

## Favoring the job applications of military veterans has little effect on workforce quality in the U.S. federal government

*For over a century, the U.S. federal government has biased its hiring procedures to increase the employment of military veterans. In a recent study, [Tim Johnson](#) examines the effect of these hiring procedures on the quality of the U.S. federal workforce. Contrary to both conventional wisdom and past research indicating that preferential hiring degrades workforce quality, he finds that veterans who benefit from preferential hiring reach quality benchmarks at rates comparable to other employees working in the same job circumstances.*



Like those [who served in the Vietnam War](#), veterans of recent U.S. military interventions in Iraq and Afghanistan have experienced [higher rates of unemployment than their civilian peers](#). This unemployment pattern has encouraged politicians to revitalize public policies that helped [veterans of prior wars transition into civilian employment](#).

One such policy is veterans' preference, which [offers](#) veterans and some of their kin hiring advantages when they apply for federal jobs. Albeit remarkably successful in achieving its objective—military veterans constitute nearly [30 percent](#) of the U.S. federal civilian workforce—veterans' preference has stirred controversy since its inception. Commentators have argued that because the policy forces managers to make hiring decisions based on a factor supposedly unrelated to job performance, it [fosters the perception](#) that the policy reduces the quality of the federal service or [it actually does reduce quality](#).

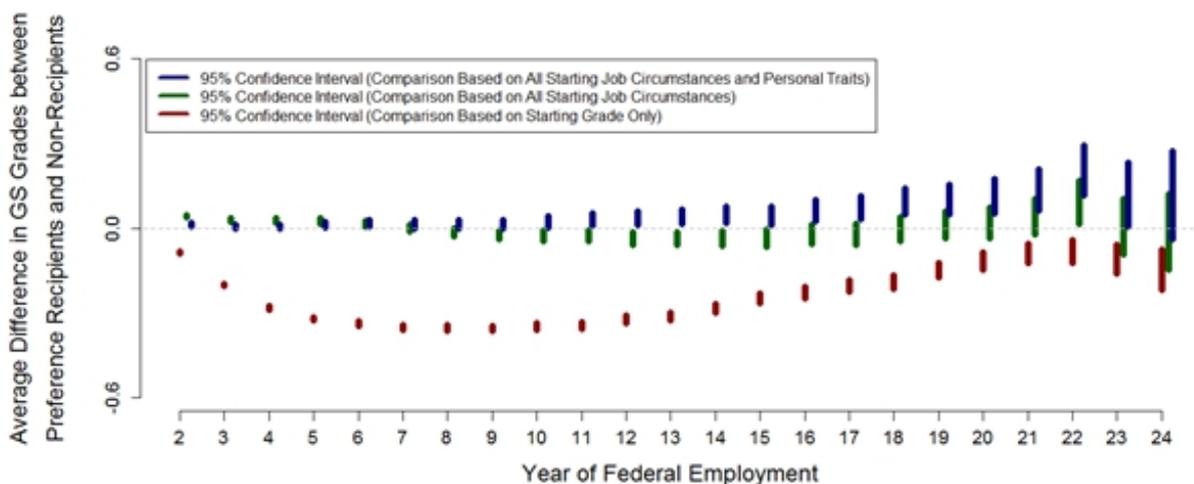
Initial research added force to these claims. [In a path-breaking study](#), Gregory B. Lewis of Georgia State University compared the rates at which military veterans and nonveterans in the U.S. federal service climbed to higher rungs of the General Schedule (GS) – the pay ladder used to rank white-collar, federal jobs. [Past research](#) shows that GS grade increases are linked with employee performance, thus an employee's ascent to higher GS grades can be used as a measure of quality. Recognizing this relationship, Professor Lewis collected a sample of official federal personnel records and identified employees who started in the same GS grade. Then, among these employees, he examined if veterans advanced to upper GS grades at the same pace as nonveterans. The result of his investigation was unambiguous: veterans advance less rapidly, on average, than nonveterans starting at the same place in the GS scale. This finding supported earlier speculation that veterans' preference hurts the overall quality of the federal service.

However, Professor Lewis' study overlooked other factors that might explain the grade attainment of preference recipients relative to non-recipients. That is, to conclude that veterans' preference reduces federal service quality, a study needs to identify whether employees benefiting from veterans' preference exhibit less quality than the job seekers who would have been hired had veterans' preference never been implemented in the first place. That means examining the GS grade advancement of preference recipients and non-recipients hired into the same, overall job circumstances.

[My recent research](#) has made such comparisons, some of which are presented in Figure 1, below. The figure shows how the estimated difference between preference recipients' and non-recipients' GS grades vary over each of the first 24 years of their federal service. Estimated differences are displayed as 95 percent confidence intervals—that is, [the interval in which, given the study data, one can be 95 percent confident that the true difference rests](#). The red lines in the figure represent 95 percent confidence intervals when statistical analyses only control for an employee's GS grade, whereas the green lines represent 95 percent confidence intervals when controlling for an employee's job circumstances upon entry—that is, the employee's starting occupation, agency, work location, GS grade, and entry year. The blue lines represent 95 percent confidence intervals when also controlling for employees' personal characteristics—such as race, gender, age, and education—in addition to job

circumstances upon entry.

**Figure 1 – Estimated difference between preference recipients’ and non-recipients’ General Schedule grades over first 24 years of federal service**



**Note: Data used to compute these estimates were drawn from complete U.S. federal personnel records from 1974-1997**

As Figure 1 shows, statistical estimates resulting from comparisons of employees entering in the same starting grade show that preference recipients achieve lower grade levels than employees who did not receive preference—as past research would predict. However, when comparisons focus on subsets of recipients and non-recipients who enter employment in the same job circumstances, differences in GS grade more-or-less disappear. Indeed, in the opening years of federal employees’ careers, veterans’ preference recipients, on average, reach higher grades at a quicker pace than employees who did not benefit from veterans’ preference. This more rapid advance disappears after the first half-decade of service, when non-recipients obtain higher grades, on average, than preference recipients. However, as federal employees approach and enter their third decade of service, evidence provides little confidence that grade attainment differs between recipients and non-recipients. Moreover, as indicated by the blue lines in the figure, estimates from analyses controlling for personal characteristics and entry-job circumstances show that veterans’ preference recipients earn the same or higher grades, on average, across the first 24 years of their careers.

These findings challenge the unreserved claim that veterans’ preference undermines workforce quality in the U.S. federal government, but they warrant a careful interpretation. First, the data used in the analysis date from a by-gone era: 1974-1997. The nature of federal government work may have changed in ways that makes the present estimates irrelevant to understanding the effect of veterans’ preference on the quality of the current federal workforce. Second, other entry-job attributes might affect the General Schedule grade attainment of federal employees; if the present statistical methods overlook these factors, then current estimates would be biased. Finally, [recent evidence](#) suggests that federal employees who claim to have witnessed improper administration of veterans’ preference show weaker job engagement and a stronger interest in leaving their current organization. Thus, even if preference recipients appear to exhibit the same quality as other employees, veterans’ preference might diminish overall workforce performance by reducing the morale of nonveterans.

Yet, viewed in concert with those caveats, my research suggests that preferentially hiring veterans might not hurt workforce quality. This raises the possibility that, upon their return from military service, veterans may benefit their communities through a new form of service: civil service.

*This article is based on the paper, ‘Service after Serving: Does Veterans’ Preference Diminish the Quality of the*

*US Federal Service?*, in the *Journal of Public Administration Research and Theory*.

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