

The Federal Civil Service Hiring System is Out of Balance

There is widespread dissatisfaction with the system for hiring into the Federal civil service. Perhaps it is worth examining how well the Government is living up to what I call the four core values of that system. They are:

1. Hiring must be merit-based, with selection “determined solely on the basis of relative ability, knowledge, and skills.”
2. There must be “fair and open competition” for Federal jobs “which assures that all receive equal opportunity.”
3. The Government should “endeavor to achieve a workforce from all segments of society.”
4. Military veterans shall receive preference for Federal jobs¹.

Few would argue with the wisdom of these values in the abstract, but in practice, the first three values appear underemphasized.

Before looking at outcomes in federal hiring, however, it is worthwhile to recount how the environment for Federal hiring has changed in recent decades. Key changes include:

- *Widespread abandonment of aptitude testing.* Until the 1970s, the Government administered aptitude tests for entry into the civil service, but they were abandoned in the face of claims that the tests were discriminatory. Replacement tests have not been widely used.
- *Delegation of examining authority.* In the 1990s, authority to examine for appointment was delegated from OPM to over 600 offices in executive agencies.
- *Increased access to job information and ease of application.* The proliferation of personal computers and broadband web connectivity have made it easier for individuals to learn about Federal job openings and to apply for them. The application process was made even easier in 2010, when the President prohibited agencies from requiring knowledge, skills, and abilities (KSA) essays as part of an initial application. HR offices now rely heavily on representations that applicants make in their resumés and in online self-assessments to determine who is qualified for a position.

One constant throughout this time has been a strong form of veterans’ preference. Under the rating and ranking system that was used until 2010, before an agency could extend a job offer to a non-veteran, it was required to notify any disabled veteran who had achieved a passing examination score that it intended to pass him or her over, allow the veteran to respond, and obtain permission from the Office of Personnel Management (OPM) to hire the non-veteran². In 2010, the President ordered agencies to use category rating instead of rating and ranking. Applicants do not receive numerical scores under category rating, but an agency must nevertheless follow the pass over procedure just described when it wants to select a non-veteran over a minimally-qualified disabled veteran. Justification is also required (although there is no

¹ The four principles set forth above are part of the civil service laws. See 5 U.S.C. §§ 2301(b)(1), 3309 - 3320.

² See 5 U.S.C. §§ 3313, 3318.

OPM involvement) when an agency wishes to select a non-veteran and there is a non-disabled veteran in the best-qualified category of applicants³.

The changes outlined above, combined with the veterans' preference rules, have produced some striking outcomes⁴. For example, from 2002 to 2012, agencies used the mainstay hiring method—a competitive examination under which any U.S. citizen may apply—less than half the time in filling positions⁵. When HR officials were asked why competitive examination was not used more often, 28% said that a veteran who had applied “block[ed] the list” and made it effectively impossible to hire the preferred candidate⁶. When competitive examination was used in 2012, 64% of individuals hired were men, and over 75% of individuals hired in 2012 under special authorities for veterans were men⁷. As depicted in the chart to the right, although women made up 47% of the U.S. labor force and 52% of the U.S. adult non-institutionalized population in 2012, they made up just 37% of new hires in the Federal government in 2012⁸. Further, although veterans made up 8% of the U.S. labor force and 9% of the U.S. adult non-institutionalized population in 2014, they made up 40% of all new hires in the Federal government in 2014⁹.

In fact, when the HR office in one large agency determines that a significant number of disabled veteran applicants meet minimum qualifications for a position, it provides the selecting official with the veterans' applications only. The applications of the non-veterans, no matter how impressive they may be, are never even seen by the selecting official.

The discussion above suggests that women and non-veterans may be systematically disadvantaged by the Federal hiring system, and that managers are not always allowed to hire—and sometimes not even allowed to know about—the best-qualified job applicants. If the four core values of Federal hiring are to be brought into better balance, then competition for Federal jobs should be more fair and open, the under-representation of women and non-veterans should be addressed, and managers should have more opportunities to select the best-qualified applicants.

Representation of...	Veterans	Women
In the U.S. civilian population	9%	52%
In the U.S. labor force	7.5%	47%
Among new Federal hires	40%	37%

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³ The rules for category rating can be found at 5 U.S.C. § 3319 and 5 C.F.R. §§ 337.301 - 337.305. Veterans' preference operates differently for professional and scientific positions at the GS-9 level or above.

⁴ This discussion pertains to hiring under Title 5 of the U.S. Code, which governs most of the executive branch; it does not include hiring under systems outside of Title 5.

⁵ U.S. MSPB. *The Impact of Recruitment Strategy on Fair and Open Competition for Federal Jobs*, January 2015, pg. 19.

⁶ *Id.* pg. 16.

⁷ *Id.* pg. 20.

⁸ Sources: U.S. Census Bureau and MSPB analysis of data from OPM's Central Personnel Data File.

⁹ Sources: Bureau of Labor Statistics; Office of Personnel Management.