian clothes. The officers often hand-tailored civilian job descriptions, which they held open and filled themselves after they retired, the sources say." <sup>46</sup>

There were other references to cronyism in the article. In order to get more background information, I conducted a telephonic interview with Mr. Korade on January 15, 2004. I also wanted his viewpoint as an outsider.

I asked him if the complaints on retirees moving into positions could reflect the complaints of disgruntled employees, e.g., those who were not selected for positions. He said that he talked to too many people for this to be the case.

Mr. Korade said that it was common to hire back retirees as civilians, many of them Army military retirees since CENTCOM was an Army-centric command. Some of the jobs they went into were new, or recently vacant. He alleged that some soon-to-be retirees actually wrote the job descriptions themselves.

We discussed the pros and cons of hiring military retirees. Obviously expertise was a definite plus, but he offered "it can create entrenchment by a group of connected insiders and a lack of fresh or new ideas."<sup>47</sup> Mr. Korade said there were several complaints on all of the improprieties to the DOD Inspector General, and at least 60 people, include two SES, were willing to testify.<sup>48</sup> According to Mr. Korade, there are no IG findings yet.

Mike Causey, a former Washington Post columnist who specializes in Federal employment issues, wrote about the anticipated end of dual compensation in 1999.<sup>49</sup> He stated that the law grew from concerns back to Eisenhower's presidency about the military-industrial complex. "The idea behind the dual compensation was to make it less financially attractive for generals and admirals to use the West Point or Annapolis old-boy network to secure jobs in federal agencies they may have helped run when they were military officers." <sup>50</sup> He further stated "Backers of the law say it may run some regulars off but is worthwhile in the long run because it keeps federal agencies – especially in the Defense Department – from being overrun by retired brass."<sup>51</sup> As stated previously, dual compensation ended October 1, 1999, a few months after Mr. Causey's article.

Concerns on preferential treatment, cronyism and the GOBN have been around for a long while, hence the law on appointments within 180 days of retirement. If retired military appointments continue their upward trend, particularly in senior grades, perceptions, concerns and complaints may also.

## RECOMMENDATIONS

Based on my research, data analysis and discussion, upward retired military appointment trends in senior level positions may have an impact on civilian career programs and civilian workforce perceptions. Further research and analysis is necessary to look at these issues more in-depth. I recommend the following:

- Career. Management. Although the Department of the Army is establishing the SAW to strengthen the career management system, the Army G1 should continue to assess career program and merit promotion patterns. Assessment should look at area of consideration decisions, selection patterns of internal and external applicants, and other factors in the recruitment and selection process. This assessment should involve the Career Management Functional Chiefs. This step is important to determine any impact on civilian careerists in the pipeline, i.e. limited advancement, attrition based on same, policy implications, etc.
- Civilian Perceptions. The Army G1 should consider changing the Biennial Civilian Attitude Survey to include reasons for negative responses. This would complement the career management assessment findings and could also uncover perceptions related to retired military appointment trends. G1 should also review grievances and discrimination complaints, in coordination with The U.S. Army Equal Employment Agency (USAEEOA), to determine any growing trends related to retired military appointments. If patterns warrant, G1 should authorize the U.S. Army Civilian Personnel Evaluation Agency (USACPEA) to conduct a special Army wide study.

## CONCLUSION

Retired military appointment trends show a continuing increase in senior level positions in the Department of the Army. These trends seem to be primarily the result of three changes in personnel law or regulations. I assessed the initial implications in two areas – the impact on civilian career programs and the appearance of preferential treatment. The increase in retired military appointments, in addition to other studies on veterans' appointments and advancement, indicates further review is necessary for long-term implications. I have made two recommendations for further assessment in the area of civilian career management and civilian perceptions. Further review will be important to the Department of the Army's recruitment, development, management and retention of the future workforce. It will help to determine if Army's civilian career management system is on the mark for the recruitment and development of future civilian senior leaders. It will also help to identify policies, programs and practices that

require improvement to strengthen the career management system. Finally, this review may assist in the development of new policies and programs, like the SAW, that may enhance Army's reputation as an employer of choice.

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# **ENDNOTES**

<sup>1</sup> Author's Data Request, Defense Civilian Personnel Data System (DCPDS), U.S. Army Civilian Human Resources Agency, Department of the Army, provided January-February 2004.

<sup>2</sup> U.S. House of Representatives, Office of the Law Revision Counsel, United States Code (USC), Enter Title 5, Section 2101. Available from <a href="http://uscode.house.gov/usc.htm">http://uscode.house.gov/usc.htm</a>; Internet; accessed 21 February 2004.

<sup>3</sup> Ibid., Enter Title 10, Section 4021.

<sup>4</sup> Department of Defense, Civilian Personnel Management Service, National Security Personnel Service, <a href="http://www.cpms.osd.mil/nsps/">http://www.cpms.osd.mil/nsps/</a>; Internet; accessed 21 February 2004.

<sup>5</sup> U.S. House of Representatives, Enter Title 5, Section 2301.

<sup>6</sup> Ibid., Enter Title 5, Chapter 21.

<sup>7</sup> U.S. Government Printing Office (GPO), GPO Access, Code of Federal Regulations (CFR), Enter 5CFR213, Hit#17, Executive Service and 5CFR307, Hit#8, Veterans Readjustment Appointments. Available from <a href="http://frwebgate.access.gpo.gov/cgibin/multidb.cgi">http://frwebgate.access.gpo.gov/cgibin/multidb.cgi</a>; Internet; accessed 21 February 2004

<sup>8</sup> Ibid., CFR, Enter 5CFR317, Hit#42, Senior Executive Service.

<sup>9</sup> Ibid., CFR, Enter 5CFR212, Hit#11, Competitive Service.

<sup>10</sup> Ibid., CFR, Enter 5CFR532, Hit#92, Prevailing Rate Systems.

<sup>11</sup> U.S. House of Representatives, Enter Title 5, Section 5104, Classification.

<sup>12</sup> GPO, CFR, Enter 5CFR530, Hit #18, Part 53 0 -- Pay Rates and Systems.

<sup>13</sup> Ibid., CFR, Enter 5CFR330, Hit #69, Part 330 -- Recruitment, Selection and Placement (General)

<sup>14</sup> Ibid., CFR, Enter 5CFR332, Hit#25, Part 332 -- Recruitment and Selection through Competitive Examination.

<sup>15</sup> Office of Personnel Management, VetsInfo Guide, available at <http://www.opm.gov/ employ/veterans/html/vetsinfo.asp>; Internet; accessed 21 February 2004.

<sup>16</sup> Ibid.

<sup>17</sup> GPO, CFR, Enter 5CFR300, Hit#45, Employment (General).

<sup>18</sup> Ibid., CFR, Enter 5CFR335, Hit#11, Part 335—Promotion and Internal Placement.

<sup>19</sup> Department of the Army, *Promotion and Internal Placement*, Army Regulation 690-335 (Washington, D.C. : U.S. Department of the Army, 1 October 1986).

<sup>20</sup> Fully Automated System for Classification (FASCLASS), Random /Review of GS-14, GS-15 and SES Positions, available at <a href="http://cpsfc.belvoir.army.mil/fasclass/inbox">http://cpsfc.belvoir.army.mil/fasclass/inbox</a>; Internet; accessed 24 February 2004.

<sup>21</sup> Department of the Army, Civilian Personnel, Career Management, Army Regulation 690-950 (Washington, D.C.: U.S. Department of the Army, 31 December 2001), 2.

<sup>22</sup> Department of the Army, Overview of the Senior Executive Service, 28 February 2000, available at <a href="http://www.cpocma.army.mil/ses/">http://www.cpocma.army.mil/ses/</a>; Internet; accessed 25 February 2004.

<sup>23</sup> Department of the Army Civilian Personnel On-Line, Civilian Personnel Management System XXI, Strategic Army Workforce, <a href="http://cpol.army.mil/library/civplans/CPMS\_XXI/">http://cpol.army.mil/library/civplans/CPMS\_XXI/</a> index.html>; Internet; accessed 3 February 2004.

<sup>24</sup> Ibid, USC, Enter 5USC3326, Hit#1, Appointments of Retired Members of the Armed Forces.

<sup>25</sup> Ibid.

<sup>26</sup> Department of Defense, Civilian Personnel Management Service, Virtual Interactive Personnel; available from <a href="http://www.cpms.osd.mil/vip/per\_data/685.htm">http://www.cpms.osd.mil/vip/per\_data/685.htm</a>; Internet, accessed 21 February 2004.

<sup>27</sup> Office of Personnel Management; available at <http://www.opm.gov/veterans/vetguide>; Internet; accessed 21 February 2004.

<sup>28</sup> Richard A. Whitford, Acting Associate Director for Employment Policy, U.S. Office of Personnel Management. "Veterans' Employment Issues". Memorandum for Directors of Human Resources and Chief Information Officers, Washington, D.C., 27 March 2002.

29 Ibid.

<sup>30</sup> U.S. Office of Personnel Management, Memorandum and Processing Personnel Actions Instructions, 15 October 1999; available at <a href="http://www.opm.gov/veterans/html/">http://www.opm.gov/veterans/html/</a> repeal\_memo.htm>; Internet; accessed on 21 February 2004.

<sup>31</sup> President George W. Bush, "Declaration of National Emergency by Reason of Certain Terrorist Attacks", Washington, D.C., 14 September 2001; available at <http://www.whitehouse.gov/ news/releases/2001/02/200010914-4.html>; Internet; accesses 21 February 2004.

<sup>32</sup> Office of Personnel Management, Federal Civilian Workforce Statistics, Pay Structure of the Federal Civil Service, Table 3 – Grade Distribution of full-Time General Schedule Employment by Agency, All Areas, as of March 31, 2002; available from <a href="http://www.opm.gov/feddata/02paystru.pdf">http://www.opm.gov/feddata/02paystru.pdf</a>; Internet; Accessed 7 February 2004.

<sup>33</sup> Author's Data Request.

<sup>34</sup> Ibid.

35 Ibid.

<sup>36</sup> Office of Personnel Management, The Classifier's Handbook, available at <a href="http://www.opm.gov/fedclass/clashnbk.pdf">http://www.opm.gov/fedclass/clashnbk.pdf</a>; Internet; accessed 25 February 2004.

<sup>37</sup> Impact of Retired Military Accessions on the GS-123-15 Army Civilian Workforce, Briefing Slides Provided by Murray.Mack@hoffman.asamra.army.mil to marybhannagan@hotmail.com, 1 March 2004.

<sup>38</sup> Department of the Army, Overview of the SES.

<sup>39</sup> Assistant G1 for Civilian Personnel David L. Snyder, *Transition from the Army Civilian Career Evaluation System (ACCES) to Resumix*, Memorandum for See Distribution, Washington, D.C., 8 January 2003.

40 Ibid.

<sup>41</sup> Department of the Army, FY 03 Army Demographics, available from <a href="http://www.armyg1.army.mil/hr/demographics.asp">http://www.armyg1.army.mil/hr/demographics.asp</a>; Internet; accessed 1 March 2004.

<sup>42</sup> Department of the Army FY 01 Civilian Attitude Survey, available from <http://cpol.army.mil/library/civplans/01survey/emp\_2001.pdf>; Internet; accessed 12 January 2004.

<sup>43</sup> Department of Defense, Civilian Personnel Management Service.

<sup>44</sup> Matthew Korade, Senior Reporter, Anniston Star, telephonic interview by author,15 January 2004, Carlisle, PA.

<sup>45</sup> Matthew Korade, "No One Came from the Outside",30 July 2003, available from <a href="http://www.annistonstar.com/showcase/2003/as-specialreport-0730-mkorade-3h05o1024.htm">http://www.annistonstar.com/showcase/2003/as-specialreport-0730-mkorade-3h05o1024.htm</a>; Internet; accessed 12 January 2004.

46 Ibid.

<sup>47</sup> Matthew Korade Interview.

48 Ibid.

<sup>49</sup> Mike Causey, "Civil Service Jobs Could Become More Rewarding for Some Old Soldiers" The Washington Post, 5 May 1999, Sec. B, Pg 07. Database on-line. Available from ProQuest. Accessed 29 January 2004.

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<sup>51</sup> Ibid.

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